

HEREFORD MUNICIPAL CHARITIES

England & Wales · Charity number 218738

Details

Other names	HEREFORD MUNICIPAL CHARITIES (INCLUSIVE OF THE HEREFORD MUNICIPAL EDUCATIONAL FOUNDATION)
Status	Registered
Legal form	Other
Registered	1972-04-24
Register	View on the Charity Commission register

Contact

Address	147 St. Owen Street Hereford HR1 2JR
Phone	01432354002
Email	clerk@herefordalmshouses.co.uk

Activities

Objects: SEE INDIVIDUAL CONSTITUENTS

Activities: These are the combined charities of the City of Hereford within the city boundaries of 1972, and Almshouse and grants can only be made to residents living in this area.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** HEREFORD
- Herefordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£452,327	£266,491	-	-
2023-12-31	£440,456	£243,884	-	-
2022-12-31	£233,514	£201,538	-	-
2021-12-31	£405,683	£189,212	-	-
2020-12-31	£425,669	£207,399	-	-

Trustees

Name	Role	Appointed
POLLY ANDREWS	Chair	
David Ludwig Howerski		2021-01-01
Denis Brian Wilcox JP		2022-06-01
Elizabeth Foxton		2020-07-01
Hugh Brooks		2024-03-15
Marian Hawkes		2015-05-01
Paul Morris		2018-01-01
Rhianon Robinson		2024-01-19
Susan Boulter		2015-09-01

Linked charities

- JOHN ABRAHALL(ELEEMOSYNARY BRANCH) (218738-1)
- JANE DAVIES(ALMSHOUSE BRANCH) (218738-10)
- HENRY M DREW(ALMSHOUSE BRANCH) (218738-11)
- HELEN GLINN(ALMSHOUSE BRANCH) (218738-12)
- GEORGE HOLLOWAY(ALMSHOUSE BRANCH) (218738-13)
- SYMONDS'S PENSION CHARITY(ALMSHOUSE BRANCH) (218738-14)
- CAROLINE THOMPSON ALMSHOUSES(ALMSHOUSE BRANCH) (218738-15)
- SARAH WARD(APPRENTICING AND EDUCATIONAL BRANCH) (218738-16)
- JANE DOWLES(APPRENTICING AND EDUCATIONAL BRANCH) (218738-18)
- WILLIAM HARPER(APPRENTICING AND EDUCATIONAL BRANCH) (218738-19)
- THOMAS SYMONDS(ELEEMOSYNARY BRANCH) (218738-2)
- THE DUKE OF CHANDOS FOR THE POOR(ELEEMOSYNARY BRANCH) (218738-20)
- RICHARD GARDINER'S ELEEMOSYNARY CHARITY(ELEEMOSYNARY BRANCH) (218738-21)
- HERBERT GELDER (218738-22)
- LAZARUS OR SICK MAN'S HOSPITAL(THE ALMSHOUSE BRANCH) (218738-23)
- PRICE'S HOSPITAL(ALMSHOUSE BRANCH) (218738-24)
- ST GILES'S HOSPITAL(ALMSHOUSE BRANCH) (218738-25)
- THE DUKE OF CHANDOS FOR ST GILES'S HOSPITAL(ALMSHOUSE BRANCH) (218738-26)
- PHILIP TRAHERON(ALMSHOUSE BRANCH) (218738-27)
- TRINITY HOSPITAL(ALMSHOUSE BRANCH) (218738-28)
- WILLIAMS'S HOSPITAL(ALMSHOUSE BRANCH) (218738-29)
- RICHARD VICARS(ELEEMOSYNARY CHARITY) (218738-3)
- WILLIAM LEINTHALL(ELEEMOSYNARY BRANCH) (218738-30)
- JOHN LEWIS(APPRENTICING AND EDUCATIONAL BRANCH) (218738-31)
- THE CHARITY OF ALICE ROBERTS FOR ALMSHOUSES (218738-32)
- RICHARD GARDINER'S APPRENTICING AND EDUCATIONAL CHARITY (218738-34)
- JOHN WALTER(ELEEMOSYNARY CHARITY) (218738-4)
- THE ANNIE HALL FUND(ELEEMOSYNARY CHARITY) (218738-5)
- THE EMILY MERRICK FUND(ELEEMOSYNARY CHARITY) (218738-6)
- PROVIDENT OLD WOMEN'S PENSION CHARITY(ELEEMOSYNARY BRANCH) (218738-7)
- WILLIAM BRYDGES(ELEEMOSYNARY BRANCH) (218738-8)
- EMMA CAM'S CHARITY(ALMSHOUSE BRANCH) (218738-9)

HEREFORD MUNICIPAL CHARITIES

England & Wales - Charity number 218738

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2024
for
Hereford Municipal Charities

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Hereford Municipal Charities

Contents of the Financial Statements
for the Year Ended 31 December 2024

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Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No.: 218738

Office: 147, St. Owen Street, Hereford, HR1 2JR.

Names of Trustees:

Mrs Polly Andrews (Chairman)

Cllr Susan Boulter

Cllr Elizabeth Foxton

Mrs Marian Hawkes

Mr David Howerski

Mr Paul Morris

Mr Brian Wilcox

Ms Rhianon Robinson (appointed 19 January 2024)

Mr Hugh Brooks (appointed 15 March 2024)

Chief Executive Officer and Clerk: Peter Cabara (from 01.01.2024)

Accounts Administrator and General Assistant: Ms Edwina Haffenden

Bankers: National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

Solicitors: Gabbs (Solicitors), 14 Broad St, Hereford, HR4 9AP

Auditors: Thorne Widgey, 2 Wyevale Business Park, Kings Acre, Hereford, HR4 7BS

Investment Advisers: CCLA Investment Management Ltd, Cheapside, London

Land Agents: Sunderlands, St. Peter's Square, Hereford, HR1 2PQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Charity Commission Scheme sealed on 24th April 1972.

Recruitment and appointment of new trustees

The Board of Trustees consists of up to 10 competent persons, namely, two Nominative Trustees and eight Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for a term of five years (renewable for not more than two terms) by a resolution of the Co-optative Trustees, passed at a Special Meeting; Trustees whose terms are expiring may not vote on the matter.

Organisational structure

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2024

The Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. There is a time limit of three years for the positions of Chairman and Deputy Chairman. At the AGM in January 2024, Mrs Polly Andrews was re-elected Chairman and Mr Paul Morris was re-elected as Deputy Chairman.

A Special Meeting may be summoned by the Chairman or by two Trustees, upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

There is a quorum when five Trustees are present at a meeting.

Every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

Committees

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. In year 2024, there were following Committees:

Almshouses Branch:

Pastoral Committee: this comprises of four Trustees and deals with the selection and appointment of residents and their subsequent welfare. One of the Committee members is selected as Lead (Mrs Marian Hawkes during year 2024). It meets as necessary.

Eleemosynary and Educational Branch:

Grants Committee: this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants in person in HMC office. It meets four times a year, although the Chairman of the Board of Trustees has executive authority to deal as necessary with urgent applications between meetings.

Working Group on Almshouses Maintenance: In 2024 this has been extended to all Board members present at the General Meetings. The Clerk keeps under review the condition of the Almshouses, reporting on necessary remedial and improvement work to the Board of Trustees. The Board of Trustees then discusses and approves the works during the General Meetings.

Management

Chief Executive Officer and Clerk: the Trustees appoint a fit person for the day-to-day running of the Trustees' business as well as providing suitable office accommodation and ancillary support. The current appointee is Mr Peter Cabara.

Chaplain: the Trustees appoint a Minister of Religion or a licensed Reader as Chaplain of St. Giles' and Williams' Hospitals (at present, Diane Bates) and another Minister of Religion or licensed Reader as Chaplain of Price's Chapel (at present, Steve Vince).

Good Neighbours: the Trustees have designated the following residents to be the Good Neighbours at the two sites, in order to provide support and assistance to the residents:

- St Owen St/Ledbury Rd: Mr Gary Cook
- Whitecross Road/Bricknell Close: Mrs Dawn Jones

Related parties

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both of which charities share common trustees with the Hereford Municipal Charities. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

Risk management

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2024

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

Almshouse residents

During the year, one resident died (Mr Kevin Pounder). Three residents (Mr Paul Murphy, Mrs Barbara James, Mrs Margaret Wheatstone) moved elsewhere. One resident moved within the scheme for medical reasons (Mrs Beryl Lewis). Four new residents (Mrs Elsie Reece, Mr Anthony Floyd, Mr Thomas Bevan, Mrs Mandy Moreton) were appointed to almshouses.

Public benefit

The Charities meet the public benefit test by providing affordable housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents of the City through grants for course/training fees and materials.

In drafting this report, the Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to the public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, the Trustees approved a wide range of maintenance improvements during 2024. This included major adaptations to Almshouses, whenever they became vacant, including the installation of accessible showers and bathrooms and the fitting of new kitchen units. In the last five years alone, more than £1million pounds have been spent on renovations, maintenance and repairs to the Almshouses. In addition, the grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The residents continued to enjoy a variety of benefits, including the Christmas Luncheon, which was held again in December 2024 at the Green Dragon Hotel in Hereford, an occasion much enjoyed by the residents in a relaxed and friendly pre-Christmas gathering.

In November 2024, the Trust purchased 8 terraced bungalows at Chandos and White Horse Street in Hereford from the Ancient Order of Foresters. The properties were leased to Connexus Housing Association until November 2024. The purchase price was £800000. The renovation of the properties started in 2025. All 8 properties are identical 1 bed bungalows, with an access to a green yard back area, which will provide space to enjoy the communal life and supports the almshouse accommodation ethos.

In addition to the provision of low-cost affordable housing to residents of Hereford city, the Charity continued to help in the relief of poverty through the provision of grants, via the Eleemosynary Fund, to needy people in the city for essential household goods and furniture. Through the Educational and Training Fund, the Charity also gave grants to local residents in the City to assist in education and training.

Fundraising activities

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

FINANCIAL REVIEW

Financial position

The results for the year show a surplus of £308,093 (2023: £542,593), after investment gains of £122,257 (2023: £346,021). Net assets amounted to £8,103,911 (2023: £7,795,818). There has been an increase in Almshouse Income of 9.24% (2023: decrease 4.45%) which continues to help to support the continuing programme of repairs and maintenance. Dividend income decreased by 9.2% (2023: increased by 13.11%), while the overall market value of listed investments rose by 2.11% this year after being affected by the current economic climate in the UK, (2023: rose by 7.18%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2024.

Administrative costs

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

Principal funding sources

The principal funding source of the charity is the monthly maintenance charge received from the residents of the Almshouses, along with dividend and interest income from the investments.

Investment policy and objectives

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunslan Farm), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords and contribute to improvements in the farm. The surplus subsidises the Almshouse Branch.

The Trustees and the Clerk visited the farm in October 2024 and were very pleased to see, that the farm is kept in perfect order. The farm's value was reviewed by the Trustees' Land Agent in August 2021. It saw an increase in value from £825,000 to £1,320,000. The Trustees have approved a request for a new valuation which is due in 2025.

The Trustees have approved a request from Mr Mark Bufton to refurbish the corrugated roof on the Dutch Barn, to replace a rotten sliding door, to refurbish the rotten parts on the main house back porch and to re-point the chimney on the main house.

Reserves policy

The Trustees regularly review the level of reserves available (both unrestricted and restricted) and have considered the balance between the need to use some reserves to take advantage of key opportunities to advance the work and development of the organisation, and to ensure that a secure financial base is maintained.

Total reserves at the balance sheet date totalled £8,103,911 (2023: £7,795,818). Of this £485,524 (2023: £485,524) was restricted funds and £5,508,169 (2023: £5,435,592) endowment funds.

The Trustees wish to retain unrestricted funds at a level equivalent to one year's income.

The current reserves exceed this as a matter of prudence in the current economic climate. Free reserves (i.e. unrestricted funds less fixed assets) at the year amounted to £1,410,218 (2023: £1,874,702) as shown on the balance sheet.

FINANCIAL REVIEW

Going concern

The Trustees believe that their accounts are in a sound financial position to continue for the foreseeable future, as noted above (Fundamentals of the Charities): they do not need to fund-raise or actively seek bequests.

Further details are provided in the accounting policies note, included in the notes to the financial statements.

PLANS FOR THE FUTURE (2025 AND BEYOND)

The Trustees have decided to re-assess the Good Neighbours Scheme to adapt to current needs on both sites - Bricknell Close and St Owen Street. The Good Neighbours Scheme is not a statutory service, but it proved to be very beneficial and appreciated by the residents. The scheme has been finalised with having one Good Neighbour (Mrs Dawn Jones in 2024) at the Bricknell Close site and one Good Neighbour at the St Owen Street site (Mr Gary Cook in 2024).

The Trustees have approved an installation of 3 passenger lifts serving the properties 1 -12 Bricknell Close. The works are due to commence in 2025.

The Trustees have accepted a quote from Mark Bishop Fire and Security Ltd to refurbish the current fire safety system. The works are due to commence in 2025.

The Trustees will continue their well-tried policy of improving and renovating the almshouses.

CONCLUSION

Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouse residents and the citizens of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

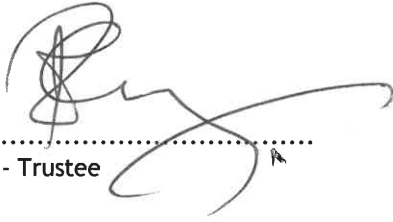
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hereford Municipal Charities

Report of the Trustees
for the Year Ended 31 December 2024

Approved by order of the board of trustees on 20.6.25 and signed on its behalf by:



.....
Mrs P Andrews - Trustee

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Opinion

We have audited the financial statements of Hereford Municipal Charities (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thorne Widgery Accountancy Ltd

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:*30/6/25*.....

