

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2020**

**THE INTERNATIONAL
HERMENEUTIC SOCIETY**

CHARITY REGISTRATION No: 263101

Castle View Accounting Ltd
New Barn
Mudberry Lane
Bosham
Chichester
West Sussex
PO18 8TS

THE INTERNATIONAL HERMENEUTIC SOCIETY

CONTENTS

Page 3	Legal and Administrative Information
Pages 4 to 7	Trustees' Report
Page 8	Independent Examiner's Report
Page 9	Statement of Financial Activities
Page 10	Balance Sheet
Pages 11 to 17	Notes to the Financial Statements

THE INTERNATIONAL HERMENEUTIC SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	263101
DATE OF REGISTRATION	23rd September 1971
START OF FINANCIAL YEAR	1st November 2019
END OF FINANCIAL YEAR	31st October 2020
TRUSTEES AT 31ST OCTOBER 2020	Leeon Wong Ken Lowe Derek Murray Richard Evans Elizabeth Nesbitt (Appointed 26th January 2020) Jenny Brooke (Resigned 6th July 2020) Anthony O'Toole (Deceased 20th December 2020)
LEGAL STATUS	Unincorporated Charity

GOVERNING INSTRUMENT

Rule Adopted 23rd September 1971, as Amended 24th January 1999, as Amended 28th January 2001, as Amended 26th January 2003, as Amended 31st January 2016, as Amended 7th October 2018.

OBJECTS

To promote research and study into spiritual psychological and scientific knowledges for the purposes of discovering principles for the practical improvement and spiritual and physical well-being of mankind and to to teach and otherwise provide facilities for the dissemination to the public of the results of such research and study and for that purpose to provide libraries study centres and other suitable places where such research study teaching and dissemination as foresaid may be conducted or carried on.

CORRESPONDENCE ADDRESS	Tan Y Garth Hall Pontfadog Llangollen LL20 7AS
-------------------------------	---

PRIMARY BANKERS	TSB Bank Plc Henry Duncan House 120 George Street Edinburgh EH2 4LH
------------------------	---

INDEPENDENT EXAMINERS	Castle View Accounting Ltd New Barn Mudberry Lane Bosham Chichester West Sussex PO18 8TS
------------------------------	--

THE INTERNATIONAL HERMENEUTIC SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST OCTOBER 2020

As the 2019-20 year approached, we had high hopes of 2020 being the year when we would bring our three-year strategic plan, the New Way Strategy, to fruition following the successful market testing of new income streams throughout the summer of 2019. The positive reception to our presentation of the first draft of our Business Development Plan (BDP) to an open meeting in October 2019, had fuelled the expectation that we would go onto developing a second draft of the plan by early 2020. This would make the case for the much needed investment to make Tan-y-Garth Hall fit for purpose and to develop its facilities and business activities. Foremost amongst these was the installation of a fire alarm system making us compliant with the fire risk assessment we had commissioned in the previous year.

The Hall was still running at a loss, the Society had exhausted the last of the capital released from the sale of land in the previous year, as planned. The trustees therefore accepted an offer from Carol and Paul Richards for a bridging loan. This was intended to underpin the negative cashflow period through the winter of 2019/20 and beyond, until either the required investment was raised via a mortgage and grants, or if this was not successful, the Hall could be sold. We called this our twin track approach as it involved working with two plans simultaneously. Plan A to retain and invest in the Hall. Plan B, the fall back position, was to sell the Hall if the Business Development Plan was not investable. A valuation by an estate agent was therefore obtained whilst we continued to develop our Business Development Plan (BDP). This first valuation gave a guide price of £650,000 to £700,000. Two subsequent valuations were obtained in the new year giving valuations ranging from £650,000 to £825,000, the latter by the agent eventually chosen.

Sadly Carol Richards died at the end of October just before the new financial year began. A second trustee Anthony O'Toole also died at the end of December. Both were a significant loss as Carol was the main person arranging the teaching programme, and Anthony the main person who did the maintenance work on the building in the previous year and had recently filled the vacant role of Treasurer. It also meant that the Society was back to having the bare minimum of five trustees despite its sustained efforts to recruit new ones. This increased the pressure on the Secretary who was stretched to cover the additional duties as best he could on top of the day to day running of the Hall and the Society, whilst also developing the second draft of the Business Development Plan. Notwithstanding Carol Richard's death, the bridging loan was still eventually arranged with Paul Richards at a competitive rate of interest and was secured against three acres of woodland owned by the charity on the opposite side of the valley to the Hall.

