

**Charity number: 1097774**  
**Company number: 0575567**

**THE EPIPHANY TRUST (TRURO) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

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**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

**Charity number** 1097774

**Company registration number** 0575567

**Registered office** Epiphany House  
Kenwyn  
TRURO  
TR1 3DR

**Trustees** Revd L Attwood (Chair)  
Dr M Tedder (Vice Chair)  
Mr P Berry  
Revd D J Collins  
Rt Revd C Goldsmith  
Mrs N Husain  
Ms C A Lidgley  
Mrs D A Mitchell (appointed 22 May 2018)  
Mrs S A Piper (appointed 22 May 2018)  
Mr R J A Robinson  
Mrs J Reynolds  
Mr A Starr  
Mr G Tate  
Revd B West

**Senior Management** Mrs J Mullett (House Director)

**Independent Examiners** Bishop Fleming LLP  
Chy Nyverow  
Newham Road  
TRURO TR1 2DP

**Bankers** CAF Bank Limited  
25 Kings Hill Avenue  
West Mailing  
Kent  
ME19 4SQ

**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

**Investment advisors**

Quilter Cheviot  
One Kingsway  
London  
WC2B 6AN

**Solicitors**

Foot Anstey LLP  
High Water House  
Malpas Road  
TRURO  
TR1 1QH

**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees present their report and the financial statements for the year ended 31 December 2018.

Legal and administrative information set out on pages 1 and 2 forms part of this report.

The Trustees have adopted the provisions of the Charities SORP (FRS102) '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 (FRS102) (effective 1 January 2015)'.

### **Structure, governance and management**

#### *Governance*

The Epiphany Trust (Truro) Limited (the "Trust") is constituted as a company limited by guarantee and was registered as a charity on 2 June 2003. It is governed by its Memorandum and Articles of Association.

The Articles of Association provide for a minimum of 3 Trustees and an ordinary resolution passed on 4 April 2003 limited the maximum to 12. In order to strengthen the range of skills available to the charity a resolution was approved at the 2014 Annual General Meeting to increase the number of Trustees to 14. The Trustees usually meet every 6-8 weeks.

Trustees may be appointed at any general meeting if retiring by rotation, or if they are recommended by the Trustees, or if notice is given by a member between 14 and 35 days before such meeting proposing a person for appointment.

In accordance with the Articles of Association Mr P Berry, Mr R Robinson, Mrs N Husain, Mr A Starr and Revd B West retire by rotation, these individuals being eligible offer themselves for re-election at the 2019 Annual General Meeting.

As well as the full board, Trustees served on one sub-committee during the year. This was the Finance and Resources Group, a previous sub-committee, the Spirituality Programme and Marketing Group ceased on 17 September 2017. Each has/had at least four Trustees, with staff attending as necessary, other ad hoc sub committees may be formed when required, for example to appoint a senior staff member.

#### *Staff Management*

Janette Mullett is the House Director and undertakes the role of combined Programme Director and House Manager. She works on a full time basis and is responsible for the general operation of the House and its programme of activities and supervises a dedicated team of part-time staff.

In addition the activity of the House greatly benefits from the support of many volunteers who give their time freely in many areas throughout the year.

#### *Risk management*

The Board of Trustees annually reviews the major risks to which the Trust is exposed, in particular those related to the operations and finances, and is satisfied that systems are in place to mitigate the Trust's exposure to such risks and that procedures have been designed to minimise any potential impact on the Trust should any of these risks materialise.

The market value of our investments can be volatile and reduced since 2017. We continue to receive good advice from Duncan Gwyther at Quilter Cheviot.

**THE EPIPHANY TRUST (TRURO) LIMITED  
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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Objectives and activities**

*Charitable objects and public benefit*

The objects of the Trust are described in its Memorandum of Association. They are set out below, together with a listing of typical activities taking place at the House, and which we believe show a clear public benefit from what we do. We note the advice in the Charity Commission paper "The Advancement of Religion for the Public Benefit".