Hereford Municipal Charities

Statement of Financial Activities
for the Year Ended 31 December 2024

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.24 Total funds £	31.12.23 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Almshouses		325,740	-	-	325,740	298,197
Investment income	2	126,287	-	-	126,287	139,105
Other income		300	-	-	300	3,154
Total		452,327	-	-	452,327	440,456
EXPENDITURE ON						
Raising funds		4,345	-	-	4,345	3,871
Charitable activities						
Almshouses		258,628	-	-	258,628	234,560
Eleemosynary		2,728	-	-	2,728	2,829
Apprenticing and educational		790	-	-	790	2,624
Total		266,491	-	-	266,491	243,884
Net gains on investments		49,680	-	72,577	122,257	346,021
NET INCOME		235,516	-	72,577	308,093	542,593
RECONCILIATION OF FUNDS						
Total funds brought forward		1,874,702	485,524	5,435,592	7,795,818	7,253,225
TOTAL FUNDS CARRIED FORWARD		2,110,218	485,524	5,508,169	8,103,911	7,795,818

CONTINUING OPERATIONS

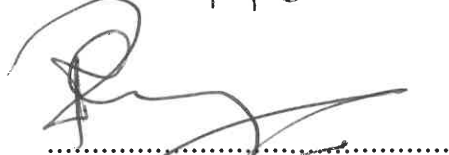
All income and expenditure has arisen from continuing activities.

Hereford Municipal Charities

Balance Sheet
31 December 2024

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.24 Total funds £	31.12.23 Total funds £
FIXED ASSETS						
Tangible assets	9	700,000	480,932	671,758	1,852,690	1,152,690
Investments						
Investments	10	-	-	3,516,411	3,516,411	3,443,834
Investment property	11	-	-	1,320,000	1,320,000	1,320,000
		<u>700,000</u>	<u>480,932</u>	<u>5,508,169</u>	<u>6,689,101</u>	<u>5,916,524</u>
CURRENT ASSETS						
Debtors	12	103,941	-	-	103,941	68,494
Investments	13	1,022,426	-	-	1,022,426	972,747
Cash at bank and in hand		306,634	4,592	-	311,226	866,420
		<u>1,433,001</u>	<u>4,592</u>	<u>-</u>	<u>1,437,593</u>	<u>1,907,661</u>
CREDITORS						
Amounts falling due within one year	14	(22,783)	-	-	(22,783)	(28,367)
		<u>1,410,218</u>	<u>4,592</u>	<u>-</u>	<u>1,414,810</u>	<u>1,879,294</u>
NET CURRENT ASSETS						
		<u>1,410,218</u>	<u>4,592</u>	<u>-</u>	<u>1,414,810</u>	<u>1,879,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>2,110,218</u>	<u>485,524</u>	<u>5,508,169</u>	<u>8,103,911</u>	<u>7,795,818</u>
NET ASSETS						
		<u>2,110,218</u>	<u>485,524</u>	<u>5,508,169</u>	<u>8,103,911</u>	<u>7,795,818</u>
FUNDS						
	15					
Unrestricted funds					2,110,218	1,874,702
Restricted funds					485,524	485,524
Endowment funds					5,508,169	5,435,592
TOTAL FUNDS						
					<u>8,103,911</u>	<u>7,795,818</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20/6/25 and were signed on its behalf by:


.....
P Andrews - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are allocated to the charitable activities on the following basis:

Almshouses 93%

Eleemosynary 5%

Apprenticing and educational 1%

Tangible fixed assets

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

Investment property

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors. This was revalued at 18 August 2021. The property is valued every 7 years or when the trustees deem there to be a material change in its value.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds exist in the form of tangible fixed assets and investments.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset and current investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.24 Total funds £	31.12.23 Total funds £
Rents received	17,111	-	-	17,111	17,111
Dividends and interest	109,176	-	-	109,176	121,994
	<u>126,287</u>	<u>-</u>	<u>-</u>	<u>126,287</u>	<u>139,105</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

3. GRANTS PAYABLE

	31.12.24	31.12.23
	£	£
Almshouses	5,991	2,815
Eleemosynary	-	900
Apprenticing and educational	-	2,080
	<u>5,991</u>	<u>5,795</u>

4. SUPPORT COSTS

	Other	Governance costs	Totals
	£	£	£
Almshouses	37,686	10,619	48,305
Eleemosynary	2,003	725	2,728
Apprenticing and educational	501	289	790
	<u>40,190</u>	<u>11,633</u>	<u>51,823</u>

5. AUDITORS' REMUNERATION

	31.12.24	31.12.23
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>6,421</u>	<u>5,183</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

During the year ended 31 December 2024, expenses totalling to £257 were reimbursed to 4 Trustees (2023: £nil).

7. STAFF COSTS

	31.12.24	31.12.23
	£	£
Wages and salaries	28,261	21,821
Other pension costs	5,456	2,486
	<u>33,717</u>	<u>24,307</u>

Key Management Remuneration

The key management personnel of the charity is considered to be the trustees and the Chief Executive Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £17,060 (2023: £13,850).

The average monthly number of employees during the year was as follows:

	31.12.24	31.12.23
Administrative staff	<u>3</u>	<u>2</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

7. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Almshouses	298,197	-	-	298,197
Investment income	139,105	-	-	139,105
Other income	3,154	-	-	3,154
Total	440,456	-	-	440,456
EXPENDITURE ON				
Raising funds				
Raising funds	3,871	-	-	3,871
Charitable activities				
Almshouses	234,560	-	-	234,560
Eleemosynary	2,829	-	-	2,829
Apprenticing and educational	2,624	-	-	2,624
Total	243,884	-	-	243,884
Net gains on investments	94,646	-	251,375	346,021
NET INCOME	291,218	-	251,375	542,593
RECONCILIATION OF FUNDS				
Total funds brought forward	1,583,484	485,524	5,184,217	7,253,225
TOTAL FUNDS CARRIED FORWARD	1,874,702	485,524	5,435,592	7,795,818

9. TANGIBLE FIXED ASSETS

	Housing Association Property £	Almshouse Property £	Long leasehold £	Totals £
COST				
At 1 January 2024	480,932	671,758	-	1,152,690
Additions	-	-	700,000	700,000
At 31 December 2024	480,932	671,758	700,000	1,852,690
NET BOOK VALUE				
At 31 December 2024	480,932	671,758	700,000	1,852,690
At 31 December 2023	480,932	671,758	-	1,152,690

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

9. TANGIBLE FIXED ASSETS - continued

Included in cost or valuation of land and buildings is freehold land of £1,852,690 (2023 - £1,152,690) which is not depreciated.

Property has been valued based on the 1972 valuations at the time of the establishment of the charity commission scheme, subsequent purchases have been valued at cost.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	3,443,834
Revaluations	<u>72,577</u>
At 31 December 2024	<u>3,516,411</u>
NET BOOK VALUE	
At 31 December 2024	<u>3,516,411</u>
At 31 December 2023	<u>3,443,834</u>

There were no investment assets outside the UK.

	31.12.24 £	31.12.23 £
TOTAL INVESTMENT IN SHARES		
Market value at 1 Jan 2024	4,416,581	4,120,560
Addition at cost		
Disposal at book value	-	(50,000)
Net unrealised gains/(losses)	<u>122,257</u>	<u>346,021</u>
Market value at 31 Dec 2024	<u>4,538,838</u>	<u>4,416,581</u>

	31.12.24 £	31.12.23 £
SHARE INVESTMENTS SPLIT BY FUND		
Endowment	3,516,412	3,443,834
General	862,260	824,178
Designated	<u>160,166</u>	<u>148,569</u>
	<u>4,538,838</u>	<u>4,416,581</u>

The investment fund comprises both fixed asset investments and current asset investments.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

Cost or valuation at 31 December 2024 is represented by:

	Listed investments
	£
Valuation in 2024	1,865,926
Cost	<u>1,650,485</u>
	<u>3,516,411</u>

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2024	
and 31 December 2024	<u>1,320,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>1,320,000</u>
At 31 December 2023	<u>1,320,000</u>

The investment property consisting of land and buildings has not been depreciated in the year.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Other debtors	5,553	2,219
Expense recoverable	51,706	21,610
Prepayments and accrued income	<u>46,682</u>	<u>44,665</u>
	<u>103,941</u>	<u>68,494</u>

13. CURRENT ASSET INVESTMENTS

	31.12.24	31.12.23
	£	£
Listed investments	<u>1,022,426</u>	<u>972,747</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Taxation and social security	1,415	934
Other creditors	21,368	27,433
	<u>22,783</u>	<u>28,367</u>

15. MOVEMENT IN FUNDS

	At 1.1.24	Net movement in funds	At 31.12.24
	£	£	£
Unrestricted funds			
Unrestricted Almshouse fund	1,617,212	202,732	1,819,944
Designated Extraordinary repair fund	143,055	11,473	154,528
Designated Eleemosynary fund	93,526	18,461	111,987
Designated William Brydges fund	3,816	37	3,853
Designated Apprenticing and Educational fund	14,506	1,988	16,494
Designated Herbert Gelder fund	2,587	825	3,412
	<u>1,874,702</u>	<u>235,516</u>	<u>2,110,218</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	5,435,592	72,577	5,508,169
	<u>7,795,818</u>	<u>308,093</u>	<u>8,103,911</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
Unrestricted Almshouse fund	427,623	(262,973)	38,082	202,732
Designated Extraordinary repair fund	-	-	11,473	11,473
Designated Eleemosynary fund	21,189	(2,728)	-	18,461
Designated William Brydges fund	37	-	-	37
Designated Apprenticing and Educational fund	2,653	(790)	125	1,988
Designated Herbert Gelder fund	825	-	-	825
	<u>452,327</u>	<u>(266,491)</u>	<u>49,680</u>	<u>235,516</u>
Endowment funds				
Endowment fund	-	-	72,577	72,577
	<u>452,327</u>	<u>(266,491)</u>	<u>122,257</u>	<u>308,093</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
Unrestricted Almshouse fund	1,353,620	263,592	1,617,212
Designated Extraordinary repair fund	134,693	8,362	143,055
Designated Eleemosynary fund	75,551	17,975	93,526
Designated William Brydges fund	3,778	38	3,816
Designated Apprenticing and Educational fund	14,064	442	14,506
Designated Herbert Gelder fund	1,778	809	2,587
	<u>1,583,484</u>	<u>291,218</u>	<u>1,874,702</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	5,184,217	251,375	5,435,592
	<u>5,184,217</u>	<u>251,375</u>	<u>5,435,592</u>
TOTAL FUNDS	<u>7,253,225</u>	<u>542,593</u>	<u>7,795,818</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	416,203	(238,431)	85,820	263,592
Designated Extraordinary repair fund	-	-	8,362	8,362
Designated Eleemosynary fund	20,804	(2,829)	-	17,975
Designated William Brydges fund	38	-	-	38
Designated Apprenticing and Educational fund	2,602	(2,624)	464	442
Designated Herbert Gelder fund	809	-	-	809
	<u>440,456</u>	<u>(243,884)</u>	<u>94,646</u>	<u>291,218</u>
Endowment funds				
Endowment fund	-	-	251,375	251,375
	<u>-</u>	<u>-</u>	<u>251,375</u>	<u>251,375</u>
TOTAL FUNDS	<u>440,456</u>	<u>(243,884)</u>	<u>346,021</u>	<u>542,593</u>

Unrestricted Funds

Unrestricted Almshouse fund (Almshouse Branch) - the provision of low cost social housing to the residents of the City of Hereford.

Designated Extraordinary Repairs fund (Almshouse Branch) - the provision of extraordinary repairs, improvements or rebuilding the Almshouses and other property belonging to the Almshouse branch.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

15. MOVEMENT IN FUNDS - continued

Designated Eleemosynary fund (Eleemosynary Branch) - to provide relief of poverty through the provision of grants to needy people in the City of Hereford for essential household goods and items.

Designated William Brydges fund (Eleemosynary Branch) - to be applied in educating and training and relieving poverty and sickness among persons resident in the City of Hereford.

Designated Apprenticing and Educational fund (Apprenticing and Educational Branch) - to be applied for the benefit of children or young persons who are residents in the City of Hereford and who are in need of financial assistance.

Designated Herbert Gelder Charity fund - for the benefit of the residents of the Almshouse branch and the relief of poor old persons resident in the City of Hereford either in gifts in kind or grants of money.

Restricted Funds

Fixed asset Almshouse fund - the value of the housing association houses.

Muriel Fildes' fund - the legacy which has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

Endowment funds are made up of the value of the Almshouses, the farm investment property and fixed asset investments.

16. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

The Millar Charity Fund

During the year expenditure of £24,481 (2023: £17,476) was recharged to the Millar Charity. At the year end £41,957 (2023: £17,476) was due from the charity.

The Tudor Champion Fund

During the year expenditure of £5,615 (2023: £4,133) was recharged to the Tudor Champion Fund. At the year end £9,749 (2023: £4,133) was due from the charity.

17. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

Hereford Municipal Charities

Detailed Statement of Financial Activities
for the Year Ended 31 December 2024

	31.12.24 £	31.12.23 £
INCOME AND ENDOWMENTS		
Investment income		
Rents received	17,111	17,111
Dividends and interest	109,176	121,994
	<hr/>	<hr/>
	126,287	139,105
Charitable activities		
Almshouse income	325,740	298,197
Other income		
Miscellaneous income	300	3,154
	<hr/>	<hr/>
Total incoming resources	452,327	440,456
EXPENDITURE		
Raising donations and legacies		
Farm related expenses	4,345	3,871
Charitable activities		
Repairs and maintenance	141,323	128,227
Grounds maintenance	13,819	6,952
Lighting	1,481	779
Alarm system and mobile warden	8,571	7,805
Good neighbour	7,008	8,765
Water	10,768	10,974
Insurance	9,606	8,733
Chaplain and chapel expenses	4,123	1,317
Subscriptions and TV licence	1,891	2,189
Residents' benefits	5,742	3,340
Grants to individuals	5,991	5,795
	<hr/>	<hr/>
	210,323	184,876
Support costs		
Other		
Wages	28,261	21,821
Pensions	5,456	2,486
Telephone	789	729
Stationery	296	734
Postage	409	430
Office expenses	4,979	8,370
	<hr/>	<hr/>
	40,190	34,570
Governance costs		
Auditors' remuneration	6,421	5,183
Carried forward	6,421	5,183

This page does not form part of the statutory financial statements

Hereford Municipal Charities

Detailed Statement of Financial Activities
for the Year Ended 31 December 2024

	31.12.24	31.12.23
	£	£
Governance costs		
Brought forward	6,421	5,183
Legal and professional fees	5,212	15,384
	<u>11,633</u>	<u>20,567</u>
Total resources expended	266,491	243,884
Net income	<u>185,836</u>	<u>196,572</u>

HEREFORD MUNICIPAL CHARITIES

England & Wales - Charity number 218738

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2023
for
Hereford Municipal Charities

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Hereford Municipal Charities

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for the Year Ended 31 December 2023

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Detailed Statement of Financial Activities	21 to 22

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No.: 218738

Office: 147, St. Owen Street, Hereford, HR1 2JR.