After taking legal advice, the process of developing the Society and the Hall as twin brands, a central plank of the strategy, was instigated. In the run up to the calendar year end a company limited by guarantee was formed as a trading subsidiary. This was necessitated by the successful development of a new income stream on the Air BnB platform which resulted in the attainment of Superhost status in December 2019, a significant milestone. Consequently an agreement was made for Janet Norwood to join Derek Murray in 2020 as a full time residential volunteer at the Hall to help manage and develop this business. However, the trading company was put on hold by the death of the treasurer who was both a director of the new company, and a signatory for its new bank account application.

Following an approach from Wrexham Council an application was made to the Rating Valuation Office for Wales to change the Hall from paying Council Tax to being listed for commercial rates. It was understood this would result in a significant reduction in costs due to both statutory and voluntary rate relief for registered charities. This was eventually listed for hearing in April 2020.

The Tany-y-Garth Hall Retreat website continued to make a steady progress with our mailing list doubling to over two hundred in the course of the year. As there was no longer a membership secretary, the IHS membership records were set up in an online database which could be more efficiently administered. As a result, the current membership was clarified as being 72 people, something it was not possible to tell previously from the inherited manual records. Elizabeth Nesbit was elected to the Council at the AGM in January 2020. Leon Wong was elected to serve another year as Chairman and Derek Murray as Secretary, the latter also covering the duties of the Treasurer in the absence of a replacement for Anthony O'Toole. Further improvements were made to our cashflow forecasting giving the fine control needed for the twin track approach with forecasts for both Plan A and Plan B. However, as the new calendar year got under way, the absence of Carol Richard's input into the event planning started to tell as we struggled to find someone to replace her.

THE INTERNATIONAL HERMENEUTIC SOCIETY

TRUSTEES' ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

Come March, storm clouds were gathering both literally and metaphorically. Following a series of extreme storms over a period of three weeks, significant leaks developed in all but one of our guest bedrooms rendering them un-useable. As the root cause of the problem was a known lack of adequate maintenance going back at least ten years, it was not possible to make an insurance claim. Thus a significant additional fit-for-purpose problem was added to those identified by the fire risk assessment. By the end of March, a third element was added by Covid 19 and the first of a series of enforced lockdowns which resulted from it. The combination of these three factors constituted a serious existential threat to the continued functioning of Tan-Garth Hall as a retreat and study centre, and indeed the survival of the charity itself, as our main sources of revenue were abruptly cut off. Like many other small charities and business, we were immediately thrown into a life and death struggle for survival which lasted the remainder of the year and beyond. As our problems went beyond the covid pandemic, the trustees decided that we should not attempt to re-open unless and until the fit for purposes issues were also addressed. We therefore put together an initial recovery plan which included these costs and set about trying to resource it.

At the time lockdown began we had enough money to keep going for three months thanks to the bridging loan, which was by then in place. As the trustees were unable to meet face to face we took to meeting via video conference more frequently so as to best manage the situation. Completion of the BDP was suspended and priority was given to obtaining Government support promised due to the enforced shutdown. This involved a great deal of work for the Secretary which included; lobbying local MPs, councillors and Welsh assembly members, communicating with our bank, researching and pursuing all possible options and applying for a grant of £21,000 from the Welsh Third Sector Covid Resilience Fund.

Despite our best efforts throughout the summer of 2020, no government help was forthcoming. This was because we fell through the gaps of the various schemes which were gradually put in place. This was essentially because we had no employees, were not VAT registered, were not incorporated as a charity, and were not registered for non-domestic rates. On top of which our bank decided at the last minute to exclude all of their charity customers from the loan guarantee scheme backed by the UK government. Of all these disappointments the most galling related to help managed by local government, which was determined by registration for non-domestic rates. Although we had applied to change from Council Tax to non-domestic rates in October 2019 and were due to have our case heard in April 2020, this was deferred indefinitely due to the shutdown. As a consequence not only did we have to continue to pay Council Tax but we missed out on a £25,000 grant which we would have automatically received, had we been registered for rates during the lockdown period (as well as a further £10,000 the following year). The only concession we were able to negotiate was a deferment in council tax payment until later in the year, which resulted in a net £1,991 of payments being rolled over into the following year.

