

REGISTERED CHARITY NUMBER: 230043

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 5 April 2023
for
Lady Hewley's Charity**

HPH
54 Bootham
York
YO30 7XZ

Lady Hewley's Charity

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for the Year Ended 5 April 2023**

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Lady Hewley's Charity

Report of the Trustees for the Year Ended 5 April 2023

The Trustees present their report with the financial statements of the Charity for the year ended 5 April 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are:

1. For the benefit of the public:

a) To further the religious and other charitable work of the Baptist, Congregational and United Reformed Church ministers and members, including through the proclamation of the Gospel and the promotion of preaching, with a preference for such work in areas of social and economic deprivation.

b) To advance the education of men and women for the Baptist, Congregational and United Reformed Church ministries by such means as the Trustees decide including the award of grants, allowances and other financial and non - financial support.

c) To relieve from need, hardship and distress whether by reason of poverty, age or disability, persons who are:

i) Baptist, Congregational and United Reformed Church ministers or their dependents,

ii) Dependents of former Presbyterian Church of England ministers

iii) Members of any Baptist, Congregational and United Reformed Church

by such means as the Trustees decide, including the award of financial and non - financial support.

d) To relieve from need, hardship and distress by:

i) providing housing accommodation to persons who are in need and aged over 55 years and of the Protestant faith

ii) such other charitable means for the benefit of the residents as the Trustees decide.

2. In carrying out the Charity's objects, the Trustees must give preference to places situated in and persons resident in the northern counties of England and then to other areas of England and Wales.

3. The land adjoining 14 St Saviourgate, York, YO1 8NN, together with the Almshouses on that land, must be retained by the Trustees to use for the Charity's objects.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, and in planning future activities.

Grantmaking

The Charity invites applications for grants through contact with the respective churches at local church, province and regional levels. The individual applications are considered twice a year and grants made according to individual's personal and financial circumstances. Church institutions are required to submit details of the specific projects when requesting grants.

Lady Hewley's Charity

Report of the Trustees for the Year Ended 5 April 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the Trustees continued to maintain the principles laid down by Lady Hewley.

Grants of £308,335 made to ministers, retired ministers, widows, students, and church institutions, continue to further the religious and other charitable work of the United Reformed, Congregational and Baptist churches, through advancing the education of men and women within those Ministries, and providing help where relief is needed from hardship and distress.

| | Number of organisations | Number of individuals |
|---------------------------------|-------------------------|-----------------------|
| Religious and charitable work | 3 | 70 |
| Advancement of education | - | 35 |
| Relief of hardship and distress | 2 | 35 |

The Almshouses can house 10 residents under full occupation. During the year the Charity has provided accommodation to 9 residents.

Grants to organisations institutions included the following: -

| | 2023 | 2022 |
|--------------------------------|----------------|---------------|
| | £ | £ |
| Baptist Church Redcar | 35,877 | - |
| Baptist Church Hartlepool | 31,064 | - |
| Skelmersdale Ecumenical Centre | 40,000 | - |
| Emmanuel Baptist Church | - | 12,000 |
| Northern Baptist Association | - | 25,000 |
| Other | <u>4,889</u> | <u>-</u> |
| | <u>110,830</u> | <u>37,000</u> |

Investment performance

The Charity's investment in stocks and shares had a market value at 5 April 2023 of £13,538,067. This gave rise to a realised loss of £225,424, and an unrealised loss in the year of £207,806, giving an overall loss of £433,230.

The total return on the investment portfolio managed by Evelyn Partners for the year ended 5 April 2023, was -1.2% (2021 5.3%) and generated a yield of 2.3% (2022 2.0%).

Land had a cost at 5 April 2023 of £3,270,018. The almshouses were valued at £2,600,000 on 7 March 2022. Improvements are capitalised as they are incurred.

FINANCIAL REVIEW

Principal funding sources

The Charity is reliant on income from investments, the income from which, in this year under review, was £320,357. The Charity also received income of £53,330 as a contribution towards the maintenance costs of the almshouses. From these sources, £308,335 was paid out in grants to qualifying applicants, and £40,520 was spent on the general upkeep of the almshouses, and improvements to the Hungate land. After all expenses, the Charity had a net deficit of £(148,319) for the year before realised and unrealised gains.