Names of Trustees:

Mrs Polly Andrews (Chairman)

Cllr Susan Boulter

Mr David Fleet (resigned 1 November 2023)

Cllr Elizabeth Foxton

Mrs Marian Hawkes

Cllr Catherine Hornsey (resigned 1 November 2023)

Mr David Howerski

Mr Paul Morris

Mr Brian Wilcox

Chief Executive Officer and Clerk: Dr Thomas Roderick, BA, PhD, PGCE, MIL

Accounts Administrator and General Assistant : Ms Edwina Haffenden

Bankers: National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

Solicitors: Gabbs (Solicitors), 14 Broad St, Hereford, HR4 9AP

Auditors: Thorne Widgey, 2 Wyevale Business Park, Kings Acre, Hereford, HR4 7BS

Investment Advisers: CCLA Investment Management Ltd, Cheapside, London

Land Agents: Sunderlands, St. Peter's Square, Hereford, HR1 2PQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Charity Commission Scheme sealed on 24th April 1972.

Recruitment and appointment of new trustees

The Board of Trustees consists of up to 10 competent persons, namely, two Nominative Trustees and eight Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for a term of five years (renewable for not more than two terms) by a resolution of the Co-optative Trustees, passed at a Special Meeting; Trustees whose terms are expiring may not vote on the matter.

Organisational structure

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2023

The Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. There is a time limit of three years for the positions of Chairman and Deputy Chairman. At the AGM in January 2023, Mrs Polly Andrews was re-elected Chairman and Mr Paul Morris was re-elected as Deputy Chairman.

A Special Meeting may be summoned by the Chairman or by two Trustees, upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

There is a quorum when five Trustees are present at a meeting.

Every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

Committees

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. At present, there are the following Committees:

Almshouses Branch:

Pastoral Committee: this comprises four Trustees and deals with the selection and appointment of residents and their subsequent welfare. It meets as necessary.

Working Group on Almshouses Maintenance: this comprises two Trustees and the Clerk, and keeps under review the condition of the Almshouses, reporting on necessary remedial and improvement work to the Board of Trustees. It meets as necessary.

Eleemosynary and Educational Branch:

Grants Committee: this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants (if possible). It meets four times a year, although the Chairman of the Board of Trustees has executive authority to deal as necessary with urgent applications between meetings.

Management

Chief Executive Officer and Clerk: the Trustees appoint a fit person for the day-to-day running of the Trustees' business as well as providing suitable office accommodation and ancillary support. The current appointee is Dr Thomas Roderick.

Chaplain: the Trustees appoint a Minister of Religion or a licensed Reader as Chaplain of St. Giles' and Williams' Hospitals (at present, Diane Bates) and another Minister of Religion or licensed Reader as Chaplain of Price's Chapel (at present, Steve Vince).

Good Neighbours: the Trustees have designated the following residents to be the Good Neighbours at the two sites, in order to provide support and assistance to the residents:

- St Owen St/Ledbury Rd: Mr Gary Cook
- Whitecross Road/Bricknell Close: Mrs Dawn Jones and Mrs Audrey Hiron

Related parties

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both of which charities share common trustees with the Hereford Municipal Charities. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

Risk management

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2023

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

Almshouse residents

During the year, five residents died (Mrs M Williams, Mrs J Preece, Mrs J Went, Mrs L Leverton, Mrs M Jones, the latter leaving a widower). Two residents (Mr Bristow and Mrs J Newman) moved elsewhere. Seven new residents (Mr M McGrath, Mr S Coates, Mr V White, Miss M Kenny, Mrs M Howard, Mrs M Bushell, Ms P Watson) were appointed to almshouses. Two residents (Mrs R Ashford and Mrs K Watkins) transferred to ground floor accommodation.

Public benefit

The Charities meet the public benefit test by providing social housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents of the City through grants for course/training fees and materials.

In drafting this report, the Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to the public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, the Trustees approved a wide range of maintenance improvements during 2023. This included major adaptations to Almshouses, whenever they became vacant, including the installation of accessible showers and bathrooms and the fitting of new kitchen units. In the last five years alone, more than £1million pounds have been spent on renovations, maintenance and repairs to the Almshouses. In addition, the grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The residents continued to enjoy a variety of benefits, including the Christmas Luncheon, which was held again in December 2023 at the Green Dragon Hotel in Hereford, an occasion much enjoyed by the residents in a relaxed and friendly pre-Christmas gathering. The group television licence was renewed, thereby allowing those in residence before 2012 to watch television without paying for their own licences.

In addition to the provision of low-cost social housing to residents of Hereford city, the Charity continued to help in the relief of poverty through the provision of grants, via the Eleemosynary Fund, to needy people in the city for essential household goods and furniture. Through the Educational and Training Fund, the Charity also gave grants to local residents in the City to assist in education and training.

Fundraising activities

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

FINANCIAL REVIEW

Financial position

The results for the year show a surplus of £542,593 (2022: deficit £254,261), after investment gains of £346,020 (2022: losses of £487,775). Net assets amounted to £7,795,818 (2022: £7,253,225). There has been an decrease in Almshouse Income of 4.45% (2022:increase 9.07%) which continues to help to support the continuing programme of repairs and maintenance. Dividend income increased by 13.11 (2022:3.5%), while the overall market value of listed investments rose by 7.18% this year after falling last year being affected by the events in Ukraine and the current economic climate in the UK, (2022: fell by 10.58%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2023.

Administrative costs

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

Principal funding sources

The principal funding source of the charity is the monthly maintenance charge received from the residents of the Almshouses, along with dividend and interest income from the investments.

Investment policy and objectives

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunsland), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords and contribute to improvements in the farm. The surplus subsidises the Almshouse Branch. The farm's value was reviewed by the Trustees' Land Agent in August 2021. It saw an increase in value from £825,000 to £1,320,000.

Reserves policy

The Trustees regularly review the level of reserves available (both unrestricted and restricted) and have considered the balance between the need to use some reserves to take advantage of key opportunities to advance the work and development of the organisation, and to ensure that a secure financial base is maintained.

Total reserves at the balance sheet date totalled £7,795,818 (2022: £7,253,225). Of this £485,524 (2022: £485,524) was restricted funds and £5,435,592 (2022: £5,184,217) endowment funds.

The Trustees wish to retain unrestricted funds at a level equivalent to one year's income.

The current reserves exceed this as a matter of prudence in the current economic climate. Free reserves (i.e. unrestricted funds less fixed assets) at the year amounted to £1,874,702 (2022: £1,583,484) as shown on the balance sheet.

Going concern

The Trustees believe that their accounts are in a sound financial position to continue for the foreseeable future, as noted above (Fundamentals of the Charities): they do not need to fund-raise or actively seek bequests.

Further details are provided in the accounting policies note, included in the notes to the financial statements.

Hereford Municipal Charities

Report of the Trustees
for the Year Ended 31 December 2023

PLANS FOR THE FUTURE (2023⁴ AND BEYOND)

During 2023, the Trustees were engaged in discussions with the Foresters' Friendly Society (Court 8429, Pride of the Wye) about purchasing their eight bungalow almshouses on Whitehorse St and Chandos St, adjacent to the Whitecross Rd/Bricknell Close site. These seemed to the Trustees to complement the existing site. The purchase and conveyance of the properties are with the Solicitors. It is expected that the necessary legal formalities will be completed ~~by early~~ ^{during} 2024.

The Trustees have decided to re-assess the Good Neighbours Scheme to adapt to current needs on both sites - Bricknell Close and St Owen Street. The Good Neighbours Scheme is not a statutory service, but it proved to be very beneficial and appreciated by the residents.

The Trustees will continue their well-tried policy of improving and renovating the almshouses.

CONCLUSION

Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouse residents and the citizens of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

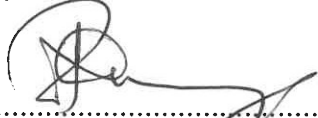
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on17.15.24..... and signed on its behalf by:


.....
Mrs P Andrews - Trustee

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Opinion

We have audited the financial statements of Hereford Municipal Charities (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thorne Widgey Accountancy Ltd

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:24/5/24.....

Hereford Municipal Charities

Statement of Financial Activities
for the Year Ended 31 December 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.23 Total funds £	31.12.22 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Almshouses		298,197	-	-	298,197	312,072
Investment income	2	139,105	-	-	139,105	122,980
Other income		3,154	-	-	3,154	-
Total		440,456	-	-	440,456	435,052
EXPENDITURE ON						
Raising funds		3,871	-	-	3,871	10,865
Charitable activities						
Almshouses		234,560	-	-	234,560	180,974
Eleemosynary		2,829	-	-	2,829	8,634
Apprenticing and educational		2,624	-	-	2,624	1,065
Total		243,884	-	-	243,884	201,538
Net gains/(losses) on investments		94,646	-	251,375	346,021	(487,775)
NET INCOME/(EXPENDITURE)		291,218	-	251,375	542,593	(254,261)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,583,484	485,524	5,184,217	7,253,225	7,507,486
TOTAL FUNDS CARRIED FORWARD		1,874,702	485,524	5,435,592	7,795,818	7,253,225

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

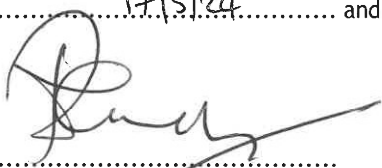
The notes form part of these financial statements

Hereford Municipal Charities

Balance Sheet
31 December 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.23 Total funds £	31.12.22 Total funds £
FIXED ASSETS						
Tangible assets	9	-	480,932	671,758	1,152,690	1,152,690
Investments						
Investments	10	-	-	3,443,834	3,443,834	3,192,459
Investment property	11	-	-	1,320,000	1,320,000	1,320,000
		<u>-</u>	<u>480,932</u>	<u>5,435,592</u>	<u>5,916,524</u>	<u>5,665,149</u>
CURRENT ASSETS						
Debtors	12	68,494	-	-	68,494	107,316
Investments	13	972,747	-	-	972,747	928,101
Cash at bank and in hand		861,828	4,592	-	866,420	563,639
		<u>1,903,069</u>	<u>4,592</u>	<u>-</u>	<u>1,907,661</u>	<u>1,599,056</u>
CREDITORS						
Amounts falling due within one year	14	(28,367)	-	-	(28,367)	(10,980)
		<u>1,874,702</u>	<u>4,592</u>	<u>-</u>	<u>1,879,294</u>	<u>1,588,076</u>
NET CURRENT ASSETS						
		<u>1,874,702</u>	<u>485,524</u>	<u>5,435,592</u>	<u>7,795,818</u>	<u>7,253,225</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>1,874,702</u>	<u>485,524</u>	<u>5,435,592</u>	<u>7,795,818</u>	<u>7,253,225</u>
NET ASSETS						
		<u>1,874,702</u>	<u>485,524</u>	<u>5,435,592</u>	<u>7,795,818</u>	<u>7,253,225</u>
FUNDS						
	15				1,874,702	1,583,484
Unrestricted funds					485,524	485,524
Restricted funds					5,435,592	5,184,217
Endowment funds						
TOTAL FUNDS						
					<u>7,795,818</u>	<u>7,253,225</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17/15/24 and were signed on its behalf by:



P Andrews - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are allocated to the charitable activities on the following basis:

Almshouses 93%

Eleemosynary 5%

Apprenticing and educational 1%

Tangible fixed assets

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

Investment property

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors. This was revalued at 18 August 2021. The property is valued every 7 years or when the trustees deem there to be a material change in its value.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds exist in the form of tangible fixed assets and investments.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset and current investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.23 Total funds £	31.12.22 Total funds £
Rents received	17,111	-	-	17,111	17,111
Dividends and interest	121,994	-	-	121,994	105,869
	<u>139,105</u>	<u>-</u>	<u>-</u>	<u>139,105</u>	<u>122,980</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

3. GRANTS PAYABLE

	31.12.23	31.12.22
	£	£
Almshouses	2,815	-
Eleemosynary	900	6,710
Apprenticing and educational	2,080	520
	<u>5,795</u>	<u>7,230</u>

4. SUPPORT COSTS

	Other	Governance	Totals
	£	costs £	£
Almshouses	32,671	19,993	52,664
Eleemosynary	1,519	410	1,929
Apprenticing and educational	380	164	544
	<u>34,570</u>	<u>20,567</u>	<u>55,137</u>

5. AUDITORS' REMUNERATION

	31.12.23	31.12.22
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,183	4,998
	<u>5,183</u>	<u>4,998</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

7. STAFF COSTS

	31.12.23	31.12.22
	£	£
Wages and salaries	21,821	20,699
Other pension costs	2,486	2,508
	<u>24,307</u>	<u>23,207</u>

Key Management Remuneration

The key management personnel of the charity is considered to be the trustees and the Chief Executive Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £13,850 (2022: £13,261).

The average monthly number of employees during the year was as follows:

	31.12.23	31.12.22
Administrative staff	<u>2</u>	<u>2</u>

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

7. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Almshouses	312,072	-	-	312,072
Investment income	122,980	-	-	122,980
Total	435,052	-	-	435,052
EXPENDITURE ON				
Raising funds	10,865	-	-	10,865
Charitable activities				
Almshouses	180,974	-	-	180,974
Eleemosynary	8,634	-	-	8,634
Apprenticing and educational	1,065	-	-	1,065
Total	201,538	-	-	201,538
Net gains/(losses) on investments	(79,633)	-	(408,142)	(487,775)
NET INCOME/(EXPENDITURE)	153,881	-	(408,142)	(254,261)
RECONCILIATION OF FUNDS				
Total funds brought forward	1,429,603	485,524	5,592,359	7,507,486
TOTAL FUNDS CARRIED FORWARD	1,583,484	485,524	5,184,217	7,253,225

9. TANGIBLE FIXED ASSETS

	Housing Association Property £	Almshouse Property £	Totals £
COST			
At 1 January 2023 and 31 December 2023	480,932	671,758	1,152,690
NET BOOK VALUE			
At 31 December 2023	480,932	671,758	1,152,690
At 31 December 2022	480,932	671,758	1,152,690

Included in cost or valuation of land and buildings is freehold land of £1,152,690 (2022 - £1,152,690) which is not depreciated.