To add insult to injury we were excluded from Third Sector Resilience Fund, which was meant to plug the gaps for small charities in Wales. This was because it involved a 25% loan element which the administering agency decided it did not want to include unincorporated charities in, in case of a default. This despite the fact we had enquired before applying and been told we would qualify. Thus a great deal of effort was wasted making an application that was not even considered. However, the experience served to underline advice given by our solicitors that the charity should give consideration to becoming incorporated. Along with our aborted attempts to open a new bank account to facilitate our business development, it highlighted the fact that the charity's current structure was no longer fit for purpose. This led us to evaluating our alternative options later in the year and to deciding to take a proposal to the next AGM to incorporate as a charity.

In the absence of government support the trustees turned to our members and friends for help. We communicated the seriousness of the situation and asked for their help, suggestions and proposals. At the same time we sought advice from the Charity Commission regarding process dissolution if we were unable to meet our financial commitments. This resulted in us taking the precaution of actually putting Tan-y-Garth Hall on the market to avoid the very real possibility of being forced into administration and the Hall being sold at auction. A final decision on a sale was deferred pending any firm offer. Meanwhile, an emergency appeal was launched and an approach was made to the Eugene Halliday Association for a loan. Although the loan was refused, it led to ongoing discussions regarding ways in which the two organisations could work

Operating budgets were slashed even further than they had been at the start of lockdown, and all possible means of stretching our scarce resources were employed. We explored a series of options including, potential assets sales, private loans, renting rooms, selling some equity in the Hall, and an offer for it to be taken over at a discounted price. This came from a private group headed by Jenny Brooke, one of the trustees, who stepped down to avoid a conflict of interests.

Operating budget were slashed even further than they had been at the start of lockdown and all possible means of stretching our scarce resources were employed. We explored a series of options including, potential assets sales, private loans, renting rooms, selling some equity in the Hall, and an offer for it to be taken over at a discounted price by a private group headed by Jenny Brooke, one of the trustees, who stepped down to avoid a conflict of interests.

THE INTERNATIONAL HERMENEUTIC SOCIETY

TRUSTEES' ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

There was also an illegitimate approach made to the Custodian Trustees behind the backs of the Managing Trustees by one of our members, who was against any sale of assets. It was reported to us that he offered to support the charity financially through the crisis on condition that the elected officers were removed. As this approach was suspect and unconstitutional, the offer was declined. All other offers made to the Managing Trustees that sought to benefit private individuals at the expense of the charity were also rejected. The measures that were implemented were communicated to the membership and based on the feedback received, were widely supported.

The trustees eventually decided to abandon the idea of raising a mortgage because it was no longer viable for the foreseeable future to finance it on the basis of expanding the number of bed nights sold, the foundation stone of the BDP prior to the pandemic. Instead we opted to develop a community living and working at the Hall and to explore the possibility of selling up to 49% equity in the Hall to them as stakeholders who would run it on a day to day basis, subject to appropriate checks and balances by the Society's membership. However, it was recognised that the first priority had to be finding a way to survive and then recover from the pandemic.

A breakthrough came in June when one of our members, Richard Freeman, made a donation of £10,000 from his family trust to pay for essential repairs to the roof. This was supplemented by other donations to the emergency appeal from a wide variety of sources including one for £2,000 from the Eugene Halliday Association. The success of the appeal combined with an interest free loan of £10,000 from Janet Norwood, gave us enough cash-flow to plan beyond the expected duration of the pandemic. Despite this, the trustees considered it prudent to persist with offering the Hall for sale until we were in a position to develop the recovery plan to include addressing the fit-for-purposes issues as well as repaying the £25,00 worth loans that had been taken on.

Attempts were made at planning fund raising events but these were abandoned as it proved difficult to attract volunteers back to the Hall, due to the ongoing situation with the Covid pandemic and subsequent restrictions from the Welsh government. We therefore shifted our focus to developing online courses, which were successfully piloted, and to working more with the local community, seeking to raise funds for development work and activities via grants. To this end, a substantial amount of work went into developing our ideas for a wildflower meadow on the paddock into something more substantial with the incorporation of a walkway surrounding it, linking to the garden terrace. This was then worked up into an application to the National Lottery Heritage Fund for Wales. Although most of the work was done in-house, for the first time we hired in specialist expertise from a freelance professional fund raiser to help us complete key sections. This was intended to get us moving in the direction envisaged in our strategy of raising substantial funds from grants to help us broaden access to the Hall and diversify income streams. The other significant development in respect of diversifying income was implementation of our Gift Aid scheme which yielded it's first contribution by the year end based on a claim for previous

As the year ended the first wave of the pandemic had been survived, but the Hall was still on the market and potential buyers were viewing on a weekly basis until a second lock down in Wales was ordered. On-line courses were being planned and solutions to the lack of volunteer input were being found by the house team taking on a wider range of work on the gardens and grounds assisted by the farmer next door and his machinery. A local roofer had been engaged and repair work on the roof was imminent. However, core maintenance suffered due to the deep cuts in the budget and plans for the AGM would later have to be cancelled due to a third lockdown.

