

Charity Registration No. 225257

HULL CHARTERHOUSE TRUSTEES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

**Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA**

HULL CHARTERHOUSE TRUSTEES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs S E Whittaker MBE
Hon. Alderman Mrs A Stanley
Councillor J Fareham
Revd J Hargreave
Councillor R Pantelakis
Councillor C Randall
Fr P Lamb
Councillor S Chaytor
Mr P Mann

(Appointed 1 June 2020)
(Appointed 2 March 2020)
(Appointed 6 September 2021)

Charity number

225257

Auditor

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

Solicitors

Andrew Jackson
15A Marina Court
Castle Street
Hull
HU1 1TJ

HULL CHARTERHOUSE TRUSTEES

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HULL CHARTERHOUSE TRUSTEES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed dated 7th December 2015, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008.

Objectives and activities

The charity's objects are to provide Almshouses to "poor persons of good character who are not less than sixty years of age". The policies adopted in furtherance of these objects are set down in the scheme deed as revised and approved by the Board on 7th December 2015 and there has been no change in these during the year.

Residents have the use of various communal facilities and landscaped gardens. As the Charterhouse is a religious foundation, the residents are expected to attend services in the chapel. These are performed by the Master who must be "a clergyman of the Church of England and over thirty years of age". The Master is responsible for the day to day administration of the Charterhouse and reports to the quarterly meetings of the trustees. A continual support service is provided for the residents by the Master, Warden and staff some of whom live on the premises.

Other charity administration continues to be out-sourced to local professional practices.

The Charterhouse continues to provide and maintain accommodation for those individuals who qualify under the criteria contained within the scheme constitution.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

HULL CHARTERHOUSE TRUSTEES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Mrs S E Whittaker MBE was re-elected as Chair for the year and served to Chair all meetings held in the year

The Charterhouse has continued to provide accommodation of good quality for its residents, all of whom are over sixty years of age, of good character and in need of such accommodation. There has been an average of forty residents throughout the year and no long term vacancies; the trustees have followed their policy of renewing bathrooms and kitchens wherever necessary.

There was a good spirit in the House during the year. The Chapel has been well attended. Residents have regularly used the Hall and when weather has permitted the garden. The Trustees have made their usual grant to cover part of the cost of residents' excursions.

The Chapel and garden were open to the public during National Heritage Weekend. Parties of visitors have also been welcomed at other times; the buildings and garden of the Charterhouse are among Hull's finest and attract wide and growing interest.

The firm Fawley Judge & Easton continues to act as Clerk to the Trustees in accordance with Section 21(2) of the Charity Commission's scheme dated 7th December 2015. They continue to act as Agent to the Trustees, in accordance with Section 21(1) of the Scheme in respect of all administration and finance matters.

The Trustees met in full session four times in the course of the year and at other times as required. The Master of the Charterhouse attended all their meetings: two representative residents attended those meetings or parts of meetings at which matters of legitimate interest to them were discussed and were invited to express their views. All residents had also the opportunity to meet Trustees less formally to discuss matters of the residents' own choice. The outcome of that meeting suggested a high level of satisfaction with life in this community.

The Trustees count it a privilege to have continued for another year to ensure that the Charterhouse provided the best accommodation it can afford for those who nowadays correspond with those persons 'of good character, poor and old' for whose benefit the Founder endowed it, six hundred and thirty six years ago, with the property which they administer today.

The continued the ongoing planned maintenance programme which had been approved by the Board. Flat refurbishments comprised the largest proportion of these works

Financial review

The unrestricted and designated funds accounts ended the year with an operational deficit of £168903, prior to revaluation of investments. This was the result of the continuing repair expenditure on the Almshouse and also the reduction on investment income due to the COVID 19 pandemic.. Given this the trustees are pleased that the remaining income and expenditure were within budget expectations.

The trustees continued to have the fixed asset investments managed by Cardale Asset Management Ltd.

The annual review of the reserve structure was completed and together with the annual investment review it ensures a reserve policy structure that meets the requirements of the Trust in future years.

Reserves are held for the following reasons; to provide income to contribute to the Trust's annual running costs; and to provide the funds to maintain and modernise the accommodation to a high standard.