9. TANGIBLE FIXED ASSETS - continued

Property has been valued based on the 1972 valuations at the time of the establishment of the charity commission scheme, subsequent purchases have been valued at cost.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	3,192,459
Revaluations	251,375
	<hr/>
At 31 December 2023	3,443,834
	<hr/>
NET BOOK VALUE	
At 31 December 2023	3,443,834
	<hr/> <hr/>
At 31 December 2022	3,192,459
	<hr/> <hr/>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2023 is represented by:

	Listed investments £
Valuation in 2022	1,793,349
Cost	1,650,485
	<hr/>
	3,443,834
	<hr/> <hr/>

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023 and 31 December 2023	1,320,000
	<hr/>
NET BOOK VALUE	
At 31 December 2023	1,320,000
	<hr/> <hr/>
At 31 December 2022	1,320,000
	<hr/> <hr/>

The investment property consisting of land and buildings has not been depreciated in the year.

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23	31.12.22
	£	£
Other debtors	2,219	1,919
Expense recoverable	21,610	62,822
Prepayments and accrued income	44,665	42,575
	<u>68,494</u>	<u>107,316</u>

13. CURRENT ASSET INVESTMENTS

	31.12.23	31.12.22
	£	£
Listed investments	<u>972,747</u>	<u>928,101</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23	31.12.22
	£	£
Taxation and social security	934	889
Other creditors	27,433	10,091
	<u>28,367</u>	<u>10,980</u>

15. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	At 31.12.23
	£	£	£
Unrestricted funds			
Unrestricted Almshouse fund	1,353,620	263,592	1,617,212
Designated Extraordinary repair fund	134,693	8,362	143,055
Designated Eleemosynary fund	75,551	17,975	93,526
Designated William Brydges fund	3,778	38	3,816
Designated Apprenticing and Educational fund	14,064	442	14,506
Designated Herbert Gelder fund	1,778	809	2,587
	<u>1,583,484</u>	<u>291,218</u>	<u>1,874,702</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	5,184,217	251,375	5,435,592
	<u>5,184,217</u>	<u>251,375</u>	<u>5,435,592</u>
TOTAL FUNDS	<u>7,253,225</u>	<u>542,593</u>	<u>7,795,818</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	416,203	(238,431)	85,820	263,592
Designated Extraordinary repair fund	-	-	8,362	8,362
Designated Eleemosynary fund	20,804	(2,829)	-	17,975
Designated William Brydges fund	38	-	-	38
Designated Apprenticing and Educational fund	2,602	(2,624)	464	442
Designated Herbert Gelder fund	809	-	-	809
	<u>440,456</u>	<u>(243,884)</u>	<u>94,646</u>	<u>291,218</u>
Endowment funds				
Endowment fund	-	-	251,375	251,375
	<u>440,456</u>	<u>(243,884)</u>	<u>346,021</u>	<u>542,593</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
Unrestricted Almshouse fund	1,215,639	137,981	1,353,620
Designated Extraordinary repair fund	133,636	1,057	134,693
Designated Eleemosynary fund	63,134	12,417	75,551
Designated William Brydges fund	3,992	(214)	3,778
Designated Apprenticing and Educational fund	12,233	1,831	14,064
Designated Herbert Gelder fund	969	809	1,778
	<u>1,429,603</u>	<u>153,881</u>	<u>1,583,484</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	5,592,359	(408,142)	5,184,217
	<u>7,507,486</u>	<u>(254,261)</u>	<u>7,253,225</u>

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	410,805	(192,089)	(80,735)	137,981
Designated Extraordinary repair fund	-	-	1,057	1,057
Designated Eleemosynary fund	20,799	(8,382)	-	12,417
Designated William Brydges fund	38	(252)	-	(214)
Designated Apprenticing and Educational fund	2,601	(815)	45	1,831
Designated Herbert Gelder fund	809	-	-	809
	<u>435,052</u>	<u>(201,538)</u>	<u>(79,633)</u>	<u>153,881</u>
Endowment funds				
Endowment fund	-	-	(408,142)	(408,142)
	<u>435,052</u>	<u>(201,538)</u>	<u>(487,775)</u>	<u>(254,261)</u>

Unrestricted Funds

Unrestricted Almshouse fund (Almshouse Branch) - the provision of low cost social housing to the residents of the City of Hereford.

Designated Extraordinary Repairs fund (Almshouse Branch) - the provision of extraordinary repairs, improvements or rebuilding the Almshouses and other property belonging to the Almshouse branch.

Designated Eleemosynary fund (Eleemosynary Branch) - to provide relief of poverty through the provision of grants to needy people in the City of Hereford for essential household goods and items.

Designated William Brydges fund (Eleemosynary Branch) - to be applied in educating and training and relieving poverty and sickness among persons resident in the City of Hereford.

Designated Apprenticing and Educational fund (Apprenticing and Educational Branch) - to be applied for the benefit of children or young persons who are residents in the City of Hereford and who are in need of financial assistance.

Designated Herbert Gelder Charity fund - for the benefit of the residents of the Almshouse branch and the relief of poor old persons resident in the City of Hereford either in gifts in kind or grants of money.

Restricted Funds

Fixed asset Almshouse fund - the value of the housing association houses.

Muriel Fildes' fund - the legacy which has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

Endowment funds are made up of the value of the Almshouses, the farm investment property and fixed asset investments.

16. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

The Millar Charity Fund

During the year expenditure of £17,476 (2022: £17,516) was recharged to the Millar Charity. At the year end £17,476 (2022: £51,055) was due from the charity.

The Tudor Champion Fund

During the year expenditure of £4,133 (2022: £4,085) was recharged to the Tudor Champion Fund. At the year end £4,133 (2022: £11,677) was due from the charity.

17. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

HEREFORD MUNICIPAL CHARITIES

England & Wales - Charity number 218738

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2022
for
Hereford Municipal Charities

Thorne Wiggery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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for the Year Ended 31 December 2022

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Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No.: 218738

Main Office: 147, St. Owen Street, Hereford, HR1 2JR.

Names of Trustees:

Mrs Polly Andrews (Chairman)
Cllr Susan Boulter
Mr David Fleet
Cllr Elizabeth Foxton
Mrs Marian Hawkes
Cllr Catherine Hornsey (appointed 1 June 2022)
Mr David Howerski
Mr Paul Morris
Cllr Brian Wilcox (appointed 1 June 2022)

Chief Executive Officer and Clerk: Dr Thomas Roderick, BA, PhD, PGCE, MIL

Accounts Administrator and General Assistant: Ms Edwina Haffenden

Bankers: National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

Solicitors: Gabbs (Solicitors), 14 Broad St, Hereford, HR4 9AP

Auditors: Thorne Widgey, 2 Wyevale Business Park, Kings Acre, Hereford, HR4 7BS

Investment Advisers: CCLA Investment Management Ltd, Cheapside, London

Land Agents: Sunderlands, St. Peter's Square, Hereford, HR1 2PQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Charity Commission Scheme sealed on 24th April 1972

Recruitment and appointment of new trustees

The Board of Trustees consists of up to 10 competent persons, namely, two Nominative Trustees and eight Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for a term of five years (renewable for not more than two terms) by a resolution of the Co-optative Trustees, passed at a Special Meeting; Trustees whose terms are expiring may not vote on the matter.

Organisational structure

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2022

The Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. There is a time limit of three years for the positions of Chairman and Deputy Chairman. At the AGM in January 2022, Mrs Polly Andrews was elected Chairman, vice Robert Stevens, and Mr Paul Morris was elected as Deputy Chairman.

A Special Meeting may be summoned by the Chairman or by two Trustees, upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

There is a quorum when five Trustees are present at a meeting.

Every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

Committees

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. At present, there are the following Committees:

Almshouses Branch:

Pastoral Committee: this comprises four Trustees and deals with the selection and appointment of residents and their subsequent welfare. It meets as necessary.

Working Group on Almshouses Maintenance: this comprises two Trustees and the Clerk, and keeps under review the condition of the Almshouses, reporting on necessary remedial and improvement work to the Board of Trustees.

Eleemosynary and Educational Branch:

Grants Committee: this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants (if possible). It meets five times a year, although the Chairman of the Board of Trustees has executive authority to deal as necessary with urgent applications between meetings.

Management

Chief Executive Officer and Clerk: the Trustees appoint a fit person for the day-to-day running of the Trustees' business and provide suitable office accommodation and ancillary support for the efficient running of the Trustees' affairs. The current appointee is Dr Thomas Roderick.

Chaplain: the Trustees appoint a Minister of Religion as Chaplain of St. Giles' and Williams' Hospitals (currently under review) and another Minister of Religion as Chaplain of Price's Chapel: Steve Vince, Reader at Holy Trinity Church, Hereford, was inducted as Price's Chaplain in May 2022.

Good Neighbours: the Trustees have designated the following residents to be the Good Neighbours at the two sites, in order to provide support and assistance to the residents:

- St Owen St/Ledbury Rd: Mrs Susan Cook
- Whitecross Road/Bricknell Close: Ms Ann Sterling and Mrs Dawn Jones

Related parties

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), of which both charities share common trustees with the Hereford Municipal Charities. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

Risk management

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2022

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

Almshouse residents

During the year, five residents died (Mrs S Bounds, Mr P Bufton, Mrs M Hiles, Mrs A Jones, Mr S Wheeler); two residents (Mr C Bridges and Mrs G Hoskins) moved elsewhere. Eight new residents (Mr P Amies, Mr D Hutcherson, Mr P Murphy, Mr K Pounder, Mr K Skyrme, Mr S Whitehead, and a couple Mr Williams and Ms Williamson) filled some of the resultant vacancies.

Public benefit

The Charities meet the public benefit test by providing social housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents through grants for course/training fees and materials.

In drafting this report, the Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, the Trustees approved a wide range of maintenance improvements during 2022. This included major adaptations to Almshouses, whenever they became vacant, including the installation of wet rooms and the fitting of new kitchen units. The Trustees have taken the strategic decision to invest in repairs and refurbishment of the Almshouses as necessary: this seems much better long-term value for the Charity's tangible resources than the meagre rate of return on cash deposits. In the last five years alone, for example, more than £1million pounds were expended on renovations, maintenance and repairs to the Almshouses. In addition, the grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The residents continued to enjoy a variety of benefits, including the Christmas Luncheon, which was held again in December 2022 at the Green Dragon Hotel in Hereford, an occasion much enjoyed by the residents in a relaxed and friendly pre-Christmas gathering. The group television licence was renewed, thereby allowing those in residence before 2012 to watch television without paying for their own licences.

In addition to the provision of low-cost social housing to residents of Hereford city, the Charity continued to help in the relief of poverty through the provision of grants, via the Eleemosynary Fund, to needy people in the city for essential household goods and furniture. Through the Educational and Training Fund, the Charity also gave grants to local residents to assist in education and training.

Fundraising activities

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

FINANCIAL REVIEW

Financial position

The results for the year show a deficit of £254,261 (2021: surplus £1,254,224), after investment losses of £487,775 (2021: gains of £1,037,753). Net assets amounted to £7,253,225 (2021: £7,507,486). There has been an increase in Almshouse Income of 9.07% (2021: decrease 7.77%) which continues to help to support the continuing programme of repairs and maintenance. Dividend income increased by 3.5%, while the overall market value of listed investments was affected by the events in Ukraine and the current economic climate in the UK, so fell by 10.58% (2021: rose by 13.59%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2022.

Administrative costs

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

Principal funding sources

The principal funding source of the charity is the monthly maintenance charge received from the residents of the Almshouses, along with dividend and interest income from the investments.

Investment policy and objectives

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunsland), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords and contribute to improvements in the farm. The surplus subsidises the Almshouse Branch. The farm's value was reviewed by the Trustees' Land Agent in August 2021. It saw an increase in value from £825,000 to £1,320,000.

Reserves policy

The Trustees regularly review the level of reserves available (both unrestricted and restricted) and have considered the balance between the need to use some reserves to take advantage of key opportunities to advance the work and development of the organisation, and to ensure that a secure financial base is maintained.

Total reserves at the balance sheet date totalled £7,253,225 (2021: £7,507,486). Of this £4485,524 (2021: £485,524) was restricted funds and £5,184,217 (2021: £5,592,359) endowment funds.

The Trustees wish to retain unrestricted funds at a level equivalent to one year's income.

The current reserves exceed this as a matter of prudence in the current economic climate. Free reserves (i.e. unrestricted funds less fixed assets) at the year amounted to £1,583,484 (2021: £1,429,603) as shown on the balance sheet.

Going concern

The Trustees believe that their accounts are in a sound financial position to continue for the foreseeable future, as noted above (Fundamentals of the Charities): they do not need to fund-raise or actively seek bequests.

Further details are provided in the accounting policies note, included in the notes to the financial statements.

PLANS FOR THE FUTURE (2023 AND BEYOND)

During 2022, the Trustees were engaged in discussions with the Foresters' Friendly Society (Court 8429, Pride of the Wye) about purchasing their eight bungalow almshouses on Whitehorse St and Chandos St, adjacent to the Whitecross Rd/Bricknell Close site. These seem to the Trustees to complement the existing site. Discussions will continue in 2023 with the aim of completing the purchase as soon as possible in 2023.

The Trustees will continue their well-tried policy of improving and renovating the almshouses.

CONCLUSION

Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouse residents and the citizens of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on ...8/6/23..... and signed on its behalf by:


.....
Mrs P Andrews - Trustee

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Opinion

We have audited the financial statements of Hereford Municipal Charities (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thorne Widgey Accountancy Ltd

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:15/6/23.....