OBJECTS OF TRUST	PUBLIC BENEFITS
The advancement of the Christian faith and the promotion of its practice	<p>Christianity is an identifiable positive, beneficial moral and ethical framework which impacts on society in a beneficial way. It gives meaning to followers' lives and contributes to their spiritual well-being. This in turn offers benefits to the wider society as well, as people of faith are motivated to assist their fellow humans in society. Public benefit can be derived from:</p> <ul style="list-style-type: none"> <li>- provision of space and time for quiet days for contemplation, prayer and study, for individuals and church groups;</li> <li>- organising and holding of long or short stay retreats;</li> <li>- organising and holding/hosting conferences/retreats, promoting the study of religious teachings and practices including those for ministry development;</li> <li>- facilitating the practice of spiritual direction, whereby individuals can seek discernment and companionship from those trained to do this;</li> <li>- ministers' meetings/training which benefit the working of individual local churches or groups thereof;</li> <li>- inter-faith meetings to promote understanding between different religious groups in society.</li> </ul> <p>- Continuation of the prayer of the Epiphany House community has now been formalised by the establishment of a Prayer Community (committed to supporting the work of the House in prayer).</p>
The relief of those who are old or poor or sick	<p>The Trust is not directly involved in providing services to these groups of people. Our premises are valued and used by public bodies and other groups which are involved in the care of those less able to meet their own needs. In this way, public benefit is provided through giving space for:</p> <ul style="list-style-type: none"> <li>- meetings of statutory bodies and charitable organisations that are health or social care providers;</li> <li>- individual counselling for people with emotional needs;</li> <li>- for respite stays during the day or for longer periods.</li> </ul> <p>In some cases, concessionary rates or free use of rooms/catering is offered in order to facilitate such activity.</p>
The advancement of education	<p>Similarly, our premises are used for:</p> <ul style="list-style-type: none"> <li>- to advance theological education, training, formation and spiritual growth.</li> <li>- for staff training and professional development for local authority, health providers and other organisations.</li> </ul>
The reforming of those who shall have led or be in danger of leading immoral lives	<p>Some users of the House are directly involved with young people and others who are at risk of falling into crime or chaotic lifestyles. We provide a sympathetic space for meetings of:</p> <ul style="list-style-type: none"> <li>- local authority children's services.</li> <li>- police, youth offending teams and drug agencies.</li> <li>- counsellors.</li> <li>- self-help groups.</li> </ul>
The undertaking of any other project which is charitable according to the laws of England	<p>Public benefits are provided through:</p> <ul style="list-style-type: none"> <li>- maintaining the grounds and the historic listed building of Epiphany House.</li> <li>- allowing public access to the garden and grounds we maintain.</li> <li>- maintaining the graves of the Sisters of the Community of the Epiphany in the nearby churchyard.</li> <li>- preserving a green space, which protects a diverse wildlife environment for bees, badgers, deer, bats, birds.</li> </ul>

**THE EPIPHANY TRUST (TRURO) LIMITED  
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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)  
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In pursuance of these aims the Trust makes rooms available to selected church, charity and individual users at reduced rates or free of charge.

**Acknowledgements**

The Board of Trustees are extremely grateful to all staff and volunteers who have joined us in this venture, for their commitment and support to the smooth running of the work of Epiphany House. We are also very grateful to those who run and participate in the "Friends" organisation.

**Achievements and performance**

Working in accordance with the objects of the Trust, the Board has noted the following achievements in 2018:

- Provision of a programme of retreats, quiet days and half-days for individuals and groups;
- Provision of facilities appropriate for personal counselling and for spiritual guidance;
- Provision of rooms and equipment for residential and non-residential ordination training as well as for in-service professional development of clergy and other professional workers;
- Provision of training facilities for public sector organisations and for private trainers;
- Provision of a location with an ethos that is sensitive to the needs of participants in public inquests;
- Provision of an outdoor venue in Truro for Miracle Theatre's performances of 'The Cherry Orchard';
- Provision of a collection point for the Christmas Box Appeal that supplies food hampers to families in need through Cornwall Council's Social Services;
- Maintenance of the integrity of a Grade 2 listed building and its gardens despite the challenges throughout the year of a building site on the adjoining grounds of the former Diocesan House and the completion of a housing development at Kenwyn Gardens;
- Maintenance of the integrity and continuing use of the building despite serious flooding caused by a burst water pipe after freezing weather and despite protracted disruption caused by repairs. The repair costs and some of the additional expenses incurred were recovered from insurers. The Trustees are extremely grateful for the efforts of Janette and her staff in maintaining the service provided to our guests despite these difficulties.
- Extension to the grounds by signing a lease after protracted negotiations for use of adjoining land owned by Truro Cathedral School Trust Ltd;
- Improvement of the gardens by creating a Labyrinth using volunteer expertise and labour (the Board is indebted to Anthea and David Lovelock);
- Commissioning of plans for extending and improving the facilities of the House – securing planning permission for the proposals – managing ancillary investigations including surveys of bats and trees;
- Effective management of a team of employed staff and volunteers who can adapt to changing needs and increased demands for House services;
- Maintenance of the communications capacity of the House with a monthly e-Newsletter and social media activity as well as a biannual printed Newsletter for Friends and Members;
- The Board has reflected on its own responsibilities in undertaking a review of the investment portfolio and reviewing policies on data protection and safeguarding.