Investment policy and objectives

There are no restrictions on the Charity's power to invest. The investment strategy is set by the Trustees and takes account of recent demand for grants and future maintenance of the almshouses. The Trustees consider the income requirements, the risk profile and the investment advisor's view of the market prospects. This strategy is set within an overall policy, which states that the endowment fund is to be invested in a medium risk portfolio with a view to ensuring, that over a period of time, capital appreciates, thus keeping investment income increasing at not less than the rate of inflation. The investment performance is monitored on a regular basis against investment indices.

Lady Hewley's Charity

Report of the Trustees for the Year Ended 5 April 2023

FINANCIAL REVIEW

Reserves policy

The Trustees aim to maintain free reserves, in unrestricted funds, at a level which equates to approximately twelve months unrestricted charitable expenditure. Within the unrestricted fund is a designated fund, which has been established as a provision against future major repair work on the almshouses. In the current year, unrestricted expenditure amounted to £408,583, the free reserves figure standing at £429,238.

Going concern

The Trustees are continually reviewing the operations of the Charity and its ability to deliver its objectives. The Trustees believe they have the structure and resources to ensure the Charity remains a going concern.

FUTURE PLANS

The Trustees are continuing to review the Charity's principal objectives, whilst maintaining the principles laid down by Lady Hewley.

The Low Grange Farm parcel of land is subject to a third-party development option agreement. In 2022 the developer exercised the first element of the option and acquired 26.58 acres for housing development. Two further option elements remain for exercise in the future.

Subsequent to the year-end the Charity's website was launched bringing the Charity into the 21st Century.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The original Charity was established by Lady Sarah Hewley in 1705, and upon her death in 1710, Lady Hewley left her entire estate to the Charity. On the 16 June 2011, the Charity Commission of England and Wales, under the powers given in the Charities Act 2011, ordered that the Charity be governed by a new scheme, which is now the governing document. The Charity does not actively fund raise and seeks to continue the good works desired by Lady Hewley through careful stewardship of its existing resources.

Recruitment and appointment of new Trustees

The appointment of new Trustees follows the retiring of a Trustee of one of the 3 church denominations supported by the Charity. A recommendation for a replacement Trustee is received from the outgoing Trustee, thereby ensuring that each church denomination is represented. The new Trustee is interviewed by the Chair of the Trustees and the Clerk. The new Trustee is then presented by the outgoing Trustee to the Board of Trustees, for election to the board.

Organisational structure

Under the Scheme dated 16th June 2011, the number of Trustees is 7, consisting of:

- 5 members from the United Reformed Church,
- 1 member of the Baptist Church and,
- 1 member from the Congregational Church but, if no suitable person can be found, the vacancy shall be filled by a member of the United Reformed Church.

The Trustees serve for a term of five years, after which period they may put themselves forward for re-appointment. The Board of Trustees must hold at least 2 ordinary meetings in each 12-month period, with a quorum of at least 3 Trustees. The Board agree the strategy and areas of activity for the Charity, including consideration of grant-making, investments, reserves and risk management and performance.

The almshouses are administered and managed by committee appointed by the Trustees. The committee is asked to meet twice yearly and meet more frequently, if required, reflecting the work required to maintain and run the almshouses. The committee reports on their work to the Board of Trustees and seek approval of their recommendations.

Induction and training of new Trustees

On election, a new Trustee will be given a copy of the Scheme, dated 16th June 2011, and any amendments made to it, and a copy of the Charity's latest report and statement of the accounts. A new Trustee will also be supplied with appropriate literature from the Charity Commission and the Charity to enable the new Trustee to perform their work competently. The Charity also pays for Trustees to attend appropriate training courses.

Lady Hewley's Charity

**Report of the Trustees
for the Year Ended 5 April 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
230043

Principal address

Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

Trustees

Dr P A Thake Chairman
Dr A R Graydon
Dr D S Robinson Treasurer
N M Mackenzie
Rev P Jump
Rev J Bentham
A Forsyth

Auditors

HPH
54 Bootham
York
YO30 7XZ

Bankers

Barclays Bank plc
48B & 50 Lord Street
Liverpool
L2 1TD

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Veale Wasbrough Vizards LLP, 24 King William Street, London, EC4R 9AT

Advisers

Custodian Trustee for land and property assets

The Lady Hewley Charity Trust Co Ltd (Company No: 2672189)
The directors of the company are the persons acting as Trustees of the Charity as listed above.

