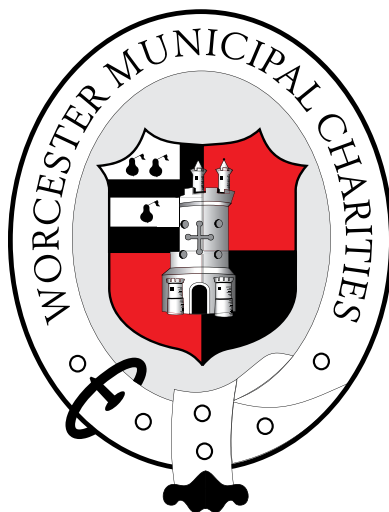


WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159



**Predecessor charities
founded 1559 & 1836**

TRUSTEES' ANNUAL REPORT 1st JANUARY – 31st DECEMBER 2019

This is the third year's Annual Report of the Charity which was created specifically by the trustees as the successor charity for Worcester Municipal Exhibitions Foundation and Worcester Consolidated Municipal Charity in 2016. The new charity is a "charitable incorporated organisation" but has very similar objects to the two unincorporated predecessor charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months' period ended 31st December 2019 ("The Period"). The trustees have adopted the provisions of the Statement of Recommended Practice (SORP): "Accounting by Registered Social Housing Providers Update 2014" along with Financial Reporting Standard 102 in preparing the report and financial statements of the Charity.

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

Registered Office

All enquiries to:

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Website: www.wmcharities.org.uk



Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building
The Charity's offices, community meeting room, and residents' sheltered housing

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2019 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to "The Period"

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Note - a brief history of the Charity is now published separately. Copies are available, without charge, from the office or on the website: <http://www.wmcharities.org.uk>

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

- a) After Henry VIII dissolved the monasteries (1536 - 40) the new church inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit leading to the creation of the St. Thomas's Day Charities which invested in properties and handed out doles from the income.
- b) However these corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the charities throughout the land, and their national inquiries led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.
- c) In 1899 they were consolidated into one holding charity, **the Worcester Consolidated Municipal Charity**. Of these 27 charities, the 6 primarily and partly educational charities were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same body of trustees from 1913 onwards.
- d) In 2016 the two charities were dissolved, and their entire assets and liabilities were transferred to the Worcester Municipal Charities CIO. ("WMC (CIO)")

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

- (a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;
- (b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and
- (c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.
- (d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Herefordshire."

If this is less than £950 it will be increased to that amount. There will be a review of the "top up" to £950 in 2023. Two trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

Worcester Municipal Charities (CIO) registration no.1166931 was established by the trustees on 4 May 2016, and the business, staff, assets and liabilities of the two predecessor charities were transferred to it at midnight on 30 June 2016. The trustees set up the CIO specifically as the successor charity and this report is the third year's report of The Charity.

The Charity is administered by 17 Trustees.

Four are nominated by Worcester City Council; four are nominated by major beneficiary "stakeholder" charities chosen in a ballot of the trustees every 3 years; and nine "independent trustees" are co-opted by the trustee body, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

On appointment, new trustees are provided with induction training, given copies of the Constitution and Rules, the annual report and accounts, a history of the Charity and a copy of the Charity Commission's publication CC3 "the Essential Trustee" which includes a trustee job description.

The 17 trustees of the Charity during The Period, and in office on 31st December 2019 were as follows:

Paul Griffith I, (Chairman), Martyn Saunders Ch, (Vice Chairman), Roger Berry I, Richard Boorn N, Paul Denham I, Ruth Heywood I, Graham Hughes I, Mike Johnson N, Margaret Jones I, Mel Kirk Ch, Roger Knight N, Sue Osborne Ch, Margaret Panter Ch, Robert Peachey N, Ron Rust I, Brenda Sheridan I, Geraint Thomas I. (Ruth Heywood replaced Faith Sanderson)

"I" independent co-opted by the Board for 5 years,

"N" nominated by the City Council for 4 years,

"Ch" nominated by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, Citizens Advice Worcester, MAGGS and WHAT (Worcester Heritage & Amenity Trust).