Total visitors income rose during 2018, from £132,685 in 2017 to £137,335 in 2018.

These totals were made up as follows (2017 in brackets)

* room/house lettings for meetings, retreats and accommodation	68% (72%)
* meals and refreshments	32% (28%)

Total Income increased to £223,158 in 2018 from £209,994 in 2017. Total expenditure increased by £34,092 but this included the replacement of the central heating boilers at a cost of £25,800. The operating result is therefore a loss due to this additional cost. During 2018 work continued to be undertaken to update the equipment and furnishings in the meeting rooms and bedrooms. Following the quinquennial inspection in 2017 work has continued in relation to the external stonework and has now all been completed.

**Wych Elms**

Wych Elms is generally let on a shorthold basis to tenants and rent was received in the year. An arrangement is in place with the St Petroc's Society to let the property for use by some of the homeless it supports.

**THE EPIPHANY TRUST (TRURO) LIMITED  
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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Financial review**

*Reserves*

The Board of Trustees believe that the Trust has adequate funds to fulfil its principal activities for the foreseeable future. The unrestricted free reserves at 31 December 2018 stand at £832,379. The adequacy of reserves is reviewed annually as part of the Board of Trustees' formal budgeting process, they consider it to be important to maintain a high level of reserves to ensure that funds are available to meet any costs that will arise if it becomes necessary to update facilities at the house to meet the requirements of its users. Also in view of the Trustees responsibility to maintain a listed building there continues to be the potential to incur significant repair costs at any time. Taking these two factors into account the Trustees have set a target reserve figure of £750,000 until such time as there is any change in these priorities.

*Investments*

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board of Trustees see fit. The Board engages Quilter Cheviot to manage the Trust's investment portfolio on a day to day basis. The Trust's main priority is to achieve a level of income that is consistent with preserving the real value of the capital. The market value of the investments has reduced in the year by £107,903 as a result of market fluctuations.

**Plans for future periods**

With the assistance of the Board, the House Director has continued to explore opportunities to increase the use of the House and has already expanded the range of activities to promote the letting of rooms as well as the letting of the entire building. In order to enhance the facilities being offered, the furnishings and décor of the meeting rooms and residential accommodation will continue to be improved.

In order to provide the level of facilities required by users of the House the Trustees have determined that additional residential accommodation and en-suite and disabled facilities are required. With the benefit of a generous pump priming donation they have appointed architects to determine how these facilities can be provided within the listed building requirements for the House. Plans have now been produced to meet these requirements and planning approval has been obtained. The next stage is to investigate whether any grant funding can be obtained to enable the work to be undertaken as the projected costs of the project cannot be met solely from our own reserves.

**Statement as to disclosure of information to Independent Examiners**

In so far as the Trustees are aware:

- there is no relevant information of which the charitable company's independent examiners are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant financial information and to establish that the independent examiners are aware of that information.

**Statement of Trustees' responsibilities**

The Trustees (who are also directors of The Epiphany Trust (Truro) Limited for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.



**THE EPIPHANY TRUST (TRURO) LIMITED  
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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Company law 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 charitable company and of the income and application of resources, including the income and expenditure, of the charitable company for that period. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Investment advisors**

A resolution to re-elect Quilter Cheviot as investment advisors to the Trust will be submitted at the Annual General Meeting.

**Solicitors**

A resolution to re-elect Foot Anstey as solicitors of the Trust will be submitted at the Annual General Meeting.