Hereford Municipal Charities

Statement of Financial Activities
for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Almshouses		312,072	-	-	312,072	286,114
Investment income	2	122,980	-	-	122,980	119,396
Other income		-	-	-	-	173
Total		435,052	-	-	435,052	405,683
EXPENDITURE ON						
Raising funds		10,865	-	-	10,865	3,059
Charitable activities						
Almshouses		180,974	-	-	180,974	178,499
Eleemosynary		8,634	-	-	8,634	5,330
Apprenticing and educational		1,065	-	-	1,065	1,728
Herbert Gelder		-	-	-	-	596
Total		201,538	-	-	201,538	189,212
Net gains/(losses) on investments		(79,633)	-	(408,142)	(487,775)	1,037,753
NET INCOME/(EXPENDITURE)		153,881	-	(408,142)	(254,261)	1,254,224
RECONCILIATION OF FUNDS						
Total funds brought forward		1,429,603	485,524	5,592,359	7,507,486	6,253,262
TOTAL FUNDS CARRIED FORWARD		1,583,484	485,524	5,184,217	7,253,225	7,507,486

CONTINUING OPERATIONS

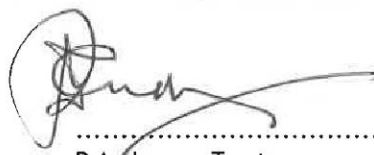
All income and expenditure has arisen from continuing activities.

Hereford Municipal Charities

Balance Sheet
31 December 2022

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS						
Tangible assets	9	-	480,932	671,758	1,152,690	1,152,690
Investments						
Investments	10	-	-	3,192,459	3,192,459	3,600,601
Investment property	11	-	-	1,320,000	1,320,000	1,320,000
		-	480,932	5,184,217	5,665,149	6,073,291
CURRENT ASSETS						
Debtors	12	107,316	-	-	107,316	87,067
Investments	13	928,101	-	-	928,101	1,007,733
Cash at bank and in hand		559,047	4,592	-	563,639	350,481
		1,594,464	4,592	-	1,599,056	1,445,281
CREDITORS						
Amounts falling due within one year	14	(10,980)	-	-	(10,980)	(11,086)
NET CURRENT ASSETS		1,583,484	4,592	-	1,588,076	1,434,195
TOTAL ASSETS LESS CURRENT LIABILITIES		1,583,484	485,524	5,184,217	7,253,225	7,507,486
NET ASSETS		1,583,484	485,524	5,184,217	7,253,225	7,507,486
FUNDS						
Unrestricted funds	15				1,583,484	1,429,603
Restricted funds					485,524	485,524
Endowment funds					5,184,217	5,592,359
TOTAL FUNDS					7,253,225	7,507,486

The financial statements were approved by the Board of Trustees and authorised for issue on 8/16/23 and were signed on its behalf by:


.....
P Andrews - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are allocated to the charitable activities on the following basis:

Almshouses 93%

Eleemosynary 5%

Apprenticing and educational 1%

Tangible fixed assets

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

Investment property

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors. This was revalued at 18 August 2021. The property is valued every 7 years or when the trustees deem there to be a material change in its value.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds exist in the form of tangible fixed assets and investments.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset and current investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.22 Total funds £	31.12.21 Total funds £
Rents received	17,111	-	-	17,111	17,111
Dividends and interest	105,869	-	-	105,869	102,285
	<u>122,980</u>	<u>-</u>	<u>-</u>	<u>122,980</u>	<u>119,396</u>

Hereford Municipal Charities

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

3. GRANTS PAYABLE

	31.12.22	31.12.21
	£	£
Eleemosynary	6,710	3,655
Apprenticing and educational	520	1,480
	<u>7,230</u>	<u>5,135</u>

The total grants paid to institutions during the year was as follows:

	31.12.22	31.12.21
	£	£
Marches Family Network	-	2,000
	<u>-</u>	<u>2,000</u>

4. SUPPORT COSTS

	Other	Governance	Totals
	£	£	£
Almshouses	25,571	5,214	30,785
Eleemosynary	1,503	421	1,924
Apprenticing and educational	376	169	545
	<u>27,450</u>	<u>5,804</u>	<u>33,254</u>

5. AUDITORS' REMUNERATION

	31.12.22	31.12.21
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	4,998	4,762
	<u>4,998</u>	<u>4,762</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

7. STAFF COSTS

	31.12.22	31.12.21
	£	£
Wages and salaries	20,699	17,673
Other pension costs	2,508	708
	<u>23,207</u>	<u>18,381</u>

Key Management Remuneration

The key management personnel of the charity is considered to be the trustees and the Chief Executive Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £13,261 (2021: £12,785).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

7. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	31.12.22	31.12.21
Administrative staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Almshouses	286,114	-	-	286,114
Investment income	119,396	-	-	119,396
Other income	173	-	-	173
Total	<u>405,683</u>	<u>-</u>	<u>-</u>	<u>405,683</u>
EXPENDITURE ON				
Raising funds	3,059	-	-	3,059
Charitable activities				
Almshouses	178,499	-	-	178,499
Eleemosynary	5,330	-	-	5,330
Apprenticing and educational	1,728	-	-	1,728
Herbert Gelder	596	-	-	596
Total	<u>189,212</u>	<u>-</u>	<u>-</u>	<u>189,212</u>
Net gains on investments	<u>101,922</u>	<u>-</u>	<u>935,831</u>	<u>1,037,753</u>
NET INCOME	318,393	-	935,831	1,254,224
RECONCILIATION OF FUNDS				
Total funds brought forward	1,111,210	485,524	4,656,528	6,253,262
TOTAL FUNDS CARRIED FORWARD	<u>1,429,603</u>	<u>485,524</u>	<u>5,592,359</u>	<u>7,507,486</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. TANGIBLE FIXED ASSETS

	Housing Association Property £	Almshouse Property £	Totals £
COST			
At 1 January 2022 and 31 December 2022	480,932	671,758	1,152,690
NET BOOK VALUE			
At 31 December 2022	480,932	671,758	1,152,690
At 31 December 2021	480,932	671,758	1,152,690

Included in cost or valuation of land and buildings is freehold land of £1,152,690 (2021 - £1,152,690) which is not depreciated.

Property has been valued based on the 1972 valuations at the time of the establishment of the charity commission scheme, subsequent purchases have been valued at cost.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	3,600,601
Revaluations	(408,142)
At 31 December 2022	3,192,459
NET BOOK VALUE	
At 31 December 2022	3,192,459
At 31 December 2021	3,600,601

There were no investment assets outside the UK.

Cost or valuation at 31 December 2022 is represented by:

	Listed investments £
Valuation in 2022	1,541,974
Cost	1,650,485
	3,192,459

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	
and 31 December 2022	<u>1,320,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,320,000</u>
At 31 December 2021	<u>1,320,000</u>

The investment property consisting of land and buildings has not been depreciated in the year.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Other debtors	1,919	6,716
Expense recoverable	62,822	41,132
Prepayments and accrued income	42,575	39,219
	<u>107,316</u>	<u>87,067</u>

13. CURRENT ASSET INVESTMENTS

	31.12.22	31.12.21
	£	£
Listed investments	<u>928,101</u>	<u>1,007,733</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Taxation and social security	889	823
Other creditors	10,091	10,263
	<u>10,980</u>	<u>11,086</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

15. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
Unrestricted Almshouse fund	1,215,639	137,981	1,353,620
Designated Extraordinary repair fund	133,636	1,057	134,693
Designated Eleemosynary fund	63,134	12,417	75,551
Designated William Brydges fund	3,992	(214)	3,778
Designated Apprenticing and Educational fund	12,233	1,831	14,064
Designated Herbert Gelder fund	969	809	1,778
	<u>1,429,603</u>	<u>153,881</u>	<u>1,583,484</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	5,592,359	(408,142)	5,184,217
	<u>7,507,486</u>	<u>(254,261)</u>	<u>7,253,225</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	410,805	(192,089)	(80,735)	137,981
Designated Extraordinary repair fund	-	-	1,057	1,057
Designated Eleemosynary fund	20,799	(8,382)	-	12,417
Designated William Brydges fund	38	(252)	-	(214)
Designated Apprenticing and Educational fund	2,601	(815)	45	1,831
Designated Herbert Gelder fund	809	-	-	809
	<u>435,052</u>	<u>(201,538)</u>	<u>(79,633)</u>	<u>153,881</u>
Endowment funds				
Endowment fund	-	-	(408,142)	(408,142)
	<u>435,052</u>	<u>(201,538)</u>	<u>(487,775)</u>	<u>(254,261)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
Unrestricted Almshouse fund	923,616	292,023	1,215,639
Designated Extraordinary repair fund	118,080	15,556	133,636
Designated Eleemosynary fund	52,435	10,699	63,134
Designated William Brydges fund	3,841	151	3,992
Designated Apprenticing and Educational fund	12,269	(36)	12,233
Designated Herbert Gelder fund	969	-	969
	<u>1,111,210</u>	<u>318,393</u>	<u>1,429,603</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	4,656,528	935,831	5,592,359
	<u>6,253,262</u>	<u>1,254,224</u>	<u>7,507,486</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	386,989	(181,332)	86,366	292,023
Designated Extraordinary repair fund	-	-	15,556	15,556
Designated Eleemosynary fund	16,029	(5,330)	-	10,699
Designated William Brydges fund	151	-	-	151
Designated Apprenticing and Educational fund	1,918	(1,954)	-	(36)
Designated Herbert Gelder fund	596	(596)	-	-
	<u>405,683</u>	<u>(189,212)</u>	<u>101,922</u>	<u>318,393</u>
Endowment funds				
Endowment fund	-	-	935,831	935,831
	<u>405,683</u>	<u>(189,212)</u>	<u>1,037,753</u>	<u>1,254,224</u>

Unrestricted Funds

Unrestricted Almshouse fund (Almshouse Branch) - the provision of low cost social housing to the residents of the City of Hereford.

Designated Extraordinary Repairs fund (Almshouse Branch) - the provision of extraordinary repairs, improvements or rebuilding the Almshouses and other property belonging to the Almshouse branch.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

15. MOVEMENT IN FUNDS - continued

Designated Eleemosynary fund (Eleemosynary Branch) - to provide relief of poverty through the provision of grants to needy people in the City of Hereford for essential household goods and items.

Designated William Brydges fund (Eleemosynary Branch) - to be applied in educating and training and relieving poverty and sickness among persons resident in the City of Hereford.

Designated Apprenticing and Educational fund (Apprenticing and Educational Branch) - to be applied for the benefit of children or young persons who are residents in the City of Hereford and who are in need of financial assistance.

Designated Herbert Gelder Charity fund - for the benefit of the residents of the Almshouse branch and the relief of poor old persons resident in the City of Hereford either in gifts in kind or grants of money.

Restricted Funds

Fixed asset Almshouse fund - the value of the housing association houses.

Muriel Fildes' fund - the legacy which has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

Endowment funds are made up of the value of the Almshouses, the farm investment property and fixed asset investments.

16. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

The Millar Charity Fund

During the year expenditure of £17,516 (2021: £14,011) was recharged to the Millar Charity. At the year end £351,055 (2021: £37,647) was due from the charity.

The Tudor Champion Fund

During the year expenditure of £4,085 (2021: £3,344) was recharged to the Tudor Champion Fund. At the year end £11,677 (2021: £7,592) was due from the charity.

17. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

HEREFORD MUNICIPAL CHARITIES

England & Wales - Charity number 218738

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2021
for
Hereford Municipal Charities

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Hereford Municipal Charities

Contents of the Financial Statements
for the Year Ended 31 December 2021

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Detailed Statement of Financial Activities	23 to 24

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No.: 218738

Main Office: 147, St. Owen Street, Hereford, HR1 2JR.

Names of Trustees:

Cllr Polly Andrews (Chair as of 01.01.2022)
Cllr Susan Boulter
Mr David Fleet
Cllr Elizabeth Foxton
Mrs Marian Hawkes
Mr Dave Howerski
Mr Paul Morris
Mr Robert Stevens (Resigned as Chair from 31.12.2021)

Chief Executive Officer and Clerk: Dr Thomas Roderick, BA, PhD, PGCE, MIL

Accounts Administrator and General Assistant: Mrs Heather Hughes (to 30 June 2021)

Accounts Administrator and General Assistant: Ms Edwina Haffenden (from 1 July 2021)

Bankers: National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

Solicitors: Gabbs (Solicitors), 14 Broad St, Hereford, HR4 9AP

Auditors: Thorne Widgey, 2 Wyevale Business Park, Kings Acre, Hereford, HR4 7BS

Investment Advisers: CCLA Investment Management Ltd, Cheapside, London

Land Agents: Sunderlands, St. Peter's Square, Hereford, HR1 2PQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Charity Commission Scheme sealed on 24th April 1972

Recruitment and appointment of new trustees

The Board of Trustees consists of up to 12 competent persons, namely, two Nominative Trustees and ten Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for a term of five years (renewable for not more than two terms) by a resolution of the Co-optative Trustees, passed at a Special Meeting; Trustees whose terms are expiring may not vote on the matter.

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2021

Organisational structure

The Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. There is a time limit of three years for the positions of Chairman and Deputy Chairman. At the AGM in January 2021, Mr Robert Stevens was re-elected as Chairman and Mrs Polly Andrews as Deputy Chairman.

A Special Meeting may be summoned by the Chairman or by two Trustees, upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

There is a quorum when five Trustees are present at a meeting.

Every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

Committees

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. At present, there are the following Committees:

Almshouses Branch:

Pastoral Committee: this comprises four Trustees and deals with the selection and appointment of residents and their subsequent welfare. It meets as necessary.

Working Group on Almshouses Maintenance: this comprises two Trustees and the Clerk, and keeps under review the condition of the Almshouses, reporting on necessary remedial and improvement work to the Board of Trustees.

Eleemosynary and Educational Branches:

Grants Committee: this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants (if possible). It meets five times a year, although the Chairman of the Board of Trustees has executive authority to deal as necessary with urgent applications between meetings.