The Trustees meet the cost of maintaining its Almshouse property out of the income of the Charity but is required to maintain an Extraordinary Repair Fund which is designed to meet such extraordinary repairs as they arise. The fund value at the Balance Sheet date was £291,343.

HULL CHARTERHOUSE TRUSTEES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Specifically all property is fully insured, professional advice is sought on all property, investment and financial matters, regular safety checks are carried out in line with charity policies.

The COVID 19 pandemic has continued throughout the year and the Trustees have implemented both a comprehensive scheme policy for the protection and safety of residents, staff and contractors and a review of the financial risks for the charity. In particular commercial rental income which the Trustees have sought to assist the tenants in maintaining their own business which aims to keep them for the remainder of their tenancy. The Trustees expect the revenue to fall by around 25% over the next 12 months.

Structure, governance and management

The Charterhouse is a registered charity (Nr. 225257) and is governed in accordance with the schemes established by the Charity Commissioners on 5th November 1901, 2nd April 1937, 2nd March 1962 and the 7th December 2015. The charity is not incorporated.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs S E Whittaker MBE

Hon. Alderman Mrs A Stanley

Councillor J Fareham

Revd J Hargreave

Councillor R Pantelakis

Councillor C Randall

Prof G Chesters

(Retired 7 June 2021)

Fr P Lamb

(Appointed 1 June 2020)

Councillor S Chaytor

(Appointed 2 March 2020)

Mr P Mann

(Appointed 6 September 2021)

The latter scheme provided for a body of nine trustees, six are nominative trustees, five are appointed by Hull City Council and one by the Archdeacon of the East Riding and hold office for periods of four years. Whilst the remaining three trustees are co-optative and hold office for five years. As vacancies arise efforts are made to recruit suitable individuals who through residence, occupation or employment or otherwise have special knowledge of the benefit area.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 14 day's purchases, based on the average daily amount invoiced by suppliers during the year.

The Chairman is Mrs S E Whittaker MBE and the Deputy Chairman is Councillor Mrs C Randall both were appointed at the March meeting. The Board met four times during the year and at other times to appoint beneficiaries. The Master of the Charterhouse is appointed by the Board in accordance with the Trust Deed and is responsible for the daily management of the House aided by the Warden and Relief Wardens and Estate Supervisor.

HULL CHARTERHOUSE TRUSTEES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees' report was approved by the Board of Trustees.

A handwritten signature in black ink, appearing to read 'SE Whittaker', with a long horizontal flourish extending to the right.

Mrs S E Whittaker MBE

Chair of the Trustees

Dated: 6 December 2021

HULL CHARTERHOUSE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report 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 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 of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

HULL CHARTERHOUSE TRUSTEES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HULL CHARTERHOUSE TRUSTEES

Opinion

We have audited the financial statements of Hull Charterhouse Trustees (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 *Auditor's 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

HULL CHARTERHOUSE TRUSTEES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HULL CHARTERHOUSE TRUSTEES

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 and for being satisfied that they 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report 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.

HULL CHARTERHOUSE TRUSTEES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HULL CHARTERHOUSE TRUSTEES

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- confirming membership with relevant regulators.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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/auditors-responsibilities. This description forms part of our Report of the Independent Auditors.

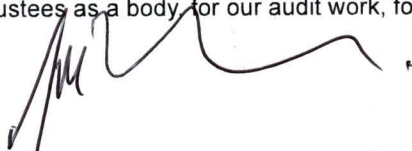
HULL CHARTERHOUSE TRUSTEES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HULL CHARTERHOUSE TRUSTEES

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.