Earlier in 2019 our accountant retired unexpectedly. Although we switched to a new accountant and took our books to them for the previous year in good time, they would not start them until we completed an inventory of assets. This was an onerous task as they required us to list everything in the Hall, which amounted to thousands of items. We undertook this task during lockdown. However, before it was fully completed we came to understand we were wrongly advised. This turned out to be because they weren't familiar with the current requirements of charity law.

As a result we decided to change accountants a second time. Finding a new accountant from a rural location during lockdown proved a difficult and time consuming task, which resulted in the delayed finalisation of our accounts for both this year and the previous year. We eventually chose Castle View Accounting based in Chichester, who specialise in working with small charities. As can be seen from the following financial report, this switch has resulted in significant changes in format and presentation of the accounts, including the introduction of a balance sheet. This not only marks a step change in the transparency of the charity's affairs, but makes us more compliant than before. It also gives us a more sound basis from which to develop the ideas envisaged in our business development strategy, once we are able to emerge from the shadow of the pandemic.

THE INTERNATIONAL HERMENEUTIC SOCIETY

TRUSTEES' ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

The following detailed financial report provides a full picture of the Society's finances at the year's end. We therefore conclude our report by highlighting the key outcomes contained within it.

The charity's overall income for the year increased by a little over £4,000, an uplift of 15% on the year before. Combined with significant savings of £9,200 in operating costs compared to the previous year, this resulted in an operating surplus of £105, which transferred through to the balance sheet. However, as previously mentioned, £10,000 of this was a grant specifically tied to roof repairs which was not expended at the year's end. This is shown under "restricted funds". When this is taken into account, there was an underlying deficit on operating costs of £9,895. This compares to one of £12,911 in the previous year and represents an improvement of £3,016, i.e. a reduction of 23%. Our main sources of anticipated income, from residential events and accommodation, were reduced by around £21,000 due to the enforced shutdown. The improvement despite this is largely attributable to donations, up by 25% to £6,397, and income from fundraising efforts which rose by over 691% to £5,942 in response to our emergency appeal.

Cash-flow was underpinned by £25,000 in structured loans from members whilst £4,500 in short-term interest free loans from the previous year, were repaid to members. As the balance sheet demonstrates the charity's overall assets stood at £695,148 at the end of year, slightly up on the previous year. Given the serious challenges faced during the year, this was a remarkable outcome to a situation which could easily have resulted in the permanent closure of Tan-y-Garth Hall as a centre for the Society's work. The trustees are indebted to the support shown by it's well-wishers, which they believe demonstrates that the charity's work continues to have meaning and value and be considered worthwhile.

Trustees' Responsibilities

The Charities Act 2011 require 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 surplus of the Charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in existence.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity. 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 the Trustees on 24/11/22

Signed on their behalf by Trustee Derek Murray

Printed Name: DEREK MURRAY (SECRETARY)

THE INTERNATIONAL HERMENEUTIC SOCIETY

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees/ members of The International Hermeneutic Society on the accounts for the year ended 31st October 2020 set out on pages 9 to 17.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

W.M Hall LLB
Castle View Accounting Ltd
New Barn
Mudberry Lane
Bosham
Chichester
West Sussex
PO18 8TS



Date: 26th January 2022

THE INTERNATIONAL HERMENEUTIC SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST OCTOBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Donations, Grants & Legacies	3a	6,397	10,000	16,397	5,117
Charitable Activities	3b	1,370	-	1,370	8,043
Activities for Generating Funds	3c	9,188	-	9,188	10,662
Other Incoming Resources	3d	1,169	-	1,169	487
TOTAL INCOMING RESOURCES		18,125	10,000	28,125	24,309
RESOURCES EXPENDED					
Costs of Generating Funds					
Cost of Charitable Activities	4a	27,370	-	27,370	36,210
Governance Costs	4b	650	-	650	1,010
TOTAL RESOURCES EXPENDED		28,020	-	28,020	37,220
NET INCOMING (OUTGOING) RESOURCES		(9,895)	10,000	105	(12,911)
Funds Brought Forward		695,043	-	695,043	7,954
Introduction of Land & Buildings	16	-	-	-	700,000
TOTAL FUNDS CARRIED FORWARD		685,148	10,000	695,148	695,043

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 11 to 17 form part of these financial statements.