Management

Chief Executive Officer and Clerk: the Trustees appoint a fit person for the day-to day running of the Trustees' business and provide suitable office accommodation and ancillary support for the efficient running of the Trustees' affairs. The current appointee is Dr Thomas Roderick.

Chaplain: the Trustees appoint a Minister of Religion as Chaplain of St. Giles' and Williams' Hospitals (currently the Incumbent of St Peter's with St Owen and St James, Hereford) and another Minister of Religion as Chaplain of Price's Chapel (formerly the Rev'd Lynne Davis who resigned in October 2021); the appointment of a successor to the latter is currently under consideration.

Good Neighbours: the Trustees have designated the following residents to be the Good Neighbours at the two sites, in order to provide support and assistance to the residents:

- St Owen St/Ledbury Rd: Mrs Susan Cook
- Whitecross Road/Bricknell Close: Ms Anne Sterling and, replacing Mrs Linda Brown in June 2021, Mrs Dawn Jones

Related parties

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Campion Fund(Charity No: 1035990), of which both charities share common trustees with the Hereford Municipal Charities. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

Risk management

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

Almshouse residents

During the year, three residents died (Mrs G Neal, Mrs E Loughman and Mr I Hill, the last named leaving a partner); three residents (Mrs J Curtis, Mrs E Blewitt and Mrs E Morris) moved into care homes. Four new residents (Mr G Seaman, Mrs J Jones and Mr & Mrs A Matthews) filled some of the resultant vacancies.

Public benefit

The Charities meet the public benefit test by providing social housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents through grants for course/training fees and materials.

In drafting this report, the Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, the Trustees approved a wide range of maintenance improvements during 2021. This included major adaptations to Almshouses, whenever they became vacant, including the installation of wet rooms and the fitting of new kitchen units. The Trustees have taken the strategic decision to invest in repairs and refurbishment of the Almshouses as necessary: this seems much better long term value for the Charity's tangible resources than the meagre rate of return on cash deposit. In the last five years alone, for example, more than £1million pounds were expended on renovations, maintenance and repairs to the Almshouses. In addition, the grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The residents continued to enjoy a variety of benefits, including the Christmas Luncheon, which was revived in December 2021 at the Green Dragon Hotel in Hereford city, following its cancellation in 2020 because of the Covid-19 pandemic. In addition, the group television licence was renewed, thereby allowing those in residence before 2012 to watch television without paying for their own licences.

In addition to the provision of low-cost social housing to residents of Hereford city, the Charity continued to help in the relief of poverty through the provision of grants, via the Eleemosynary Fund, to needy people in the city for essential household goods and furniture. Through the Educational and Training Fund, the Charity also gave grants to local residents to assist in education and training.

Fundraising activities

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2021

FINANCIAL REVIEW

Financial position

The results for the year show a surplus of £1,241,191 (2020: surplus £388,592), after investment gains of £1,037,753 (2020: gains £170,322). Net assets amounted to £7,494,453 (2020: £6,253,262). There has been a decrease in Almshouse Income of 7.77% (2020: increase 6.39%) while slightly reduced, it continued to help to support the continuing programme of repairs and maintenance. Dividend income has remained constant, while the overall market value of listed investments rose by 13.59% (2020: rose by 15.89%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2021.

Administrative costs

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

Principal funding sources

The principal funding source of the charity is the licence fees received from the tenant of the Almshouses, along with dividend and interest income from the investments.

Investment policy and objectives

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunsland), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords and contribute to improvements in the farm. The surplus subsidises the Almshouse Branch. The farm's value was reviewed by the Trustees' Land Agent at the end of 2021. It saw an increase in value from £825,000 to £1,320,000 as at 18 August 2021.

Reserves policy

The Trustees regularly review the level of reserves available (both unrestricted and restricted) and have considered the balance between the need to use some reserves to take advantage of key opportunities to advance the work and development of the organisation, and to ensure that a secure financial base is maintained.

Total reserves at the balance sheet date totalled £7,494,453 (2020: £6,253,262), of this £485,524 (2020: £485,524) was restricted funds and £5,592,359 (2020: £4,656,528) endowment funds.

The Trustees wish to retain unrestricted funds at a level equivalent to one year's income.

The current reserves exceed this as a matter of prudence in the current economic climate. Free reserves (i.e. unrestricted funds less fixed assets) at the year amounted to £1,416,570 (2020: £1,111,210) as shown on the balance sheet.

Going concern and Covid 19

In 2021, the trustees continued to consider the effect of the COVID19 pandemic on the future of the charities and believed that they are in a sound financial position to continue for the foreseeable future, as noted above (Fundamentals of the Charities): they do not need to fund-raise or actively seek bequests.

Further details are provided in the accounting policies note, included in the notes to the financial statements.

PLANS FOR THE FUTURE (2022 AND BEYOND)

During 2021, the Trustees terminated discussions about converting to a Charitable Incorporated Organisation (CIO), having concluded that this status was no longer necessary. They considered that working within the structures laid down by the Municipal Corporations Act of 1837 and the Charity Commission Scheme of 24 April 1972 has stood it in good stead for many years and will continue to do so in the future.

The Trustees will continue its well-tried policy of improving and renovating the almshouses.

CONCLUSION

This has been a distinctive year for the trustees, as a result of the Covid- 19 pandemic which suddenly afflicted the world in 2020 and whose effects are still causing perturbations in 2021. Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouses residents and the citizens of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

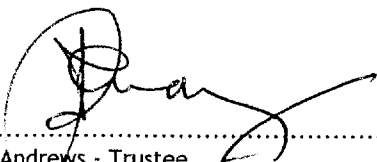
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on10/16/22..... and signed on its behalf by:



.....
Cllr P Andrews - Trustee

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Opinion

We have audited the financial statements of Hereford Municipal Charities (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thorne Widgey Accountancy Ltd

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:16/6/22.....

Hereford Municipal Charities

Statement of Financial Activities
for the Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS						
FROM						
Charitable activities						
Almshouses		286,114	-	-	286,114	305,757
Investment income	2	119,396	-	-	119,396	119,912
Other income		173	-	-	173	-
Total		405,683	-	-	405,683	425,669
EXPENDITURE ON						
Raising funds		3,059	-	-	3,059	8,002
Charitable activities						
Almshouses		178,499	-	-	178,499	188,275
Eleemosynary		5,330	-	-	5,330	10,605
Apprenticing and educational		1,728	-	-	1,728	517
Herbert Gelder		596	-	-	596	-
Total		189,212	-	-	189,212	207,399
Net gains on investments		101,922	-	935,831	1,037,753	170,322
NET INCOME		318,393	-	935,831	1,254,224	388,592
RECONCILIATION OF FUNDS						
Total funds brought forward		1,111,210	485,524	4,656,528	6,253,262	5,864,670
TOTAL FUNDS CARRIED FORWARD		1,429,603	485,524	5,592,359	7,507,486	6,253,262

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

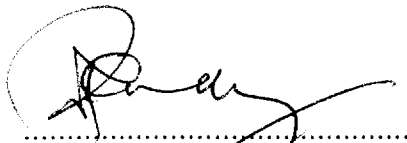
The notes form part of these financial statements

Hereford Municipal Charities

Balance Sheet
31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS						
Tangible assets	9	-	480,932	671,758	1,152,690	1,152,690
Investments						
Investments	10	-	-	3,600,601	3,600,601	3,159,770
Investment property	11	-	-	1,320,000	1,320,000	825,000
		<u>-</u>	<u>480,932</u>	<u>5,592,359</u>	<u>6,073,291</u>	<u>5,137,460</u>
CURRENT ASSETS						
Debtors	12	87,067	-	-	87,067	80,466
Investments	13	1,007,733	-	-	1,007,733	505,811
Cash at bank and in hand		345,889	4,592	-	350,481	539,172
		<u>1,440,689</u>	<u>4,592</u>	<u>-</u>	<u>1,445,281</u>	<u>1,125,449</u>
CREDITORS						
Amounts falling due within one year	14	(11,086)	-	-	(11,086)	(9,647)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,429,603</u>	<u>4,592</u>	<u>-</u>	<u>1,434,195</u>	<u>1,115,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>1,429,603</u>	<u>485,524</u>	<u>5,592,359</u>	<u>7,507,486</u>	<u>6,253,262</u>
NET ASSETS		<u>1,429,603</u>	<u>485,524</u>	<u>5,592,359</u>	<u>7,507,486</u>	<u>6,253,262</u>
FUNDS						
Unrestricted funds	15				1,429,603	1,111,210
Restricted funds					485,524	485,524
Endowment funds					5,592,359	4,656,528
TOTAL FUNDS					<u>7,507,486</u>	<u>6,253,262</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10/16/22 and were signed on its behalf by:


P Andrews - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

Due to the current issues with the COVID19 pandemic, the trustees have seriously considered the basis on which the financial statements have been prepared and feel the going concern basis is appropriate due to the following factors:

- There are currently significant levels of cash in the bank and we continue to receive our monthly maintenance contributions from our residents and the local authority as appropriate.
- Although the level might be affected by the pandemic, we continue to receive our Stock Market income quarterly. Admittedly, the Stock Market has been very turbulent lately but that matters not to us as we take a long term view of stocks and shares and have no intention of selling any stock.
- We do not have significant salary costs and are able to reduce the level of repairs and maintenance, being our major cost, to essential maintenance only if required.
- We have net current assets of £1,421,162 at the year end and our future predictions indicate this level will not alter significantly in the foreseeable future.
- HMC has been in existence for nearly 200 years (and some of the original trusts since mediaeval times, including the Black Death), so has proven to stand the test of time to date.
- We do not rely on continual donations from the public as a source of income.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are allocated to the charitable activities on the following basis:

- Almshouses 93%
- Eleemosynary 5%
- Apprenticing and educational 1%

Tangible fixed assets

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

Investment property

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors. This was revalued at 18 August 2021. The property is valued every 7 years or when the trustees deem there to be a material change in its value.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds exist in the form of tangible fixed assets and investments.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset and current investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.21 Total funds £	31.12.20 Total funds £
Rents received	17,111	-	-	17,111	17,111
Dividends and interest	102,285	-	-	102,285	102,801
	<u>119,396</u>	<u>-</u>	<u>-</u>	<u>119,396</u>	<u>119,912</u>

3. GRANTS PAYABLE

	31.12.21 £	31.12.20 £
Eleemosynary	3,655	8,796
Apprenticing and educational	1,480	-
	<u>5,135</u>	<u>8,796</u>

The total grants paid to institutions during the year was as follows:

	31.12.21 £	31.12.20 £
St Peter's Winter Shelter	-	1,000
Happy Days	-	1,450
Marches Family Network	2,000	-
	<u>2,000</u>	<u>2,450</u>

4. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Almshouses	20,897	4,588	25,485
Eleemosynary	1,311	364	1,675
Apprenticing and educational	102	146	248
	<u>22,310</u>	<u>5,098</u>	<u>27,408</u>

5. AUDITORS' REMUNERATION

	31.12.21 £	31.12.20 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,762</u>	<u>4,434</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

7. STAFF COSTS

	31.12.21	31.12.20
	£	£
Wages and salaries	17,673	19,392
Other pension costs	708	1,061
	<u>18,381</u>	<u>20,453</u>

Key Management Remuneration

The key management personnel of the charity is considered to be the trustees and the Chief Executive Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £12,785 (2020: £12,793).

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Administrative staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Almshouses	305,757	-	-	305,757
Investment income	119,822	90	-	119,912
Total	<u>425,579</u>	<u>90</u>	<u>-</u>	<u>425,669</u>
EXPENDITURE ON				
Raising funds				
	8,002	-	-	8,002
Charitable activities				
Almshouses	188,275	-	-	188,275
Eleemosynary	10,605	-	-	10,605
Apprenticing and educational	517	-	-	517
Total	<u>207,399</u>	<u>-</u>	<u>-</u>	<u>207,399</u>
Net gains on investments	21,347	-	148,975	170,322
NET INCOME	<u>239,527</u>	<u>90</u>	<u>148,975</u>	<u>388,592</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	871,683	485,434	4,507,553	5,864,670
TOTAL FUNDS CARRIED FORWARD	<u>1,111,210</u>	<u>485,524</u>	<u>4,656,528</u>	<u>6,253,262</u>

9. TANGIBLE FIXED ASSETS

	Housing Association Property £	Almshouse Property £	Totals £
COST			
At 1 January 2021 and 31 December 2021	480,932	671,758	1,152,690
NET BOOK VALUE			
At 31 December 2021	<u>480,932</u>	<u>671,758</u>	<u>1,152,690</u>
At 31 December 2020	<u>480,932</u>	<u>671,758</u>	<u>1,152,690</u>

Included in cost or valuation of land and buildings is freehold land of £1,152,690 (2020 - £1,152,690) which is not depreciated.

Property has been valued based on the 1972 valuations at the time of the establishment of the charity commission scheme, subsequent purchases have been valued at cost.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	3,159,770
Revaluations	440,831
At 31 December 2021	<u>3,600,601</u>
NET BOOK VALUE	
At 31 December 2021	<u>3,600,601</u>
At 31 December 2020	<u>3,159,770</u>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2021 is represented by:

	Listed investments £
Cost	<u>3,600,601</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021	825,000
Revaluation	495,000
	<hr/>
At 31 December 2021	1,320,000
	<hr/>
NET BOOK VALUE	
At 31 December 2021	1,320,000
	<hr/> <hr/>
At 31 December 2020	825,000
	<hr/> <hr/>

The investment property consisting of land and buildings has not been depreciated in the year.

A revaluation was performed during the year therefore the value is based on a professional valuation at 31 December 2021. Further detail per accounting policy note.