Clerk to the Trustees

Neil St. J. Blake, Military House, 24 Castle Street, Chester CH1 2DS

Land agents

Stephensons, 10 Colliergate, York YO1 8BP

Investment advisors

Evelyn Partners, Royal Liver Building, Pier Head, Liverpool L3 1NY

Website

www.theladyhewleytrust.org.uk

Lady Hewley's Charity

**Report of the Trustees
for the Year Ended 5 April 2023**

ALMSHOUSES

The almshouses owned by the Charity are administered and managed by a committee appointed by the Trustees who were as follows:

Rev A Micklem
Mrs I Thompson
Miss K Buckland
Mrs E Atkins
Rev J Green (appointed 19 October 2022)

The financial result of the committees' administration of the almshouses is included in the statement of financial activities and also in the figures in this report under review of the year.

TRUSTEES' RESPONSIBILITY STATEMENT

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 2 November 2023 and signed on its behalf by:

Dr P Thake

Dr P A Thake - Trustee

Report of the Independent Auditors to the Trustees of Lady Hewley's Charity

Opinion

We have audited the financial statements of Lady Hewley's Charity for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 5 April 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 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 Lady Hewley's Charity

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 4, 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 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:

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:

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- 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 might be fundamental to the charitable company's ability to operate or to avoid a material penalty. The laws and regulations we considered in this context were Charity Commission regulations and General Data Protection Regulation (GDPR).
- Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.
- We also considered the opportunities and incentives that may exist within the charitable company for fraud.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition.

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to sample testing on the posting of journals, timing of recognition of income, review of Trustee's minutes and any correspondence with regulators.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

**Report of the Independent Auditors to the Trustees of
Lady Hewley's Charity**

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.

HPH

HPH
54 Bootham
York
YO30 7XZ

Date: 2 November 2023

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

Lady Hewley's Charity

Statement of Financial Activities
for the Year Ended 5 April 2023

| | Notes | Unrestricted funds £ | Endowment fund £ | 2023 Total funds £ | 2022 Total funds £ |
|------------------------------------------------|-------|----------------------------|------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Other trading activities | 2 | 53,330 | - | 53,330 | 48,477 |
| Investment income | 3 | 320,357 | - | 320,357 | 266,864 |
| Other income | | <u>3,978</u> | <u>-</u> | <u>3,978</u> | <u>123,507</u> |
| Total | | <u>377,665</u> | <u>-</u> | <u>377,665</u> | <u>438,848</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 4 | - | 65,401 | 65,401 | 64,881 |
| Charitable activities | 5 | | | | |
| Grants to institutions | | 111,830 | - | 111,830 | 37,000 |
| Grant to individuals | | 196,505 | - | 196,505 | 158,500 |
| Almshouse maintenance costs | | 40,520 | 52,000 | 92,520 | 73,372 |
| Governance costs | | <u>57,160</u> | <u>-</u> | <u>57,160</u> | <u>66,449</u> |
| Other | | <u>2,568</u> | <u>-</u> | <u>2,568</u> | <u>1,363</u> |
| Total | | <u>408,583</u> | <u>117,401</u> | <u>525,984</u> | <u>401,565</u> |
| Net unrealised gains on fixed assets | | - | 337,500 | 337,500 | 725,000 |
| Net realised (losses) / gains on investments | | - | (225,424) | (225,424) | 11,649 |
| Net unrealised (losses) / gains on investments | | <u>-</u> | <u>(207,806)</u> | <u>(207,806)</u> | <u>483,288</u> |
| NET (EXPENDITURE) / INCOME | | (30,918) | (213,131) | (244,049) | 1,257,220 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>460,156</u> | <u>20,120,935</u> | <u>20,581,091</u> | <u>19,323,871</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>429,238</u> | <u>19,907,804</u> | <u>20,337,042</u> | <u>20,581,091</u> |