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The trustees include people with experience in e.g. the Social Services, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of trustees meet monthly, except in August and December, oversees the policy-making of the Charity, signs cheques, scrutinises payments and bank balances, monitors the finances and reviews the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year; each property is visited once in every two years. The properties are all vested in the CIO as Custodian Charity.

A Grants Sub-Committee - meets monthly, to deal with the large numbers of individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have delegated authority to make grants up to £1,000 in an emergency.

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors HallmarkHulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. The trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester's needy citizens. Thanks are also due to the staff: Adrian Robinson (Business Manager), Carlo Barentsen (Accountant), Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis. (Full details of the Professional Advisers are on page 26).

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT, AND EQUAL OPPORTUNITIES

Public Benefit

The trustees' "Mission" is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity's Public Benefit Objects.

Equal Opportunities

The trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**
- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN THE PERIOD

A. Major Events/Decisions by the Trustees in The Period

- *During the year work was started on creating **25 affordable flats for the homeless** at 3-4 Shaw Street, the former Probation Offices. Listed Building Consent was obtained and Homes England committed a grant of £1,000,000 gross. This development will take the total of new affordable dwellings for the homeless to **64 since 2013**. The project is being undertaken by D & S Contractors and will be completed in 2021.*
- *During 2019 work was completed on two more flats for the homeless at 8 Sansome Place. This former MAGGS free clothing project was vacated when they moved to a new shop premises at 59/60 The Tything in 2017 provided rent-free by the Charity.*
- *The Charity has continued helping **four organisations** in particular, being those that provide the most help to the poorest, and those in greatest need in Worcester: **Maggs Day Centre for the Homeless**, **Worcester Citizens Advice** and **Armchair Furniture Re-Cycling**, who have all been provided with free/subsidised premises and grants to assist with their work, and **Worcester Community Trust** towards their community centres.*
- *The Charity fulfilled a contract with the **City Council** to manage the purchase and distribution of £72,062, (2018 £68,311) (net) worth of white goods in Worcester as part of the **Discretionary Welfare Assistance Scheme** ("DWAS"). The Charity won the contract to manage the purchase and distribution of white goods for a further two years ending 6th December 2019 which has now been rolled over until 31st March 2020 when a review is due. There is no charge for this administration in recognition of the relief it brings to the Charity's overall grants' budget.*
- *The Charity has registered a **NILS** (no interest loan scheme) with the DWP for grant recipients who want more than they have been awarded, and can afford repayment of the capital.*
- *The Charity increased grants to organisations, and staff salaries by **2.4%**.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,180,862 (2018 £1,241,331) was received, mainly rent from properties. Expenditure was £988,519 (2018 £821,086)

C. Summary of Property Owned

There are two Sheltered Housing "retirement" sites (32 almshouses) and eight "affordable Housing sites" (39 flats) for the homeless. The Charity also owns 17 Investment Properties with rental income. 7 "functional" properties are leased to charities on peppercorns as "facilities in kind" (see pages 14 and 22).

The Charity is developing one vacant property into 25 affordable flats for the homeless in 2020/21.

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed. One commercial rent was increased in The Period.