Fair value at 31 December 2021 is represented by:

	£
Cost	1,320,000
	<hr/> <hr/>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Other debtors	6,716	4,092
Expense recoverable	41,132	38,763
Prepayments and accrued income	39,219	37,611
	<hr/>	<hr/>
	87,067	80,466
	<hr/> <hr/>	<hr/> <hr/>

13. CURRENT ASSET INVESTMENTS

	31.12.21	31.12.20
	£	£
Listed investments	1,007,733	505,811
	<hr/> <hr/>	<hr/> <hr/>

During the year additions of £400,000 were made to current asset investments.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Taxation and social security	823	1,128
Other creditors	10,263	8,519
	<u>11,086</u>	<u>9,647</u>

15. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
Unrestricted Almshouse fund	923,616	292,023	1,215,639
Designated Extraordinary repair fund	118,080	15,556	133,636
Designated Eleemosynary fund	52,435	10,699	63,134
Designated William Brydges fund	3,841	151	3,992
Designated Apprenticing and Educational fund	12,269	(36)	12,233
Designated Herbert Gelder fund	969	-	969
	<u>1,111,210</u>	<u>318,393</u>	<u>1,429,603</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,592	-	4,592
	<u>485,524</u>	<u>-</u>	<u>485,524</u>
Endowment funds			
Endowment fund	4,656,528	935,831	5,592,359
	<u>6,253,262</u>	<u>1,254,224</u>	<u>7,507,486</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
Unrestricted Almshouse fund	386,989	(181,332)	86,366	292,023
Designated Extraordinary repair fund	-	-	15,556	15,556
Designated Eleemosynary fund	16,029	(5,330)	-	10,699
Designated William Brydges fund	151	-	-	151
Designated Apprenticing and Educational fund	1,918	(1,954)	-	(36)
Designated Herbert Gelder fund	596	(596)	-	-
	<u>405,683</u>	<u>(189,212)</u>	<u>101,922</u>	<u>318,393</u>
Endowment funds				
Endowment fund	-	-	935,831	935,831
	<u>405,683</u>	<u>(189,212)</u>	<u>1,037,753</u>	<u>1,254,224</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
Unrestricted Almshouse fund	692,749	230,867	923,616
Designated Extraordinary repair fund	121,961	(3,881)	118,080
Designated Eleemosynary fund	43,110	9,325	52,435
Designated William Brydges fund	3,682	159	3,841
Designated Apprenticing and Educational fund	9,988	2,281	12,269
Designated Herbert Gelder fund	193	776	969
	<hr/>	<hr/>	<hr/>
	871,683	239,527	1,111,210
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,502	90	4,592
	<hr/>	<hr/>	<hr/>
	485,434	90	485,524
Endowment funds			
Endowment fund	4,507,553	148,975	4,656,528
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,864,670</u>	<u>388,592</u>	<u>6,253,262</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	402,217	(196,277)	24,927	230,867
Designated Extraordinary repair fund	-	-	(3,881)	(3,881)
Designated Eleemosynary fund	19,930	(10,605)	-	9,325
Designated William Brydges fund	159	-	-	159
Designated Apprenticing and Educational fund	2,497	(517)	301	2,281
Designated Herbert Gelder fund	776	-	-	776
	<hr/>	<hr/>	<hr/>	<hr/>
	425,579	(207,399)	21,347	239,527
Restricted funds				
Muriel Fildes' fund	90	-	-	90
Endowment funds				
Endowment fund	-	-	148,975	148,975
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>425,669</u>	<u>(207,399)</u>	<u>170,322</u>	<u>388,592</u>

Analysis of funds by branch

Hereford Municipal Charities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

15. MOVEMENT IN FUNDS - continued

	----- Unrestricted £	Almshouses Restricted £	----- Endowment £	Extraordinary repairs Designated £	----- Eleemosynary Designated £	----- Endowment £
Tangible fixed assets	-	480,932	671,758	-	-	642,275
Fixed asset investments	-	-	2,412,015	118,081	-	-
Investment properties	-	-	825,000	-	-	-
Current asset investments	382,726	-	-	-	-	-
Net current assets	538,495	-	-	-	52,435	-
	<u>921,221</u>	<u>480,932</u>	<u>3,908,773</u>	<u>118,081</u>	<u>52,435</u>	<u>642,275</u>
			<u>5,310,926</u>	<u>118,081</u>		<u>694,710</u>

	--- William Brydges --- Designated £	--- Endowment £	Apprenticing and Educational Designated £	--- Endowment £	--- Herbert Gelder --- Designated £	--- Endowment £
Tangible fixed assets	-	-	-	-	-	-
Fixed asset investments	-	4,995	-	75,604	-	24,920
Investment properties	-	-	-	-	-	-
Current asset investments	-	-	5,004	-	-	-
Net current assets	3,841	-	7,265	-	969	-
	<u>3,841</u>	<u>4,995</u>	<u>12,269</u>	<u>75,604</u>	<u>969</u>	<u>24,920</u>
		<u>8,797</u>		<u>87,873</u>		<u>25,889</u>

	Muriel Fildes' Restricted £	Total 31.12.20 £
Tangible fixed assets	-	1,152,690
Fixed asset investments	-	3,159,771
Investment properties	-	825,000
Current asset investments	-	505,811
Net current assets	4,592	607,598
	<u>4,592</u>	<u>6,250,869</u>

15. MOVEMENT IN FUNDS - continued

Unrestricted Funds

Unrestricted Almshouse fund (Almshouse Branch) - the provision of low cost social housing to the residents of the City of Hereford.

Designated Extraordinary Repairs fund (Almshouse Branch) - the provision of extraordinary repairs, improvements or rebuilding the Almshouses and other property belonging to the Almshouse branch.

Designated Eleemosynary fund (Eleemosynary Branch) - to provide relief of poverty through the provision of grants to needy people in the City of Hereford for essential household goods and items.

Designated William Brydges fund (Eleemosynary Branch) - to be applied in educating and training and relieving poverty and sickness among persons resident in the City of Hereford.

Designated Apprenticing and Educational fund (Apprenticing and Educational Branch) - to be applied for the benefit of children or young persons who are residents in the City of Hereford and who are in need of financial assistance.

Designated Herbert Gelder Charity fund - for the benefit of the residents of the Almshouse branch and the relief of poor old persons resident in the City of Hereford either in gifts in kind or grants of money.

Restricted Funds

Fixed asset Almshouse fund - the value of the housing association houses.

Muriel Fildes' fund - the legacy which has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

Endowment funds are made up of the value of the Almshouses, the farm investment property and fixed asset investments.

16. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

The Millar Charity Fund

During the year expenditure of £12,445 (2020: £14,585) was recharged to the Millar Charity. At the year end £37,648 (2020: £31,394) was due from the charity.

The Tudor Champion Fund

During the year expenditure of £3,067 (2020: £3,448) was recharged to the Millar Charity. At the year end £7,592 (2020: £7,369) was due from the charity.

17. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

HEREFORD MUNICIPAL CHARITIES

England & Wales - Charity number 218738

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2020
for
Hereford Municipal Charities

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Hereford Municipal Charities

Contents of the Financial Statements
for the Year Ended 31 December 2020

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Report of the Independent Auditors	6 to 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 22
Detailed Statement of Financial Activities	23 to 24

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No.: 218738

Main Office: 147, St. Owen Street, Hereford, HR1 2JR.

Names of Trustees:

Cllr Polly Andrews

Cllr Susan Boulter

Mr Derek Duffett (Retired May 2020)

Mrs Marian Hawkes

Mrs Linda Hunter-Choat (Resigned September 2020)

Mr Paul Morris

Mr Robert Stevens (Current Chairman) (Appointed Chairman January 2020)

Mr David Fleet

Mrs E Foxtan (Appointed July 2020)

Mr Dave Howerski (Appointed January 2021)

Chief Executive Officer and Clerk: Dr Thomas Roderick, BA, PhD, PGCE, MIL

Accounts Administrator and General Assistant: Mrs Heather Hughes

Bankers: National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

Solicitors: Gabbs (Solicitors), 14 Broad St, Hereford, HR4 9AP

Auditors: Thorne Widgey, 2 Wyevale Business Park, Kings Acre, Hereford, HR4 7BS

Investment Advisers: CCLA Investment Management Ltd, Cheapside, London

Land Agents: Sunderlands, St. Peter's Square, HR1 2PQ

Architect: B S Hapgood Associates (Design and Planning), 96 Monnow St, Monmouth, NP25 3EQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Charity Commission Scheme sealed on 24th April 1972

Recruitment and appointment of new trustees

The Board of Trustees consists of 12 competent persons, namely, two Nominative Trustees and ten Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for a term of five years (renewable for not more than two terms) by a resolution of the Co-optative Trustees, passed at a Special Meeting; Trustees whose terms are expiring may not vote on the matter.

Organisational structure

General Meetings are normally held five times a year.

Hereford Municipal Charities

Report of the Trustees for the Year Ended 31 December 2020

The Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. At the AGM in January 2020, Mr Robert Stevens was elected as Chairman and Mrs Polly Andrews as Deputy Chairman. There is a time limit of three years for the positions of Chairman and Deputy Chairman.

A special Meeting may be summoned by the Chairman or by two Trustees upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

There is a quorum when five Trustees are present at a meeting.

Every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

Committees

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. At present, there are the following Committees:

Almshouses Branch:

Pastoral Committee: this comprises four Trustees and deals with the selection and appointment of residents and their subsequent welfare. It meets as necessary.

Working Group on Almshouses Maintenance: this comprises two Trustees and the Clerk, and keeps under review the condition of the Almshouses, reporting on necessary remedial and improvement work to the Board of Trustees.

Eleemosynary and Educational Branches:

Grants Committee: this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants (if possible). It meets five times a year, although the Chairman of the Board of Trustees has executive authority to deal as necessary with urgent applications between meetings.

Management

Chief Executive Officer and Clerk: the Trustees appoint a fit person for the day-to day running of the Trustees' business and provide suitable office accommodation and ancillary support for the efficient running of the Trustees' affairs. The current appointee is Dr Thomas Roderick.

Chaplain: the Trustees appoint a Minister of Religion as Chaplain of St. Giles' and Williams' Hospitals (currently the Incumbent of St Peter's with St Owen and St James, Hereford) and another Minister of Religion as Chaplain of Price's Chapel (currently the Rev'd Lynne Davis).

Good Neighbours: the Trustees have designated the following residents to be the Good Neighbours at the two sites, in order to provide support and assistance to the residents:

- St Owen St/Ledbury Rd: Mrs Susan Cook
- Whitecross: Ms Anne Sterling and Mrs Lynda Brown

Related parties

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fun (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

Risk management

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

Almshouse residents

During the year, three residents died (Mrs D Day, Mrs L Gimson and Mr T Hurds, the last named leaving a widow); one resident (Mrs S Williams) moved into a care home; and three residents (Mrs V Taylor, Mrs C Allen and Mrs L Hurd) transferred to other almshouses on the Bricknell Close site. Two new residents (Mr N Ball and Mrs P Harrison) filled the resultant vacancies.

Public benefit

The Charities meet the public benefit test by providing social housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents through grants for course/training fees and materials.

In drafting this report, the Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, the Trustees approved a wide range of maintenance improvements during 2020. This included major adaptations to Almshouses, whenever they became vacant, including the installation of wet rooms and the fitting of new kitchen units. Work was completed on the repair and re-decoration of the Almshouses in St Owen St and in Whitecross Road/Bricknell Close. The Trustees have taken the strategic decision to invest in repairs and refurbishment of the Almshouses as necessary: this seems much better long term value for the Charity's tangible resources than the meagre rate of return on cash deposits, which has remained so low for more than a decade. In the last five years alone, for example, more than £1million pounds were expended on renovations, maintenance and repairs to the Almshouses. In addition, the grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The residents continued to enjoy a variety of benefits, including receiving a Marks and Spencer voucher this year instead of the Annual Christmas Luncheon, which was to be held at Hedley Lodge (Belmont Abbey) and which had to be cancelled because of the Covid- 19 pandemic. In addition, the group television licence was renewed, thereby allowing those in residence before 2012 to watch television without paying for their own licences.

In addition to the provision of low-cost social housing to residents of Hereford city, the Charity continued to help in the relief of poverty through the provision of grants, via the Eleemosynary Fund, to needy people in the city for essential household goods and furniture. Through the Educational and Training Fund, the Charity also gave grants to local residents to assist in education and training.

Fundraising activities

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

FINANCIAL REVIEW

Financial position

The results for the year show a surplus of £388,592 (2019: surplus £595,856), after investment gains of £170,322 (2019: gains £482,997). Net assets amounted to £6,253,262 (2019: £5,864,670). There has been an increase in Almshouse Income of 6.39% (2019: 1.72%), which helped to support the continuing programme of repairs and maintenance. Dividend income has remained constant, while the overall market value of listed investments rose by 15.89% (2019: rose by 15.89%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2020.

Administrative costs

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

Principal funding sources

The principal funding source of the charity is the licence fees received from the tenant of the Almshouses, along with dividend and interest income from the investments.

Investment policy and objectives

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunsland), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords so contribute to improvements in farm. The surplus subsidises the Almshouse Branch. The farm's value was reviewed by the Trustees' Land Agent at the end of 2016. It saw an increase in value from £650K to £825K as at 31 December 2016.

Reserves policy

The Trustees regularly review the level of reserves available (both unrestricted and restricted) and have considered the balance between the need to use some reserves to take advantage of key opportunities to advance the work and development of the organisation, and to ensure that a secure financial base is maintained.

Total reserves at the balance sheet date totalled £6,253,262 (2019: £5,864,670), of this £485,524 (2019: £485,434) was restricted funds and £4,656,528 (2019: £4,507,553) endowment funds.

The Trustees wish to retain unrestricted funds at a level equivalent to one year's income.

The current reserves exceed this as a matter of prudence in the current economic climate. Free reserves (i.e. unrestricted funds less fixed assets) at the year amounted to £1,111,210 (2019: £871,683) as shown on the balance sheet.

Going concern and Covid 19

In 2020, the trustees had to consider the effect of the COVID19 pandemic on the future of the charities and believed that they are in a sound financial position to continue for the foreseeable future, as noted above (Fundamentals of the Charities): they do not need to fund-raise or actively seek bequests.

Further details are provided in the accounting policies note, included in the notes to the financial statements.

Report of the Trustees
for the Year Ended 31 December 2020

PLANS FOR THE FUTURE (2021 AND BEYOND)

This year, the Away Day held normally in a local hotel had to be cancelled, again because of the Covid 19 pandemic and the resultant lockdown and other social restrictions introduced by the Government.