James M Sharpley FCA (Senior Statutory Auditor)

for and on behalf of Smailes Goldie

Chartered Accountants

Statutory Auditor

Regent's Court

Princess Street

Hull

HU2 8BA

6 December 2021

Smailes Goldie is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HULL CHARTERHOUSE TRUSTEES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	15,682	-	15,682	10,000	-	10,000
Charitable activities	4	134,845	-	134,845	135,166	-	135,166
Investments	5	137,261	175	137,436	179,203	180	179,383
Other income	6	4,250	-	4,250	125	-	125
Total income		292,038	175	292,213	324,494	180	324,674
<u>Expenditure on:</u>							
Raising funds	7	38,643	42	38,685	49,437	47	49,484
Charitable activities	8	422,431	-	422,431	429,551	-	429,551
Total resources expended		461,074	42	461,116	478,988	47	479,035
Net gains/(losses) on investments	13	(156,245)	(538)	(156,783)	289,354	621	289,975

HULL CHARTERHOUSE TRUSTEES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Net (outgoing)/ incoming resources before transfers	(325,281)	(405)	(325,686)	134,860	754	135,614
Gross transfers between funds	174	(174)	-	181	(181)	-
Net (outgoing)/incoming resources	(325,107)	(579)	(325,686)	135,041	573	135,614
Other recognised gains and losses						
Revaluation of tangible fixed assets	-	-	-	252,000	-	252,000
Actuarial loss on defined benefit pension schemes	(80,000)	-	(80,000)	(4,000)	-	(4,000)
Net movement in funds	(405,107)	(579)	(405,686)	383,041	573	383,614
Fund balances at 1 January 2020	5,273,643	5,624	5,279,267	4,889,096	5,051	4,894,147
Fund balances at 31 December 2020	<u>4,868,536</u>	<u>5,045</u>	<u>4,873,581</u>	<u>5,272,137</u>	<u>5,624</u>	<u>5,277,761</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HULL CHARTERHOUSE TRUSTEES

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	1,940,455		1,972,761	
Investment properties	15	675,000		675,000	
Investments	16	2,456,601		2,731,686	
		<u>5,072,056</u>		<u>5,379,447</u>	
Current assets					
Debtors	18	22,680		23,280	
Cash at bank and in hand		15,137		16,706	
		<u>37,817</u>		<u>39,986</u>	
Creditors: amounts falling due within one year	21	(83,854)		(72,844)	
Net current liabilities			(46,037)		(32,858)
Total assets less current liabilities		<u>5,026,019</u>		<u>5,346,589</u>	
Creditors: amounts falling due after more than one year	22		(146,438)		(141,322)
Net assets excluding pension (liability)/surplus		<u>4,879,581</u>		<u>5,205,267</u>	
Defined benefit pension (liability)/surplus	23		(6,000)		74,000
Net assets		<u>4,873,581</u>		<u>5,279,267</u>	
Income funds					
Restricted funds	24		5,045		5,624
<u>Unrestricted funds</u>					
Designated funds	25	3,128,904		3,394,122	
General unrestricted funds		1,745,632		1,804,015	
Pension reserve		(6,000)		74,000	
		<u>4,868,536</u>		<u>5,272,137</u>	
		<u>4,873,581</u>		<u>5,277,761</u>	

The accounts were approved by the Trustees on 6 December 2021


Mrs S E Whittaker MBE
Trustee

HULL CHARTERHOUSE TRUSTEES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(267,145)		(309,258)
Investing activities					
Purchase of tangible fixed assets		-		(15,067)	
Purchase of investments		(107,749)		(664,770)	
Proceeds on disposal of investments		226,051		810,925	
Interest received		137,436		179,383	
Net cash generated from investing activities			255,738		310,471
Financing activities					
Repayment of bank loans		15,773		(31,049)	
Payment of obligations under finance leases		(5,935)		8,103	
Net cash generated from/(used in) financing activities			9,838		(22,946)
Net decrease in cash and cash equivalents			(1,569)		(21,733)
Cash and cash equivalents at beginning of year			16,706		31,763
Cash and cash equivalents at end of year			15,137		16,706

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hull Charterhouse Trustees is a registered charity nr 225257 with an amended trust deed dated 7th December 2015 .