E. The Grants Sub-Committee met 12 times in The Period

Education, Relief in Need, Hardship or Distress Grants

- a) A constitutional grant of £950 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley.
- b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totalling £375,799 (2018 £306,388), and helped administer the City Council's DWAS relief in need grants worth £86,474 inc VAT (£72,062 net), to individuals in need (details page 12).
- c) The Charity has focussed its main help on **four organisations** in particular, being those that provide the most help to the poorest and those in greatest need in Worcester. The **MAGGS Day Centre** for the Homeless, **Worcester Citizens Advice** and **Armchair Furniture Re-Cycling** have all been provided with free/subsidised use of premises worth about £80,000 and grants totalling £213,491 (2018 £208,488) to assist with their work for the poor, and **Worcester Community Trust** towards its community centres in social housing areas.
- d) In 2012 The Charity agreed to fund a **Money Management Advice Post** annually, based at the Citizens Advice Bureau which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2018/2019 he interviewed 167 clients helping them with benefits, water bills, financial, employment and debt issues. The debt and money service as a whole got £1,075,872 worth of debts written off and £218,589 worth re-scheduled.
- e) In 2012 the Grants Committee ceased making grants for **school uniform** due to the Pupil Premium being paid to schools. Clothing grants for school children in need were however introduced, based on the family's income and expenditure, and their clothing needs.
- f) In 2013 The Charity agreed to help fund a free **Legal Advice Scheme** annually in partnership with the CAB and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. For 169 clients, where there has been a financial outcome, from 2018 - 2019, the total benefits were c. **£600,000**, greatly increasing their ability to manage financially.
- g) In 2016 The Charity spent £500,000 purchasing and renovating a building for use by Maggs as a **clothing project, administrative offices, a domestic training centre and a free clothes store, mainly for street sleepers**. It was let to MAGGS in December 2017 on a peppercorn rent, with the two flats for the homeless "over the shop" being managed by "SmartLets" at Worcester Citizens Advice.
- h) The Committee awarded **education grants** of £35,183 to the Tudor House Museum, £21,174 to Worcester Action for Youth, £10,000 to All Sorts of Performing Arts, £10,790 to Dancefest and £18,432, 50% for Education and 50% for relief in need, to Worcester Community Trust providing educational facilities, youth clubs and holiday play-scheme facilities in Worcester (see page 12)
- i) In November 2019 the Trustees decided to cease funding Worcester Action for Youth on 31/03/2020 due to their very high administrative overheads. They had already given notice to vacate Medway Community Centre by 31st December.
- j) The Committee continued leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent together with agreeing to pay the salary of a part-time curator and assistant until June 2021.
- k) The Committee awarded 3 grants totalling £1,122 to individuals in need of financial assistance with their education (see page 12)

9. ALMSHOUSES AND AFFORDABLE HOUSING FOR THE HOMELESS

The Charity owns two complexes of Retirement Almshouses:

Berkeley Court, The Foregate - 7 flats and

Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on reserves' levels.

The residents' accommodation charges were reviewed in The Period. All bar two of the residents receive Housing Benefit. In The Period two residents left and one was appointed.

The Resident Wardens and partner - Paul and Lorraine Saunders and Julie Fenson continue to provide a very high standard of first line support and care-taking, with specialist help from Headway Trust, who support as required.

Applicants for sheltered housing must be poor and must have lived in Worcester for at least 12 months. Retired or nearing retirement applicants are preferred, although applicants below retirement age are occasionally considered if they have a need for, and would benefit from, accommodation in a sheltered environment. The Charity advertises vacancies when available under "Accommodation Available" with the criteria.



Berkeley Court, Foregate Street - 7 flats



Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually with a full inspection done in 2015. Berkeley Court and the Chapel Community Room were externally redecorated in 2014. Further work was carried out in the Spring of 2019 including clearing the rainwater gutters.

AFFORDABLE ALMSHOUSE HOUSING FOR THE HOMELESS

Since 2013 the Charity has been pursuing a re-investment strategy of providing affordable housing for the single homeless, and since 2015 has been helped by Homes England with grants to create flats “over the shops” and in empty office buildings. This is an exciting new strategy that provides housing for the homeless and also makes a reasonable commercial profit from a worthwhile charitable activity, at a time when good investment returns are difficult to find, and affordable flats for the homeless are in short supply.

By December 2019 there were 39 new units of affordable accommodation created in the previous 5 years. All the properties are managed on behalf of The Charity by Citizens Advice who run a “SmartLets” lettings agency for the homeless, i.e. people who are unable to afford private sector rents. Citizens Advice is paid 15% commission as a management fee.

Existing - 39 Flats



2013 - 9 Sansome Place
6 studio flats - occupied



2014 - 16/17 St. Swithins Street
6 one bedroom flats - occupied



2016 - 21 The Cross
3 one bedroom flats - occupied



2017 - 15 St. Swithins Street
4 bedroom HMO - occupied



2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat
& a shop/office - occupied



2017 - 59-60 The Tything
2 one bedroom flats - occupied

Existing Flats

2018 - Sir Thomas White Court
10 new one bedroom flats -
occupied



2019 - 8 Sansome Place
2 one bedroom flats -
occupied



A Further 25 flats are proposed at 3-4 Shaw Street for which Planning Consent has been received and a grant of 25 x £40,000 from Homes England has been agreed.