**Independent Examiner**

Having resolved at the 2014 AGM that an independent examination rather than an audit is to be undertaken in relation to the company's accounts Bishop Fleming were appointed to this role. A resolution for their re-election will be proposed at the 2019 Annual General Meeting.

**Small company provisions**

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

**Revd L Attwood  
Chairman**

**Date: .....**

*L.T. Attwood*  
*May 7 2019*

# **THE EPIPHANY TRUST (TRURO) LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **Independent Examiners Report to the Trustees of The Epiphany Trust (Truro) Limited**

I report on the financial statements of the company for the year ended 31 December 2018, which are set out on pages 10 to 20.

This report is made solely to the Trust's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Trust's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued in 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

### **Respective responsibilities of Trustees and Examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the 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 you as 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.

**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**Independent Examiner's Report to the Trustees of The Epiphany Trust (Truro) Limited  
(continued)**

**Independent examiner's statement**

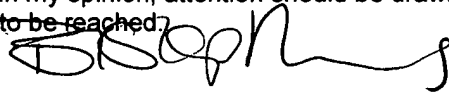
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the statement of Recommended Practice: Accounting and Reporting by Charities.

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.



A Oliver FCA  
For and on behalf of  
Bishop Fleming LLP  
Chartered Accountants  
Chy Nyvernow  
Newham Road  
TRURO  
TR1 2DP

Date: 7/5/2019

**THE EPIPHANY TRUST (TRURO) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018 Restricted Notes    £	2018 Unrestricted £	2018 Total £	2017 Total £
<b>Income from</b>					
Donations and legacies	2	-	6,962	6,962	11,694
Income from investments	3	-	46,754	46,754	53,119
Income from charitable activities	4	4,185	165,257	169,442	145,181
<b>Total Income</b>		<u>4,185</u>	<u>218,973</u>	<u>223,158</u>	<u>209,994</u>
 <b>Expenditure</b>					
Expenditure on charitable activities	5	7,560	230,269	237,829	203,737
<b>Total Expenditure</b>		<u>7,560</u>	<u>230,269</u>	<u>237,829</u>	<u>203,737</u>
<b>Net income(expenditure)</b>		(3,375)	(11,296)	(14,671)	6,257
<b>before gains and losses on investments</b>					
Net losses/gains on investments	6		(109,887)	(109,887)	99,635
<b>Net movement in funds</b>		<u>(3,375)</u>	<u>(121,183)</u>	<u>(124,558)</u>	<u>105,892</u>
 <b>Funds at 1 January 2018</b>		7,550	3,212,727	3,220,277	3,114,385
 <b>Funds at 31 December 2018</b>		<u>4,175</u>	<u>3,091,544</u>	<u>3,095,719</u>	<u>3,220,277</u>

The comparatives for each fund are shown in the notes to the accounts

**THE EPIPHANY TRUST (TRURO) LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	9	1,496,945	1,496,945
Investments	10	1,541,162	1,626,616
		<u>3,038,107</u>	<u>3,123,561</u>
<b>Current assets</b>			
Debtors	11	15,088	21,373
Short term deposits	12	2,381	57,343
Cash at bank and in hand		52,666	31,164
		<u>70,135</u>	<u>109,880</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(12,523)</u>	<u>(13,164)</u>
<b>Net current assets</b>		<u>57,612</u>	<u>96,716</u>
<b>Net assets</b>		<u>3,095,719</u>	<u>3,220,277</u>
<b>Restricted Funds</b>	15	<u>4,175</u>	<u>7,550</u>
<b>Unrestricted Funds</b>	16		
Property fabric fund		138,226	146,026
Tangible asset reserve		428,086	428,086
Revaluation reserve		1,692,853	1,879,070
General funds		<u>832,379</u>	<u>759,545</u>
<b>Total funds</b>		<u>3,095,719</u>	<u>3,220,277</u>

The Trustees consider that the Trust is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Trust to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the Trust as at 31 December 2018 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Trust.

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the board on ..... *April 4 2019* .....  
and signed on its behalf by

Revd L Attwood  
Chairman

*L.T. Attwood*

# **THE EPIPHANY TRUST (TRURO) LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

#### **1.1. Basis of preparing the financial statements**

The financial statements of the charitable company, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified for the revaluation of fixed assets and investments.