The notes form part of these financial statements

Lady Hewley's Charity

Balance Sheet
5 April 2023

| | Notes | Unrestricted funds £ | Endowment fund £ | 2023 Total funds £ | 2022 Total funds £ |
|----------------------------------------------|-------|----------------------------|------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | - | 5,818,018 | 5,818,018 | 5,426,722 |
| Investments | 11 | - | 13,663,560 | 13,663,560 | 13,359,121 |
| | | - | 19,481,578 | 19,481,578 | 18,785,843 |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 3,975 | 48,175 | 52,150 | 2,540 |
| Cash at bank | | 457,533 | 378,051 | 835,584 | 2,045,947 |
| | | 461,508 | 426,226 | 887,734 | 2,048,487 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | (32,270) | - | (32,270) | (253,239) |
| NET CURRENT ASSETS | | 429,238 | 426,226 | 855,464 | 1,795,248 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 429,238 | 19,907,804 | 20,337,042 | 20,581,091 |
| NET ASSETS | | 429,238 | 19,907,804 | 20,337,042 | 20,581,091 |
| FUNDS | 14 | | | | |
| Unrestricted funds | | | | 429,238 | 460,156 |
| Endowment funds | | | | 19,907,804 | 20,120,935 |
| TOTAL FUNDS | | | | 20,337,042 | 20,581,091 |

The financial statements were approved by the Board of Trustees and authorised for issue on 2 November 2023 and were signed on its behalf by:

Dr P Thake

Dr P A Thake - Trustee

Dr D Robinson

Dr D S Robinson - Trustee

The notes form part of these financial statements

Lady Hewley's Charity

Cash Flow Statement
for the Year Ended 5 April 2023

| | Notes | 2023 £ | 2022 £ |
|---------------------------------------------------------------------------|-------|-----------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>(699,548)</u> | <u>(842,050)</u> |
| Net cash used in operating activities | | <u>(699,548)</u> | <u>(842,050)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (105,796) | (154,654) |
| Purchase of fixed asset investments | | (4,507,811) | (1,655,332) |
| Sale of tangible fixed assets | | - | 1,315,000 |
| Sale of fixed asset investments | | 3,899,836 | 2,151,344 |
| Interest received | | 14,699 | 9,279 |
| Dividends received | | <u>305,658</u> | <u>257,585</u> |
| Net cash (used in)/provided by investing activities | | <u>(393,414)</u> | <u>1,923,222</u> |
| Cash flows from financing activities | | | |
| Income attributable to endowment | | - | 123,266 |
| Expenditure attributable to endowment | | <u>(117,401)</u> | <u>(64,881)</u> |
| Net cash (used in)/provided by financing activities | | <u>(117,401)</u> | <u>58,385</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(1,210,363)</u> | <u>1,139,557</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>2,045,947</u> | <u>906,390</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>835,584</u></u> | <u><u>2,045,947</u></u> |

The notes form part of these financial statements

Lady Hewley's Charity

Notes to the Cash Flow Statement
for the Year Ended 5 April 2023**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 2023 £ | 2022 £ |
|---------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (244,049) | 1,257,220 |
| Adjustments for: | | |
| Depreciation charges | 52,000 | 37,500 |
| Losses/(gain) on land and investments | 95,730 | (1,219,937) |
| (Profit) on disposal of fixed assets | (337,500) | (123,267) |
| Interest received | (14,699) | (9,279) |
| Dividends received | (305,658) | (257,585) |
| Income attributable to endowment | - | (123,266) |
| Expenditure attributable to endowment | 65,401 | 64,881 |
| Unrealised loss/(gain) on investments | 207,806 | (483,288) |
| Increase in debtors | (49,610) | (1,057) |
| (Decrease)/increase in creditors | <u>(220,969)</u> | <u>16,028</u> |
| Net cash used in operations | <u><u>(751,548)</u></u> | <u><u>(842,050)</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 2022 £ | Cash flow £ | At 2023 £ |
|-----------------|-------------------------|---------------------------|-----------------------|
| Net cash | | | |
| Cash at bank | <u>2,045,947</u> | <u>(1,210,363)</u> | <u>835,584</u> |
| Total | <u><u>2,045,947</u></u> | <u><u>(1,210,363)</u></u> | <u><u>835,584</u></u> |

The notes form part of these financial statements

Lady Hewley's Charity

**Notes to the Financial Statements
for the Year Ended 5 April 2023**

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.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

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.