Stillingfleet House



The names of historic donors have been used for three of the new developments "Shewringes and Gouldings House", "Sir Thomas White Court" and "Stillingfleet House".

10. GRANTS AWARDED IN 2019 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS – (inc.+2.4% from 2018)

Grants determined by Constitution

	£
Palmer's Educational Foundation	950.00*
0.1% of The Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

		£
Allsorts of Performing Arts		10,000.00*
Armchair furniture recycling	Running Costs, free furniture - means tested	15,995.00
Citizens Advice	Running Costs, advice, support, legal aid	168,658.00~
Dancefest	Dancing lessons, (social housing areas)	10,790.00*
Maggs Day Centre	Running Costs, day centre, clothes, training	28,838.00
Shopmobility	Running costs, (frozen, as not means tested)	7,000.00
Worcester Action for Youth	Running costs - assistance to youth clubs	21,174.00*
Worcester Community Trust	Holiday play schemes (social housing areas)	18,432.00*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	35,183.00*

Total £317,020.00

* Educational grants

50/50 relief in need and education.

~ Citizens Advice core support costs £101,745 - 60%; legal aid project £29,358 - 17.5%; money advisor £33,140 - 20%; ethnicity training & language (education) £4,415 - 2.5%;

INDIVIDUAL GRANTS

	£
Education grants of £1,000 or more	0.00*
Education grants under £1,000	1,122.00
Relief in Need grants under £1,000 for carpets	47,920.00
Relief in Need grants under £1,000 for white goods	9,738.00
DWAS Relief in Need grants under £1,000 for white goods (86,474.00 gross)	72,062.00 (net)

Total

Total £130,842.00

The grants included educational grants and the following essential household and personal items: Carpets, Washing Machines, Cookers, Electric Clothes Driers, Fridges, Fridge Freezers, Microwaves, Clothing Grants, Removal Costs, Vacuum Cleaners, and "other household items"

Grand Total £447,861.00

WORCESTER MUNICIPAL CHARITIES (CIO)

11. Relief in Need Grants & Grants to Promote Education for Individuals in Need

GENERAL POLICIES & PRACTICES – ADVICE FOR SUPPORT WORKERS & APPLICANTS

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/our-services/equipment-service
5. **County Council** for child care services - www.worcestershire.gov.uk/info/20501/children_young_people_and_families
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like "Sky TV" rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for "essential" items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as "essential" those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a "relief in need" grant based on family income and expenditure.

WORCESTER MUNICIPAL CHARITIES (CIO)

12. A SOCIAL INVESTMENT PROGRAMME

Free use of the Charity's property facilities in 2019

Since 1997 the Charity has been donating some "surplus" funds to provide subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item.

Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in their Quinquennial Valuation of 2015 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in The Period. They will be revalued in 2020.

No.	Property - Let to:	Capital	Rental Value
28/29	1 & 2 Inglethorpe Court (50 years' Leasehold 2001) Citizens Advice	£110,000.00	£8,800.00
40/41/42	Old Glove Factory , 13 & 15 Lowesmoor totals	[£850,000.00]	[£68,000.00]
	Old Glove Factory , 13 & 15 Lowesmoor		
	Citizens Advice (42% of total)		£28,560.00
	Total service charges utilities etc paid by WMC		£14,884.00
43	St. Albans, Deansway (150 years' leasehold 2008) Maggs Day Centre	£50,000.00	£10,000.00
44	Tudor House , Friar Street (125 years' leasehold) WHAT . Lease £1.00; £1,000 p.a. insurance paid.	£100,000.00	£7,000.00
46	Medway Youth & Community Centre Worcester Action for Youth All Sorts of Performing Arts (50 years leasehold 2012)	£75,000.00	£6,000.00
53	59/60 The Tything Maggs Clothing Store, Activity Centre and Offices	awaiting valuation 2020	
Total facilities in kind provided in this period:			<u>£75,244.00</u>

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfill the registered charitable objectives for people in need, by using its endowed funds to provide the necessary income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

- (a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;
- (b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and
- (c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the trustees think fit.
- (d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Strategic Financial Reviews and Reinvestment Programmes 1980s/90s and 2013 onwards

Background

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of **social housing** almshouses for **retired people** (32 units), and affordable almshouse flats for the "**younger homeless**" (39 units, with another 25 planned).