Financial reporting standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':  
- the requirements of Section 7 Statement of Cash Flows.

#### **1.2. Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the Trust's charitable objectives. Unrestricted funds include a fund designated by the Trustees, known as the Property Fabric Fund, to provide for the long term maintenance of the fabric of Epiphany House together with a fixed asset reserve representing the cost of the Charity's fixed assets and therefore funds not available to support the Charity's day to day activities.

The Revaluation Reserve represents the difference between valuation and cost of the fixed assets.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### **1.3. Incoming resources**

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are received by way of general grants, donations and gifts and are included in full in the statement of financial activities when receivable. Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included. Income from visitors for the use of the premises and facilities at Epiphany House is accounted for in the period in which the service is provided.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

# **THE EPIPHANY TRUST (TRURO) LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **1.4. Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. This includes:

- (a) Epiphany House expenditure principally includes the costs of maintaining Epiphany House and providing facilities for its visitors.
- (b) In 2017 and previously payments on behalf of the sister were made to an independent care home as part of the Trust's responsibility for the care and welfare of the surviving elderly sister of the Community of the Epiphany.

All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

### **1.5. Tangible fixed assets and depreciation**

Tangible fixed assets are held for direct charitable purposes or as an investment to secure rental income to support the Charity. Freehold land and buildings are held at valuation with any significant additions at cost. No depreciation is provided on freehold land or buildings. The Trust has a policy and practice of regular maintenance and repair such that its buildings are kept in a continual state of sound repair. Accordingly, the Trustees consider that the useful economic lives of these assets are so long and their residual values are so high, that their depreciation would not be material. Expenditure on fixtures, fittings and equipment is charged in the year in which it is incurred.

### **1.6. Investments**

Stockmarket investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

### **1.7. Pensions costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year in accordance with FRS102

### **1.8. 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.

### **1.9. 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 or similar account.

### **1.10. 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.

**THE EPIPHANY TRUST (TRURO) LIMITED  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Donations and legacies**

	<b>2018 Total £</b>	<b>2017 Total £</b>
Donations and Friends subscriptions	<b>6,962</b>	6,010
Sisters Payments	—	5,684
	<b><u>6,962</u></b>	<b><u>11,694</u></b>

**3. Income from investments**

	<b>2018 Total £</b>	<b>2017 Total £</b>
Dividends from fixed asset investments (2017 including £3,318 relating to 2016)	<b><u>46,754</u></b>	<b><u>53,119</u></b>

**4. Income from charitable activities**

	<b>2018 Total £</b>	<b>2017 Total £</b>
Grants received (£4,185 restricted 2018, all restricted 2017)	<b>7,270</b>	1,300
Visitors income	<b>137,335</b>	132,685
Other income	<b>5,043</b>	876
Rental income	<b>10,320</b>	10,320
Insurance Claim	<b>9,474</b>	—
	<b><u>169,442</u></b>	<b><u>145,181</u></b>



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**5. Expenditure on charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>105,953</b>	104,408
Retreat Leaders and other programme costs	<b>875</b>	211
Employer's NIC	<b>2,181</b>	2,076
Pension costs	<b>3,877</b>	3,787
Staff training, recruitment and expenses	<b>106</b>	508
Cleaning	<b>1,895</b>	1,879
Irrecoverable VAT	<b>11,019</b>	5,176
Water charges and business rates	<b>3,104</b>	2,599
Heat, light and power	<b>6,340</b>	8,123
Equipment, repairs and replacements including new central heating boilers £25,800 (£1,000 restricted 2017)	<b>43,958</b>	13,578
Insurance	<b>4,394</b>	4,096
Advertising	<b>—</b>	206
Sisters maintenance	<b>—</b>	22,496
Garden expenses	<b>2,956</b>	369
Telephone costs	<b>621</b>	624
Printing, postage and stationery	<b>2,097</b>	3,519
General expenses (£300 restricted 2018)	<b>1,036</b>	851
Catering expenses	<b>17,079</b>	17,194
Accountancy Fees	<b>1,531</b>	1,231
Independent examiners remuneration	<b>1,300</b>	1,100
Legal and other professional fees	<b>1,125</b>	2,456
Investment management fees	<b>4,831</b>	—
Property development costs (£7,260 restricted 2018 £7,250 restricted 2017)	<b>21,551</b>	7,250
	<b>237,829</b>	203,737