Raising funds

Raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs

Governance costs include external audit fees, legal and professional fees, clerk to the Trustees' fees and expenses, and Trustees', expenses.

Allocation and apportionment of costs

Support costs have been allocated between governance and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance and support costs have been allocated against the almshouse maintenance costs activity.

Lady Hewley's Charity

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2023**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land - not provided
Almshouses - 2% on fair value

In accordance with the terms of the Charity on which they are held, the almshouses have to be maintained in good working order and as a result, the repairs and maintenance costs of the property are to be written off to the Statement of Financial Activities as incurred.

Any improvements to the property are capitalised and are depreciated over the estimated useful economic life of 50 years.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Grants -outgoing

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Grants are accounted for in the year the grants are approved, irrespective of the period covered.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial investments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised 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 their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Debtors

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

Cash at 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.

Lady Hewley's Charity

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2023**

1. ACCOUNTING POLICIES - continued

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 trade discounts due.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. OTHER TRADING ACTIVITIES

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Maintenance contributions | <u>53,330</u> | <u>48,477</u> |

3. INVESTMENT INCOME

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Dividends received | 305,658 | 257,585 |
| Deposit account interest | <u>14,699</u> | <u>9,279</u> |
| | <u>320,357</u> | <u>266,864</u> |

4. RAISING FUNDS

Investment management costs

| | 2023 | 2022 |
|----------------------|---------------|---------------|
| | £ | £ |
| Portfolio management | <u>65,401</u> | <u>64,881</u> |

5. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Grant funding of activities (see note 6) £ | Support costs (see note 7) £ | Totals £ |
|-----------------------------|----------------------|-----------------------------------------------------------|---------------------------------------|----------------|
| Grants to institutions | - | 111,830 | - | 111,830 |
| Grant to individuals | - | 196,505 | - | 196,505 |
| Almshouse maintenance costs | 92,520 | - | - | 92,520 |
| Governance costs | <u>-</u> | <u>-</u> | <u>57,160</u> | <u>57,160</u> |
| | <u>92,520</u> | <u>308,335</u> | <u>57,160</u> | <u>458,015</u> |

Lady Hewley's Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

6. GRANTS PAYABLE

| | 2023 | 2022 |
|------------------------|----------------|----------------|
| | £ | £ |
| Grants to institutions | 111,830 | 37,000 |
| Grant to individuals | <u>196,505</u> | <u>158,500</u> |
| | <u>308,335</u> | <u>195,500</u> |

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

| | 2023 | 2022 |
|-------------------|----------------|----------------|
| | £ | £ |
| Ministers | 55,655 | 24,500 |
| Retired Ministers | 74,900 | 66,300 |
| Widows | 30,550 | 33,400 |
| Students | <u>34,100</u> | <u>34,300</u> |
| | <u>196,505</u> | <u>158,500</u> |

7. SUPPORT COSTS

| | Governance costs |
|------------------|------------------|
| | £ |
| Governance costs | <u>57,160</u> |

Support costs, included in the above, are as follows:

| | 2023 Governance costs | 2022 Total activities |
|-------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Trustees' expenses | 1,374 | 1,015 |
| Auditors' remuneration | 5,880 | 5,400 |
| Trustees' indemnity insurance | 1,632 | 1,008 |
| Legal fees | 188 | 9,160 |
| Trustees' meeting costs | 3,381 | 4,597 |
| Clerk to the Trustees fees | 44,400 | 44,400 |
| Sundries | <u>305</u> | <u>869</u> |
| | <u>57,160</u> | <u>66,449</u> |

Lady Hewley's Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 5 April 2023 nor for the year ended 5 April 2022.

Trustees' expenses

| | 2023 | 2022 |
|--------------------|--------------|--------------|
| | £ | £ |
| Trustees' expenses | <u>1,374</u> | <u>1,015</u> |

9. STAFF COSTS

There were no staff costs for the year ended 5 April 2023 nor for the year ended 5 April 2022.