THE INTERNATIONAL HERMENEUTIC SOCIETY

BALANCE SHEET AS AT 31ST OCTOBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 31-Oct-20 £	Total 31-Oct-19 £
Fixed Assets					
Tangible Assets	2	700,000	-	700,000	700,000
Investments	6	-	-	-	-
Total Fixed Assets		700,000	-	700,000	700,000
Current Assets					
Debtors & Prepayments	8	-	-	-	-
Cash at Bank and in Hand	7	13,439	10,000	23,439	193
Total Current Assets		13,439	10,000	23,439	193
Creditors: Amounts due within one year	9	28,291	-	28,291	5,150
NET CURRENT ASSETS		(14,852)	10,000	(4,852)	(4,957)
TOTAL ASSETS less current liabilities		685,148	10,000	695,148	695,043
Creditors: Long Term Liabilities	10	-	-	-	-
NET ASSETS		685,148	10,000	695,148	695,043
Funds of the Charity					
General Funds		685,148	-	685,148	695,043
Restricted Funds	5	-	10,000	10,000	-
Total Funds		685,148	10,000	695,148	695,043

Approved by the Trustees on 24/11/22

Signed on their behalf by Trustee Derek Murray

Printed Name: DEREK MURRAY (SECRETARY)

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2020

1. ACCOUNTING POLICIES

Basis of Preparation & Assessment of Going Concern

Basis of Preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP - FRS102) and the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Assessment of Going Concern

Preparation of the accounts is on a going concern basis. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability

Incoming Resources with Related Expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax Reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated Services and Facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts.

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

1. ACCOUNTING POLICIES (continued)

Expenditure and Liabilities

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with Performance Conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Grants Payable without Performance Conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Unrestricted funds

These funds can be used for the general objectives of the charity as set out in the trustees report. The movements of the unrestricted funds are given in the Statement of Financial Activities.

Restricted funds

These funds are where the donor has specified a purpose for the donation made. These restrictions often arise as a result of appeals for special offerings for specific purposes.

Designated funds

These funds are funds set aside by the trustees out of unrestricted general funds for particular purposes or projects.

Fixed Assets

Fixed Assets are capitalised if they can be used for more than one year and cost at least £1,500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Depreciation Expense

Depreciation is calculated at a rate to write off the cost of tangible fixed assets over their estimated useful lives. The rates applied are as follows:

Fixtures, Fittings and Equipment	25% - Reducing Balance
----------------------------------	------------------------

Amortisation

No amortisation is charged to freehold Land and Buildings as the Land and Buildings is maintained to such a standard that the estimated residual value is not less than cost.

Changes in Accounting Policies and Methods of Accounting

There has been no change to the accounting policies (variation rules and methods of accounting) since last year.

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

2. TANGIBLE FIXED ASSETS

		Land & Buildings £	Fittings & Equipment £	Total 2019/20 £
Cost	01-Sep-19	700,000	-	700,000
Additions		-	-	-
Net Book Value at	31-Oct-20	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Depreciation	01-Sep-19	-	-	-
Charge		-	-	-
Depreciation at	31-Oct-20	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value	31-Oct-20	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Net Book Value	31-Oct-19	<u>700,000</u>	<u>-</u>	<u>700,000</u>

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31st October 2020 : None

31st October 2019 : None

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2019

3. INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
a) Donations, Grants & Legacies				
Gift Aid	888	-	888	-
Gifts & Donations	5,509	-	5,509	5,117
Grants Received	-	10,000	10,000	-
	6,397	10,000	16,397	5,117
b) Charitable Activities				
Courses	1,165	-	1,165	7,812
Tapes & Publications	205	-	205	231
	1,370	-	1,370	8,043
c) Activities for Generating Funds				
Accommodation Income	381	-	381	7,093
Fundraising Income	5,942	-	5,942	751
Membership Subscriptions	2,865	-	2,865	2,818
	9,188	-	9,188	10,662
d) Other Incoming Resources				
Sundry Income	1,169	-	1,169	487
	1,169	-	1,169	487