1980s. In the first part of the 20th century the Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester. Following an investment policy review in the late 1980s, the Charity began a wholesale transition from agricultural to commercial investments, including the purchase of two very large offices resulting in large rental increases.

Building on that success, the Charity also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. This policy effectively quadrupled income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane, the bubble was bursting and new sustainable strategies were becoming urgent.

Special consideration in 2012 was given to one big office property with a large rent and a real risk of non-renewal at lease expiry time in February 2018. It was agreed to commit £50,000 a year to a sinking fund to help with the possible transition to a new use if this became essential. By the end of The Period, this risk had become a reality, with a surrender notified verbally in November 2017, and the tenants who left in February 2019, after “holding over” for 12 months. The property was marketed as commercial offices to let from February 2018, but with no serious interest expressed. Listed Building consent was obtained to convert the building to affordable housing. Once planning consent was secured, Homes England agreed 25 grants of £40,000.

By 2013 some of the Charity’s city centre shop tenants were struggling to pay the rent and the Charity asked the tenants to consider surrendering the empty rooms upstairs out of the leases, in return for a rent reduction. This was agreed and considerable investment was then made in developing flats above the shops that the Charity owned at 16 & 17 St. Swithin’s Street. This provided a reasonable return and equally important, a charitable objective of 6 new flats for people on low incomes at risk of homelessness. These developments also brought about large reductions in rent for the tenant shopkeepers trading below, and helped to make their businesses sustainable and affordable.

In 2014 resulting from the need to reinvest the large proceeds from the forced sale of a doctors’ surgery in Hereford, and in view of the recession on the High Street, and the steady growth of on-line purchasing, the trustees reviewed the entire investment portfolio of the Charity as required by the Trustee Act 2000. It was decided generally to continue investing in the High Street, but only if the particular shop, its location and its type of sales looked sustainable, despite on-line shopping. A Pizza Take-Away with a buoyant trade, was considered suitably sustainable, and was purchased using part of the proceeds from the Hereford sale. However it was sold to great advantage to a speculative buyer prepared to pay almost twice what it cost at auction.

In addition, having learned from the flats “over the shops” experience, part of the Hereford sale proceeds was committed to the purchase of the Samaritans’ office at 9 Sansome Place, which in 2014 was turned into 6 studio flats for people on low incomes, at risk of homelessness, with a reasonable return on the investments as well.

In 2015, as part of this strategic change of investment direction, the trustees decided to register with the Homes and Communities Agency as a not for profit housing association, as this opened the door to applications for grants to help develop “affordable” housing for the homeless. This registration depended on registration as a CIO first, which was lodged with the Charity Commission in 2015, and registered in May 2016. After that, a preliminary application to register as a Housing Provider was also accepted, followed by a successful detailed application and registration as a private not for profit Housing Association on 1st August 2017.

In 2015 the trustees purchased the freehold of 19 Foregate Street after obtaining planning consent for 5 flats for the homeless. In 2016 planning consent was obtained for a 6th (studio) flat and a shop on the ground floor there and the work was completed in 2017 and now has 6 homeless occupants, and a shop tenant.

In 2016 the trustees purchased the freehold of 59/60 The Tything for use by MAGGS (day centre for the homeless) as their rent-free administration offices, with a “free clothes” store for the poor/homeless, a domestic training centre for the homeless with two flats upstairs for the homeless (modernised with help from an HCA grant) and managed by Worcester Citizens Advice through its “SmartLets” agency. The purchase allowed MAGGS to surrender a rent-free leased admin office, and also released the existing “free clothes” store for conversion to two flats for the homeless which was completed by November 2017.

2017 At the end of the year the trustees owned 27 units of affordable housing for the homeless, all let, and work had just started on the next 10. Planning consent was secured for the creation of a further 2 in the former Maggs clothes store. The HCA paid, or committed, a grant of about £530,000 gross in respect of 20 self-contained one bed flats, as some were built before the Charity's registration as a Housing Association, or were not eligible e.g. studio flats lacking a separate bedroom.