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**NOTES TO FINANCIAL STATEMENTS  
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**6. Net gains/(losses) on investments**

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Realised (losses)/gains on disposal of investment assets	<b>(1,984)</b>	<b>(199)</b>
Gains/( losses) on revaluation of investment assets	<b><u>(107,903)</u></b>	<b><u>99,834</u></b>
	<b><u>(109,887)</u></b>	<b><u>99,635</u></b>

**7. Employees**

<b>Employment costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>105,953</b>	<b>104,408</b>
Social security costs (net of relief)	<b>2,181</b>	<b>2,076</b>
Pension costs	<b><u>3,877</u></b>	<b><u>3,787</u></b>
	<b><u>112,011</u></b>	<b><u>110,271</u></b>

No employee received emoluments of more than £60,000 (2017: None).

Pension contributions of £1,093 were unpaid at the yearend (2017: Nil)

The employee benefit received by key management personnel was £29,229 (2017 £28,766)

**Number of employees**

The average monthly head count was 11

The average monthly numbers of employees (excluding the Trustees) during the year, calculated on the basis of full time equivalents, was 6 persons analysed as follows:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Administration	<b>2</b>	<b>2</b>
Guest services	<b>3</b>	<b>2</b>
Premises	<b><u>1</u></b>	<b><u>1</u></b>

**8. Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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**Freehold property**

**9. Tangible fixed assets**

	Epiphany House £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	1,416,945	80,000	1,496,945
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2018	<u>1,416,945</u>	<u>80,000</u>	<u>1,496,945</u>
<b>Net book values</b>			
At 31 December 2018	1,416,945	80,000	1,496,945
At 31 December 2017	<u>1,416,945</u>	<u>80,000</u>	<u>1,496,945</u>

Epiphany House was revalued on 4 March 2010 by Vickery Holman, Chartered Surveyors, to depreciated replacement cost. Wych Elms was also revalued by Vickery Holman on 4 March 2010. As a result, both properties have been disclosed in the accounts at their revalued amounts together with subsequent additions at cost. The historic cost of the freehold land and buildings at 31 December 2018 is £359,619 (2017: £359,619). It is not possible to ascertain from the charity's records the historic cost of fixtures, fittings and equipment, therefore they have been included at a valuation provided by Vickery Holman, Chartered Surveyors, in 1992. The Trustees have considered the valuation of Epiphany House and consider this represents a reasonable representation of its current value.

**10. Fixed asset investments**

	Listed Investments	Freehold Property	Total
<b>Valuation</b>	£	£	£
At 1 January 2018	1,341,616	285,000	1,626,616
Additions	239,639	—	239,639
Disposals	(217,190)	—	217,190
Revaluation	<u>(107,903)</u>	<u>—</u>	<u>107,903</u>
At 31 December 2018	<u>1,256,162</u>	<u>285,000</u>	<u>1,541,162</u>
Historical cost as at 31 December 2018	<u>917,167</u>	<u>68,467</u>	<u>985,634</u>

All fixed asset investments are held within the United Kingdom.

Wych Elms was valued by Vickery Holman on 4 March 2010 as referred to above. The Trustees consider this figure still represents a reasonable representation of the current value.

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**10.1. Holdings of 5% or more**

The following investments each represent more than 5% by value of the portfolio:

	Value £
Mercantile Investment Trust Ord 25p	137,285
Royal Dutch Shell B € 0-07	63,531
3.75% Treasury 7/9/2019	113,519
Alliance Trust	68,800
Charities Property Fund	71,566
Murray International Trust	70,184

**11. Debtors**

	2018 £	2017 £
Income Tax recoverable	490	490
Other debtors	14,598	20,883
	<u>15,088</u>	<u>21,373</u>

**12. Short term deposits**

	2018 £	2017 £
Quilter capital account	2,381	57,343
	<u>2,381</u>	<u>57,343</u>

**13. Creditors: amounts falling due  
within one year**

	2018 £	2017 £
Other taxes and social security	3,147	3,738
Other creditors	5,810	3,534
Accruals and deferred income	3,566	5,892
	<u>12,523</u>	<u>13,164</u>
<b>Deferred Income included above</b>		
Balance at 1 January 2018	1,574	2,000
Deferred in year	—	—
Allocated to income in year	(383)	(426)
	<u>1,191</u>	<u>1,574</u>
<b>Balance at 31 December 2018</b>	<u>1,191</u>	<u>1,574</u>