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

The Charity does not employ any members of staff; hence, no member of staff received a salary in excess of £60,000. The Clerk to the Trustees performs all of the duties required to administer the Charity.

10. TANGIBLE FIXED ASSETS

| | Freehold land £ | Almshouses £ | Totals £ |
|--------------------------|-----------------------|------------------|------------------|
| COST OR VALUATION | | | |
| At 6 April 2022 | 3,164,222 | 2,600,000 | 5,764,222 |
| Additions | <u>105,796</u> | <u>-</u> | <u>105,796</u> |
| At 5 April 2023 | <u>3,270,018</u> | <u>2,600,000</u> | <u>5,870,018</u> |
| DEPRECIATION | | | |
| At 6 April 2022 | - | 337,500 | 337,500 |
| Charge for year | - | 52,000 | 52,000 |
| Revaluation adjustments | <u>-</u> | <u>(337,500)</u> | <u>(337,500)</u> |
| At 5 April 2023 | <u>-</u> | <u>52,000</u> | <u>52,000</u> |
| NET BOOK VALUE | | | |
| At 5 April 2023 | <u>3,270,018</u> | <u>2,548,000</u> | <u>5,818,018</u> |
| At 5 April 2022 | <u>3,164,222</u> | <u>2,262,500</u> | <u>5,426,722</u> |

Cost or valuation at 5 April 2023 is represented by:

| | Freehold land £ | Almshouses £ | Totals £ |
|-------------------|-----------------------|------------------|------------------|
| Valuation in 2022 | - | 725,000 | 725,000 |
| Cost | <u>3,270,018</u> | <u>1,875,000</u> | <u>5,145,018</u> |
| | <u>3,270,018</u> | <u>2,600,000</u> | <u>5,870,018</u> |

The Charity owns 10 almshouses in York, built in 1840, which are occupied by qualifying persons under the terms of the scheme. The almshouses were valued at £2,600,000 on 7 March 2022. Improvements are capitalised as they are incurred.

Lady Hewley's Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

10. TANGIBLE FIXED ASSETS - continued

The estimation basis for depreciation of the Almhouses has been amended to reflect the revaluation in 2022 from 2% on cost to 2% on fair value from 2022, releasing £337,500 to the statement of financial activities in 2023.

11. FIXED ASSET INVESTMENTS

| | 2023 £ | 2022 £ |
|----------------------|-------------------|-------------------|
| Shares | 13,538,067 | 12,813,376 |
| Funds held by broker | <u>125,493</u> | <u>545,745</u> |
| | <u>13,663,560</u> | <u>13,359,121</u> |

Additional information as follows:

| | Shares in group undertakings £ | Listed investments £ | Totals £ |
|-----------------------|-----------------------------------------|----------------------------|-------------------|
| MARKET VALUE | | | |
| At 6 April 2022 | 1 | 12,813,375 | 12,813,376 |
| Additions | - | 4,507,811 | 4,507,811 |
| Disposals | - | (3,575,314) | (3,575,314) |
| Revaluations | - | <u>(207,806)</u> | <u>(207,806)</u> |
| At 5 April 2023 | <u>1</u> | <u>13,538,066</u> | <u>13,538,067</u> |
| NET BOOK VALUE | | | |
| At 5 April 2023 | <u>1</u> | <u>13,538,066</u> | <u>13,538,067</u> |
| At 5 April 2022 | <u>1</u> | <u>12,813,375</u> | <u>12,813,376</u> |

Quoted investment analysis

| | 2023 £ | 2022 £ |
|----------|-------------------|-------------------|
| Equities | 12,372,475 | 10,250,700 |
| | <u>12,372,475</u> | <u>10,250,700</u> |

The Charity's investment in the group undertaking at the balance sheet date in the share capital of the company is as follows:

The Lady Hewley Property Company Limited
Nature of business: Dormant

100% ordinary shareholding

Aggregate capital and reserves: £1

Lady Hewley's Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

11. FIXED ASSET INVESTMENTS - continued

Investments (neither listed nor unlisted) were as follows:

| | 2023 £ | 2022 £ |
|----------------------|----------------|----------------|
| Funds held by broker | <u>125,493</u> | <u>545,745</u> |