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's trust deed dated 7th December 2015, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Allocation of Resources Expended

- Expenses associated with the management of the charity's investment and property portfolios are charged against the unrestricted and restricted funds as appropriate.
- Expenses associated with the maintenance of the Alms house property and the pastoral welfare of the alms persons are charged against the unrestricted fund as appropriate.
- Governance costs comprise fees for audit and legal services.
- Support costs comprise the remainder of all expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. In this year the charity reported under FRS102 and in respect of charity property took the opportunity to restate the charity property for 2019. The surplus was charged to Fixed Asset Revaluation Reserve. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2.5% on cost or valuation
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Legacies receivable	15,682	10,000

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Maintenance contribution 2020 £	Maintenance contribution 2019 £
Charitable income - WMC	134,845	135,166

5 Investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Rental income	50,360	-	50,360	59,413	-	59,413
Investment income from dividends and interest	86,901	175	87,076	119,790	180	119,970
	<u>137,261</u>	<u>175</u>	<u>137,436</u>	<u>179,203</u>	<u>180</u>	<u>179,383</u>

6 Other income

	Unrestricted funds 2020 £	Total 2019 £
Other income	4,250	125

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
<u>Investment property costs</u>				
Other trading activities	18,355	-	18,355	26,153
<u>Investment management</u>	20,288	42	20,330	23,331
	38,643	42	38,685	49,484
For the year ended 31 December 2019				
Investment property costs	26,153	-		26,153
Investment management	23,284	47		23,331
	49,437	47		49,484

8 Charitable activities

	Supported accommodation 2020 £	Property maintenance 2020 £	Total 2020 £	Total 2019 £
Staff costs	141,085	-	141,085	144,802
Depreciation and impairment	-	32,306	32,306	32,306
Water	6,106	-	6,106	5,844
Council tax on voids	1,278	-	1,278	1,364
Insurance	16,668	-	16,668	16,202
Energy costs	17,261	-	17,261	16,153
Responsive maintenance	-	19,015	19,015	22,929
Planned maintenance	-	105,116	105,116	119,928
Garden maintenance	-	8,635	8,635	9,285
Serviced maintenance	-	7,652	7,652	3,855
Cleaning costs	-	4,704	4,704	2,556
Professional fees	-	25,120	25,120	16,857
	182,398	202,548	384,946	392,081
Share of support costs (see note 10)	33,945	-	33,945	34,150
Share of governance costs (see note 10)	3,540	-	3,540	3,320
	219,883	202,548	422,431	429,551

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Description of charitable activities

Supported accommodation

Provision of supported accommodation for those entitled to benefit from the charity in accordance with the criteria set out in the trust deed and the maintenance of the trust property for this purpose.

10 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Clerks fees	16,900	-	16,900	14,400	
Printing and stationery	1,345	-	1,345	389	
Telephone	2,363	-	2,363	3,437	
Subscriptions and donations	622	-	622	2,755	
Travelling expenses	483	-	483	616	
Bank charges	1,255	-	1,255	741	
Sundry expenses	5,250	-	5,250	2,367	
Loan interest	6,177	-	6,177	7,939	
Audit fees	-	3,540	3,540	3,320	Governance
	<u>33,945</u>	<u>3,540</u>	<u>37,486</u>	<u>32,188</u>	
Analysed between					
Charitable activities	<u>33,945</u>	<u>3,540</u>	<u>37,485</u>	<u>32,188</u>	

Governance costs includes payments to the auditors of £3,300 (2019- £3,230) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Employees

Number of employees

The average monthly number employees during the year was: 4 (2019 - 4)

	2020 Number	2019 Number
Pastoral	3	3
Supported accommodation	1	1
	<u>4</u>	<u>4</u>

Employment costs

	2020 £	2019 £
Wages and salaries	119,576	112,373
Social security costs	4,925	5,125
Other pension costs	16,584	27,304
	<u>141,085</u>	<u>144,802</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Revaluation of investments	(156,245)	(538)	(156,783)	231,519	621	232,140
Revaluation of investment properties	-	-	-	57,835	-	57,835
	<u>(156,245)</u>	<u>(538)</u>	<u>(156,783)</u>	<u>289,354</u>	<u>621</u>	<u>289,975</u>

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Total £
Cost			
At 1 January 2020	1,990,000	15,067	2,005,067
At 31 December 2020	1,990,000	15,067	2,005,067
Depreciation and impairment			
At 1 January 2020	30,800	1,506	32,306
Depreciation charged in the year	30,800	1,506	32,306
At 31 December 2020	61,600	3,012	64,612
Carrying amount			
At 31 December 2020	1,928,400	12,055	1,940,455
At 31 December 2019	1,959,200	13,561	1,972,761

15 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	675,000

Investment property comprises 7 Silver Street Hull, 62 and 63 Market Place Hull, 47 Hanley Road Hull and 139 Spring Gardens Anlaby. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 10th December 2019 by Elizabeth Haller FRICS of Haller Evans Chartered Surveyors, who are not connected with the charity and additions since that date are valued at cost. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees believe that this valuation remains representative of the fair value at 31 December 2020.