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

4. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
a) Cost of Charitable Activities				
Advertising & Publicity	405	-	405	500
Fundraising Costs	373	-	373	-
House Keeping Costs	3,232	-	3,232	3,966
Insurance Costs	4,734	-	4,734	4,561
Motor Vehicle Costs	825	-	825	1,702
Printing, Postage & Stationery	146	-	146	304
Rent & Rates	3,662	-	3,662	3,321
Repairs & Maintenance	894	-	894	6,728
Sundry Expenses	1,218	-	1,218	2,204
Tapes & Publications	125	-	125	65
Telephone Costs	905	-	905	988
Travel & Subsistence	980	-	980	997
Utility Costs	6,751	-	6,751	8,274
Volunteers Expenses	3,120	-	3,120	2,600
	27,370	-	27,370	36,210

b) Governance Costs

Independent Examiners Fees	9	650	-	650	650
Legal & Professional Fees		-	-	-	360
		650	-	650	1,010

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

5. RESTRICTED FUNDS

	Balance 01-Nov-19 £	Income £	Expenditure £	Transfers £	Balance 30-Oct-20 £
Roof Repair Fund	-	10,000	-	-	10,000
	-	10,000	-	-	10,000

The Restricted funds held are wholly represented by the Charity's cash reserves are to be expended as specified above.

6. INVESTMENTS

The Charity held no fixed assets investments during this or the previous financial year.

7. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Restricted Fund £	Total 31-Oct-20 £	Total 31-Oct-19 £
Cash at Bank & in Hand	13,439	10,000	23,439	193
	13,439	10,000	23,439	193

8. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Restricted Fund £	Total 31-Oct-20 £	Total 31-Oct-19 £
Sundry Debtors	-	-	-	-
	-	-	-	-

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Restricted Fund £	Total 31-Oct-20 £	Total 31-Oct-19 £
Independent Examiners Fees	1,300	-	1,300	650
Member Loans	25,000	-	25,000	4,500
Sundry Creditors	1,991	-	1,991	-
	28,291	-	28,291	5,150

10. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

The Charity held no long term liabilities during this or the previous financial year.

THE INTERNATIONAL HERMENEUTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST OCTOBER 2020

11. STAFF COSTS AND NUMBERS

The Charity employed no members of staff during this or the previous financial year.

12. PAYMENTS TO TRUSTEES AND OTHER RELATED PARTIES

"During the financial year Trustee Derek Murray received £7,800 in benefits in kind for boarding and lodging costs and £2,340 in an annual living allowance in his capacity as the Resident Building Custodian in furtherance of the Charitable objects. Trustee Derek Murray received £3,500 and Trustee Elizabeth Nesbitt received £500 in loan repayments. All conflicts of interest have been managed and documented in accordance with the Charity's Governing Document.

During the previous financial year Trustee Derek Murray made an interest free loan of £3,500 and Trustee Elizabeth Nesbitt (before she became a trustee) made an interest free loan of £500 to The International Hermeneutic Society to assist with supporting the short term cashflow requirements in furtherance of the Charitable objects.

The only other payments made to the Trustees consisted of reimbursements of expenses incurred in furthering the Charity's objects and no other direct benefits were received by the Trustees during the financial year.

No other payments were made to the Trustees or any persons connected with them during this financial period. No other material transaction took place between the organisation and a Trustee or any person connected with them.

13. RISK ASSESSMENT

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

14. RESERVES POLICY

The Trustees have considered the level of reserves they wish to retain, appropriate to the Charity's needs. This is based on the Charity's size and the level of financial commitments held. The Trustees aim to ensure the Charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The Trustees will endeavour not to set aside funds unnecessarily.

15. PUBLIC BENEFIT

The Charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the Charity has achieved this are provided in the Trustees report. The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the Charity should undertake

16. VARIATION OF RULES AND METHODS OF ACCOUNTING

There has been a change to the accounting policies (variation rules and methods of accounting) since last year. The accounts for the year ended 31st October 2018 were prepared on a Receipts and Payments Basis and the Reports and Financial Statements for the year ended 31st October 2019 have been prepared on an Accrual Basis now including Fixed Assets Investments held by the Charity as at the 31st October 2019.