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|---------------|---------------|--------------|
| Other debtors | <u>52,150</u> | <u>2,540</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|------------------------------|---------------|----------------|
| Taxation and social security | - | 222,309 |
| Other creditors | <u>32,270</u> | <u>30,930</u> |
| | <u>32,270</u> | <u>253,239</u> |

14. MOVEMENT IN FUNDS

| | At 2022 £ | Net movement in funds £ | Transfers between funds £ | At 2023 £ |
|---------------------------|-------------------|----------------------------------|------------------------------------|-------------------|
| Unrestricted funds | | | | |
| General fund | 375,156 | (30,918) | (15,000) | 329,238 |
| Designated repair fund | <u>85,000</u> | <u>-</u> | <u>15,000</u> | <u>100,000</u> |
| | 460,156 | (30,918) | - | 429,238 |
| Endowment funds | | | | |
| Endowment funds | <u>20,120,935</u> | <u>(213,131)</u> | <u>-</u> | <u>19,907,804</u> |
| TOTAL FUNDS | <u>20,581,091</u> | <u>(244,049)</u> | <u>-</u> | <u>20,337,042</u> |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 377,665 | (408,583) | - | (30,918) |
| Endowment funds | | | | |
| Endowment funds | <u>-</u> | <u>(117,401)</u> | <u>(95,730)</u> | <u>(213,131)</u> |
| TOTAL FUNDS | <u>377,665</u> | <u>(525,984)</u> | <u>(95,730)</u> | <u>(244,049)</u> |

Lady Hewley's Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 2021 £ | Net movement in funds £ | Transfers between funds £ | At 2022 £ |
|---------------------------|-------------------|----------------------------------|------------------------------------|-------------------|
| Unrestricted funds | | | | |
| General fund | 411,258 | (21,102) | (15,000) | 375,156 |
| Designated repair fund | <u>70,000</u> | <u>-</u> | <u>15,000</u> | <u>85,000</u> |
| | 481,258 | (21,102) | - | 460,156 |
| Endowment funds | | | | |
| Endowment funds | <u>18,842,613</u> | <u>1,278,322</u> | <u>-</u> | <u>20,120,935</u> |
| TOTAL FUNDS | <u>19,323,871</u> | <u>1,257,220</u> | <u>-</u> | <u>20,581,091</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 | | | | |
| General fund | 315,582 | (336,684) | - | (21,102) |
| Endowment funds | | | | |
| Endowment funds | <u>123,266</u> | <u>(64,881)</u> | <u>1,219,937</u> | <u>1,278,322</u> |
| TOTAL FUNDS | <u>438,848</u> | <u>(401,565)</u> | <u>1,219,937</u> | <u>1,257,220</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 2021 £ | Net movement in funds £ | Transfers between funds £ | At 2023 £ |
|---------------------------|-------------------|----------------------------------|------------------------------------|-------------------|
| Unrestricted funds | | | | |
| General fund | 411,258 | (52,020) | (30,000) | 329,238 |
| Designated repair fund | <u>70,000</u> | <u>-</u> | <u>30,000</u> | <u>100,000</u> |
| | 481,258 | (52,020) | - | 429,238 |
| Endowment funds | | | | |
| Endowment funds | <u>18,842,613</u> | <u>1,065,191</u> | <u>-</u> | <u>19,907,804</u> |
| TOTAL FUNDS | <u>19,323,871</u> | <u>1,013,171</u> | <u>-</u> | <u>20,337,042</u> |

Lady Hewley's Charity

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2023**

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 693,247 | (745,267) | - | (52,020) |
| Endowment funds | | | | |
| Endowment funds | 123,266 | (182,282) | 1,124,207 | 1,065,191 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>816,513</u> | <u>(927,549)</u> | <u>1,124,207</u> | <u>1,013,171</u> |

15. RELATED PARTY DISCLOSURES

During the year grants amounting to £40,000 were made to Skelmersdale Ecumenical Centre, where N M Mackenzie and Rev P Jump are also Trustees.

16. FUNDS

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

The designated almshouse repair fund is a fund which is being retained and will be used to fund the major refurbishment work which is anticipated will need to be carried out on a 10-year cyclical basis.

The endowment fund represents those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.