During 2020, the Trustees continued discussions about converting to a Charitable Incorporated Organisation (CIO) and they submitted the requisite documentation to the Charity Commission; at the time of writing, the outcome of this submission was still awaited.

CONCLUSION

This has been a distinctive year for the trustees, as a result of the Covid- 19 pandemic which suddenly afflicted the world in 2020 and whose effects are still causing perturbations in 2021. Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouses residents and the citizens of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES


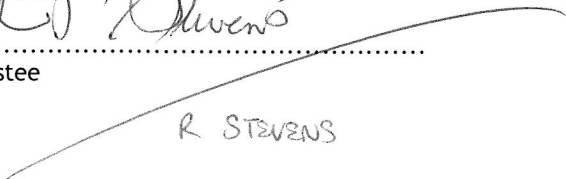
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 21st MAY 2021..... and signed on its behalf by:


.....
Trustee


Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Opinion

We have audited the financial statements of Hereford Municipal Charities (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 17 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

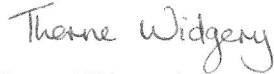
We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditors to the Trustees of
Hereford Municipal Charities

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 2/6/21

Hereford Municipal Charities

Statement of Financial Activities
for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Almshouses		305,757	-	-	305,757	288,333
Investment income	2	<u>119,822</u>	<u>90</u>	<u>-</u>	<u>119,912</u>	<u>119,202</u>
Total		425,579	90	-	425,669	407,535
EXPENDITURE ON						
Raising funds						
		8,002	-	-	8,002	3,058
Charitable activities						
Almshouses		188,275	-	-	188,275	280,564
Eleemosynary		10,605	-	-	10,605	9,478
Apprenticing and educational		517	-	-	517	794
Herbert Gelder		-	-	-	-	783
Total		207,399	-	-	207,399	294,677
Net gains on investments		<u>21,347</u>	<u>-</u>	<u>148,975</u>	<u>170,322</u>	<u>482,998</u>
NET INCOME		239,527	90	148,975	388,592	595,856
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>871,683</u>	<u>485,434</u>	<u>4,507,553</u>	<u>5,864,670</u>	<u>5,268,814</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,111,210</u>	<u>485,524</u>	<u>4,656,528</u>	<u>6,253,262</u>	<u>5,864,670</u>

CONTINUING OPERATIONS

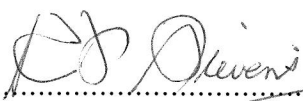
All income and expenditure has arisen from continuing activities.

Hereford Municipal Charities

Balance Sheet
31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS						
Tangible assets	9	-	480,932	671,758	1,152,690	1,152,690
Investments						
Investments	10	-	-	3,159,770	3,159,770	3,010,795
Investment property	11	-	-	825,000	825,000	825,000
		-	480,932	4,656,528	5,137,460	4,988,485
CURRENT ASSETS						
Debtors	12	80,466	-	-	80,466	58,190
Investments	13	505,811	-	-	505,811	434,464
Cash at bank and in hand		534,580	4,592	-	539,172	392,331
		1,120,857	4,592	-	1,125,449	884,985
CREDITORS						
Amounts falling due within one year	14	(9,647)	-	-	(9,647)	(8,800)
NET CURRENT ASSETS		<u>1,111,210</u>	<u>4,592</u>	<u>-</u>	<u>1,115,802</u>	<u>876,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,111,210</u>	<u>485,524</u>	<u>4,656,528</u>	<u>6,253,262</u>	<u>5,864,670</u>
NET ASSETS		<u>1,111,210</u>	<u>485,524</u>	<u>4,656,528</u>	<u>6,253,262</u>	<u>5,864,670</u>
FUNDS						
Unrestricted funds	15				1,111,210	871,683
Restricted funds					485,524	485,434
Endowment funds					4,656,528	4,507,553
TOTAL FUNDS					<u>6,253,262</u>	<u>5,864,670</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21st MAY 2021 and were signed on its behalf by:


.....
Trustee
R. STEVENS

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

Due to the current issues with the COVID19 pandemic, the trustees have seriously considered the basis on which the financial statements have been prepared and feel the going concern basis is appropriate due to the following factors:

- There are currently significant levels of cash in the bank and we continue to receive our monthly maintenance contributions from our residents and the local authority as appropriate.
- Although the level might be affected by the pandemic, we continue to receive our Stock Market income quarterly. Admittedly, the Stock Market has been very turbulent lately but that matters not to us as we take a long term view of stocks and shares and have no intention of selling any stock.
- We do not have significant salary costs and are able to reduce the level of repairs and maintenance, being our major cost, to essential maintenance only if required.
- We have net current assets of £1,111,210 at the year end and our future predictions indicate this level will not alter significantly in the foreseeable future.
- HMC has been in existence for nearly 200 years (and some of the original trusts since mediaeval times, including the Black Death), so has proven to stand the test of time to date.
- We do not rely on continual donations from the public as a source of income.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are allocated to the charitable activities on the following basis:

- Almshouses 93%
- Eleemosynary 5%
- Apprenticing and educational 1%

Tangible fixed assets

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

Investment property

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors at 31 December 2016. The property is valued every 7 years (subsequent value done on 31 December 2009) or when the trustee's deem there to be a material change in it's value. .

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds exist in the form of tangible fixed assets and investments.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset and current investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.20 Total funds £	31.12.19 Total funds £
Rents received	17,111	-	-	17,111	17,111
Dividends and interest	<u>102,711</u>	<u>90</u>	<u>-</u>	<u>102,801</u>	<u>102,091</u>
	<u>119,822</u>	<u>90</u>	<u>-</u>	<u>119,912</u>	<u>119,202</u>

3. GRANTS PAYABLE

	31.12.20 £	31.12.19 £
Eleemosynary	8,796	7,684
Apprenticing and educational	<u>-</u>	<u>300</u>
	<u>8,796</u>	<u>7,984</u>

The total grants paid to institutions during the year was as follows:

	31.12.20 £	31.12.19 £
St Peter's Winter Shelter	1,000	1,000
Happy Days	<u>1,450</u>	<u>-</u>
	<u>2,450</u>	<u>1,000</u>

4. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Almshouses	23,587	5,313	28,900
Eleemosynary	1,387	422	1,809
Apprenticing and educational	<u>348</u>	<u>169</u>	<u>517</u>
	<u>25,322</u>	<u>5,904</u>	<u>31,226</u>

5. AUDITORS' REMUNERATION

	31.12.20 £	31.12.19 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,434</u>	<u>3,621</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

7. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	19,392	20,582
Other pension costs	<u>1,061</u>	<u>1,060</u>
	<u>20,453</u>	<u>21,642</u>

Key Management Remuneration

The key management personnel of the charity is considered to be the trustees and the Chief Executive Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £12,793 (2019: £12,810).

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Administrative staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Almshouses	288,333	-	-	288,333
Investment income	<u>119,114</u>	<u>88</u>	<u>-</u>	<u>119,202</u>
Total	407,447	88	-	407,535
EXPENDITURE ON				
Raising funds				
Raising funds	3,058	-	-	3,058
Charitable activities				
Almshouses	280,564	-	-	280,564
Eleemosynary	9,478	-	-	9,478
Apprenticing and educational	794	-	-	794
Herbert Gelder	783	-	-	783
Total	<u>294,677</u>	<u>-</u>	<u>-</u>	<u>294,677</u>
Net gains on investments	<u>70,076</u>	<u>-</u>	<u>412,922</u>	<u>482,998</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
NET INCOME	182,846	88	412,922	595,856
 RECONCILIATION OF FUNDS				
Total funds brought forward	688,837	485,346	4,094,631	5,268,814
TOTAL FUNDS CARRIED FORWARD	<u>871,683</u>	<u>485,434</u>	<u>4,507,553</u>	<u>5,864,670</u>

9. TANGIBLE FIXED ASSETS	Housing Association Property £	Almshouse Property £	Totals £
COST			
At 1 January 2020 and 31 December 2020	<u>480,932</u>	<u>671,758</u>	<u>1,152,690</u>
NET BOOK VALUE			
At 31 December 2020	<u>480,932</u>	<u>671,758</u>	<u>1,152,690</u>
At 31 December 2019	<u>480,932</u>	<u>671,758</u>	<u>1,152,690</u>

Included in cost or valuation of land and buildings is freehold land of £1,152,690 which is not depreciated.

Property has been valued based on the 1972 valuations at the time of the establishment of the charity commission scheme, subsequent purchases have been valued at cost.

10. FIXED ASSET INVESTMENTS	Listed investments £
MARKET VALUE	
At 1 January 2020	3,010,795
Revaluations	<u>148,975</u>
At 31 December 2020	<u>3,159,770</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,159,770</u>
At 31 December 2019	<u>3,010,795</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	<u>825,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>825,000</u>
At 31 December 2019	<u>825,000</u>

The investment property consisting of land and buildings has not been depreciated in the year.

The value is based on a professional valuation at 31 December 2016.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other debtors	4,092	1,023
Expense recoverable	38,763	20,730
Prepayments and accrued income	<u>37,611</u>	<u>36,437</u>
	<u>80,466</u>	<u>58,190</u>

13. CURRENT ASSET INVESTMENTS

	31.12.20	31.12.19
	£	£
Listed investments	<u>505,811</u>	<u>434,464</u>

During the year additions of £50,000 were made to current asset investments.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Taxation and social security	1,128	1,292
Other creditors	<u>8,519</u>	<u>7,508</u>
	<u>9,647</u>	<u>8,800</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

15. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
Unrestricted Almshouse fund	692,749	230,867	923,616
Designated Extraordinary repair fund	121,961	(3,881)	118,080
Designated Eleemosynary fund	43,110	9,325	52,435
Designated William Brydges fund	3,682	159	3,841
Designated Apprenticing and Educational fund	9,988	2,281	12,269
Designated Herbert Gelder fund	<u>193</u>	<u>776</u>	<u>969</u>
	871,683	239,527	1,111,210
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	<u>4,502</u>	<u>90</u>	<u>4,592</u>
	485,434	90	485,524
Endowment funds			
Endowment fund	4,507,553	148,975	4,656,528
	<u>5,864,670</u>	<u>388,592</u>	<u>6,253,262</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	402,217	(196,277)	24,927	230,867
Designated Extraordinary repair fund	-	-	(3,881)	(3,881)
Designated Eleemosynary fund	19,930	(10,605)	-	9,325
Designated William Brydges fund	159	-	-	159
Designated Apprenticing and Educational fund	2,497	(517)	301	2,281
Designated Herbert Gelder fund	<u>776</u>	<u>-</u>	<u>-</u>	<u>776</u>
	425,579	(207,399)	21,347	239,527
Restricted funds				
Muriel Fildes' fund	90	-	-	90
Endowment funds				
Endowment fund	-	-	148,975	148,975
	<u>425,669</u>	<u>(207,399)</u>	<u>170,322</u>	<u>388,592</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
Unrestricted Almshouse fund	542,123	150,626	692,749
Designated Extraordinary repair fund	103,149	18,812	121,961
Designated Eleemosynary fund	32,039	11,071	43,110
Designated William Brydges fund	3,801	(119)	3,682
Designated Apprenticing and Educational fund	7,538	2,450	9,988
Designated Herbert Gelder fund	187	6	193
	<u>688,837</u>	<u>182,846</u>	<u>871,683</u>
Restricted funds			
Fixed Asset Almshouse fund	480,932	-	480,932
Muriel Fildes' fund	4,414	88	4,502
	<u>485,346</u>	<u>88</u>	<u>485,434</u>
Endowment funds			
Endowment fund	4,094,631	412,922	4,507,553
	<u>5,268,814</u>	<u>595,856</u>	<u>5,864,670</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Almshouse fund	383,698	(283,622)	50,550	150,626
Designated Extraordinary repair fund	(1)	-	18,813	18,812
Designated Eleemosynary fund	20,229	(9,158)	-	11,071
Designated William Brydges fund	201	(320)	-	(119)
Designated Apprenticing and Educational fund	2,531	(794)	713	2,450
Designated Herbert Gelder fund	789	(783)	-	6
	<u>407,447</u>	<u>(294,677)</u>	<u>70,076</u>	<u>182,846</u>
Restricted funds				
Muriel Fildes' fund	88	-	-	88
Endowment funds				
Endowment fund	-	-	412,922	412,922
	<u>407,535</u>	<u>(294,677)</u>	<u>482,998</u>	<u>595,856</u>

Analysis of funds by branch

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

15. MOVEMENT IN FUNDS - continued

4,592 6,250,869

Unrestricted Funds

Unrestricted Almshouse fund (Almshouse Branch) - the provision of low cost social housing to the residents of the City of Hereford.

Designated Extraordinary Repairs fund (Almshouse Branch) - the provision of extraordinary repairs, improvements or rebuilding the Almshouses and other property belonging to the Almshouse branch.

Designated Eleemosynary fund (Eleemosynary Branch) - to provide relief of poverty through the provision of grants to needy people in the City of Hereford for essential household goods and items.

Designated William Brydges fund (Eleemosynary Branch) - to be applied in educating and training and relieving poverty and sickness among persons resident in the City of Hereford.

Designated Apprenticing and Educational fund (Apprenticing and Educational Branch) - to be applied for the benefit of children or young persons who are residents in the City of Hereford and who are in need of financial assistance.

Designated Herbert Gelder Charity fund - for the benefit of the residents of the Almshouse branch and the relief of poor old persons resident in the City of Hereford either in gifts in kind or grants of money.

Restricted Funds

Fixed asset Almshouse fund - the value of the housing association houses.

Muriel Fildes' fund - the legacy which has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

Endowment funds are made up of the value of the Almshouses, the farm investment property and fixed asset investments.

16. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fun (Charity No: 1035990), both charities share common trustees with the Hereford Municipal Charity. Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

The Millar Charity Fund

During the year expenditure of £14,585 (2019: £16,809) was recharged to the Millar Charity. At the year end £31,394 (2019: £16,809) was due from the charity.

The Tudor Champion Fund

During the year expenditure of £3,448 (2019: £3,921) was recharged to the Millar Charity. At the year end £7,369 (2019: £3,921) was due from the charity.

17. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.