	2020 £	2019 £
Freehold	675,000	675,000
Long leasehold	-	-
Short leasehold	-	-

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2020	2,711,246	20,440	2,731,686
Additions	107,749	-	107,749
Valuation changes	(156,783)	-	(156,783)
Net Movement	(343,639)	117,589	(226,050)
At 31 December 2020	2,318,573	138,029	2,456,602
Carrying amount			
At 31 December 2020	2,318,573	138,029	2,456,602
At 31 December 2019	2,711,246	20,440	2,731,686

17 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,318,572	2,711,246

18 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	15,907	10,985
Prepayments and accrued income	6,773	12,295
	22,680	23,280

19 Loans and overdrafts

	2020 £	2019 £
Bank loans	188,143	172,370
Payable within one year	41,705	31,048
Payable after one year	146,438	141,322
Amounts included above which fall due after five years:		
Payable by instalments	-	17,130

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Loans and overdrafts

(Continued)

The long-term loans are unsecured and a requirement has been agreed by the Trustees to maintain the Investments at no less than £1m throughout the duration of the loan.

The Trustees, as part of the funding for the refurbishment of the Masters House agreed a loan facility with Unity Trust Bank plc for £150,000 repayable over 84 months commencing October 2017. The interest rate is 3.5% over the prevailing Bank of England base rate. A further loan was agreed for £75,000 with Unity Trust Bank plc to part fund the extraordinary repairs needed for the Chapel. The interest rate is 3.5% over the prevailing Bank of England base rate and was repayable over 84 months commencing January 2019.

20 Finance lease commitments

The chapel and Caselton Hall audio systems acquired in 2019 were funded on an interest free basis over four payments, the final payment for the Hall is 17th August 2020, and for the Chapel 22nd March 2021.

21 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	19	41,705	31,048
Obligations under finance leases	20	2,168	8,103
Other taxation and social security		2,507	2,344
Trade creditors		2,169	2,138
Accruals and deferred income		35,305	29,211
		<u>83,854</u>	<u>72,844</u>

22 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	19	<u>146,438</u>	<u>141,322</u>

23 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund through NEST.

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Retirement benefit schemes

(Continued)

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees managed by East Riding Pension Fund. The Trustees are considering closure of the scheme to new employees on the retirement of the final employee registered with the scheme. Future employees will be offered a defined contribution scheme.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by Hymans Robertson LLP. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Additionally The Charterhouse Hull participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pension contributions payable towards benefits and expenses are recognised in the SoFA were £9,834 (2019 - £9,684).

Valuation

Actuarial valuation performed by Hymans Robertson LLP as at 31 March 2020.

Key assumptions

	2020	2019
	%	%
Discount rate	2.3	2.5
Expected rate of increase of pensions in payment	2.0	2.5
Expected rate of salary increases	2.9	2.7

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2020	2019
	Years	Years
Retiring today		
- Males	20.9	21.7
- Females	23.3	23.7
Retiring in 20 years		
- Males	20.9	21.7
- Females	21.8	23.7

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Retirement benefit schemes

(Continued)

Amounts recognised in the profit and loss account:

	2020 £	2019 £
Current service cost	25,000	24,000
Net interest on defined benefit liability/(asset)	(2,000)	(2,000)
Total costs	23,000	22,000

Amounts taken to other comprehensive income:

	2020 £	2019 £
Actual return on scheme assets	38,000	(36,000)
Less: calculated interest element	14,000	14,000
Return on scheme assets excluding interest income	52,000	(22,000)
Actuarial changes related to obligations	22,000	22,000

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Present value of defined benefit obligations	538,000	491,000
Fair value of plan assets	(532,000)	(565,000)
Deficit/(surplus) in scheme	6,000	(74,000)

Movements in the present value of defined benefit obligations:

	2020 £
Liabilities at 1 January 2020	491,000
Current service cost	25,000
Benefits paid	(15,000)
Contributions from scheme members	3,000
Actuarial gains and losses	22,000
Interest cost	12,000
At 31 December 2020	538,000

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Retirement benefit schemes

(Continued)

The defined benefit obligations arise from plans funded as follows:

	2020 £
Wholly unfunded obligations	-
Wholly or partly funded obligations	538,000
	<u>538,000</u>

Movements in the fair value of plan assets:

	2020 £
Fair value of assets at 1 January 2020	565,000
Interest income	14,000
Return on plan assets (excluding amounts included in net interest)	(52,000)
Benefits paid	(15,000)
Contributions by the employer	17,000
Contributions by scheme members	3,000
	<u>532,000</u>
At 31 December 2020	<u>532,000</u>

The fair value of plan assets at the reporting period end was as follows:

	2020 £	2019 £
Equity instruments	351,120	401,150
Debt instruments	90,440	79,100
Property	74,480	67,800
Cash	15,960	16,950
	<u>532,000</u>	<u>565,000</u>

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Transfers	Balance at 31 December 2020	
	Balance at 1 January 2019	Incoming resources	Outgoing Gains and loss resources	Transfers	Balance at 1 January 2020	Incoming resources	Outgoing Gains and loss resources	Transfers			
	£	£	£	£	£	£	£	£	£	£	
H J Barney	5,051	180	(47)	621	(181)	5,624	175	(42)	(537)	(174)	5,045

25 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Movement in funds			Gains and losses	Balance at 1 January 2020	Movement in funds			Gains and losses	Balance at 31 December 2020
		Incoming resources	Outgoing resources	Gains and loss			Incoming resources	Outgoing resources	Gains and loss		
	£	£	£	£	£	£	£	£	£	£	£
Cyclical repair	32,567	1,565	(1,732)	2,643	35,043	813	(22,266)	(6,378)	7,212		
Extraordinary repair	502,025	22,661	(165,454)	43,525	402,757	12,732	(92,753)	(31,393)	291,343		
Capital	1,445,944	65,238	(69,240)	42,418	1,484,360	50,792	(107,402)	(69,363)	1,358,387		
FA revaluation reserve	1,414,127	-	-	57,835	1,471,962	-	-	-	1,471,962		
	3,394,663	89,464	(236,426)	146,421	3,394,122	64,337	(222,421)	(107,134)	3,128,904		

HULL CHARTERHOUSE TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Analysis of net assets between funds

	Unrestricted Fund 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Fund 2019 £	Restricted Funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	1,940,455	-	1,940,455	1,972,761	-	1,972,761
Investment properties	675,000	-	675,000	675,000	-	675,000
Investments	2,451,556	5,045	2,456,601	2,726,062	5,624	2,731,686
Current assets/ (liabilities)	(46,037)	-	(46,037)	(32,858)	-	(32,858)
Long term liabilities	(146,438)	-	(146,438)	(141,322)	-	(141,322)
Provisions and pensions	(6,000)	-	(6,000)	74,000	-	74,000
	<u>4,868,536</u>	<u>5,045</u>	<u>4,873,581</u>	<u>5,273,643</u>	<u>5,624</u>	<u>5,279,267</u>

27 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(325,686)	135,614
Adjustments for:		
Investment income recognised in statement of financial activities	(137,436)	(179,383)
Fair value gains and losses on investment properties	-	(57,835)
Fair value gains and losses on investments	156,783	(232,140)
Depreciation and impairment of tangible fixed assets	32,306	32,306
Movements in working capital:		
Decrease in debtors	600	5,250
Increase/(decrease) in creditors	6,288	(13,070)
Cash absorbed by operations	<u>(267,145)</u>	<u>(309,258)</u>

28 Analysis of changes in net (debt)/funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	16,706	(1,569)	15,137
Loans falling due within one year	(31,048)	(10,657)	(41,705)
Loans falling due after more than one year	(141,322)	(5,116)	(146,438)
Obligations under finance leases	(8,103)	5,935	(2,168)
	<u>(163,767)</u>	<u>(11,407)</u>	<u>(175,174)</u>