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**14. Analysis of net assets between funds**

Unrestricted Fund balances at 31 December 2018 are represented by:

	Restricted funds	General funds	Tangible asset reserve	Revaluation reserve	Fabric property fund	Total funds
	£	£	£	£	£	£
Tangible fixed assets	—	—	359,619	1,137,326	—	1,496,945
Investment assets	—	917,168	68,467	555,527	—	1,541,162
Net Current assets	4,175	(84,789)	—	—	138,226	57,612
	<u>4,175</u>	<u>832,379</u>	<u>428,086</u>	<u>1,692,853</u>	<u>138,226</u>	<u>3,095,719</u>

15. Restricted Funds	At 1 Jan 2018	Income	Expenditure	At 31 Dec 2018
	£			£
Development Fund	7,250	10	(7,260)	—
Residential accommodation grant	300	—	(300)	—
Disabled access	—	3,000	—	3,000
Defibrillator fund	—	445	—	445
Carers Refresh Day	—	730	—	730
	<u>7,550</u>	<u>4,185</u>	<u>(7,560)</u>	<u>4,175</u>

The Development Fund related to the future development of the House. The Resident accommodation grant was used to improve some of the bedrooms. The Disabled access grant will be used in conjunction with the planned development. The funds for a defibrillator and a Carers refresh day will be utilized in 2019.

16. Unrestricted funds	At 1 January 2018	Income	Expenditure	Transfers	Gains and losses	At 31 December 2018
	£	£	£	£	£	£
General funds	759,545	218,973	(230,269)	86,114	(1,984)	832,379
Revaluation reserve	1,879,070	—	—	(78,314)	(107,903)	1,692,853
	<u>2,638,615</u>	<u>218,973</u>	<u>(230,269)</u>	<u>7,800</u>	<u>(109,887)</u>	<u>2,525,232</u>

The transfer between General funds, the Revaluation reserve and designated funds represents realised gains on disposals together with movements on the Property fabric fund

**Unrestricted Designated funds**

	At 1 January 2018	Transfers IN	Transfers OUT	At 31 December 2018
	£	£	£	£
Tangible asset reserve	428,086	—	—	428,086
Property fabric fund	146,026	18,000	(25,800)	138,226
	<u>574,112</u>	<u>18,000</u>	<u>(25,800)</u>	<u>566,312</u>

**Purposes of designated funds**

The tangible asset reserve represents the cost of tangible fixed assets which are held for use in the ongoing operation of the Charity and cannot readily be converted into cash.

The property fabric fund has been set aside by the directors out of general funds for a designated purpose, to provide for the long term maintenance of the fabric of Epiphany House.

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**17. Comparatives for the statement of financial activities**

	2017 Restricted £	2017 Unrestricted £	2017 Total £
<b>Income from</b>			
Donations and legacies		11,694	11,694
Income from investments	-	53,119	53,119
Income from charitable activities	1,300	143,881	145,181
	<hr/>	<hr/>	<hr/>
<b>Total Income</b>	<u>1,300</u>	<u>208,694</u>	<u>209,994</u>
<b>Expenditure</b>			
Expenditure on charitable activities	<u>8,250</u>	<u>195,487</u>	<u>203,737</u>
<b>Total Expenditure</b>	<u>8,250</u>	<u>195,487</u>	<u>203,737</u>
<b>Net income(expenditure)</b>			
before gains and losses on investments	(6,950)	13,207	6,257
Net losses/gains on investments	-	99,635	99,635
	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	<u>(6,950)</u>	<u>112,842</u>	<u>105,892</u>
 <b>Funds at 1 January 2018</b>	 14,500	 3,099,885	 3,114,385
	<hr/>	<hr/>	<hr/>
<b>Funds at 31 December 2018</b>	<u>7,550</u>	<u>3,212,727</u>	<u>3,220,277</u>

**18. Company limited by guarantee**

The Epiphany Trust (Truro) Limited is a company limited by guarantee and accordingly does not have any share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £10 per member to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.