2018 Following the entire loss of its County Council income in 2014 by Home-Start, the trustees discussed with their trustees the long term future of The Charity and the "peppercorn" lease of their large office and car park. Mutually acceptable terms were agreed for the surrender of Goodrich House with re-location to one of the Charity's properties on a rent-free basis. Plans were then made to develop the office building into 4 flats and to create a further 6 flats on the car park, all for single people on low incomes who were potentially homeless. Planning consent was secured in 2015/16 and the work began in 2017. 10 new flats were handed over in October and officially opened on 16 November by Robin Walker MP, and Jabba Riaz, the Mayor of Worcester. The development was shortlisted for the Prince Charles' "Patrons Award" for the Almshouse Association.

As commercial properties became available for re-letting, they were sold instead, with a view to creating more affordable flats in Worcester. Moving assets out of Herefordshire enabled HCA grants in Worcester. Two sales were "social programme" charity lettings on peppercorn rents of £1 p.a. One was a sustainable commercial shop for which a generous speculative offer was accepted.

SOLD	Sale Price	Rent Loss p.a.
Wargrave House Surgery (Hereford) sold to G.P. tenants	602,000.00	46,700.00
2 Hawthorne Cottages (Hereford) sold by sealed offers	222,000.00	1,000.00
23A St.Owen's Street , Hereford (offices) - NHS cuts	154,600.00	10,000.00
48 Gaol Street , Hereford (offices) - NHS cuts	128,000.00	10,750.00
Bricklehampton smallholdings sold by sealed offers	321,500.00	3,638.00
Pan Pizza , New Street - bought £168,000 & sold due to high offer	300,000.00	15,000.00
38 Lowesmoor (Charity Shop) Charity wound up	191,000.00	1.00
4 Checketts Lane Industrial (Day Centre) Charity wound up	195,000.00	1.00
Totals: <u>5.8% rent loss on investment</u>	£1,512,100.00	£87,090.00

To fund the new homes the Charity has sold off eight properties which raised £1.5m capital. The downside has been the loss of £87,000 p.a. from rents from these former assets. Conversion to social housing would in part offset this loss through the rent generated, but a significant injection of capital funds from Homes England was needed to compensate for the loss.

The result to date has been 39 new affordable units for vulnerable people. This new accommodation has also contributed to the physical regeneration of Worcester city centre.

The trustees took professional advice in relation to all the investment policies reviewed in The Period and in respect of purchases and sales of commercial property.

No almshouse properties were sold and, as a precaution, the Trustees have registered all almshouses as "endowed" property, which may not be sold to residents under the existing right to buy or acquire legislation.

Compliance with Homes England's Value for Money Standard

From 2018 onwards, registered Housing Associations are obliged to spell out in the Annual Report whether they comply with the HE Standard and how. As part of the initial registration process the Charity had to provide evidence to demonstrate that it was financially viable and had good quality financial controls and procedures in place. These are being updated to reflect the practices adopted subsequently.

The purpose of the Charity's financial investment is to yield the best return within the level of risk considered to be acceptable. There is also a legal requirement to review investments from time to time and to diversify investments.

The strategic, incremental changes to investment made since the 1980s are set out above, with the underlying rationale for those made over the past 33 years. The Charity has recorded its income and expenditure carefully, and the headline results are that the earned income from investments has risen from 1985 by an average compound increase of 6.35% every year compared to a UK average of 3.54%.

The Charity reviewed its Investment Policies and Procedures in 2018 and reported its findings to the Board at its January 2019 meeting. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing.

The Returns on the "High Street" Properties of shops and offices are static, and present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop is easily the best and most popular in Town.

The Charity has managed to keep all its shops and offices occupied, bar one enormous office which is now in the process of being converted into 25 affordable flats for the homeless.

There were four rent reviews due in 2019 virtually all of which were settled on a stand-still rent basis.

Most of the shops are in a single street, the lower part of which has been dubbed "charity alley". However it does have a wonderful footfall as it provides the main pedestrian route to The Shambles and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens and diversify into residential in the meantime.

The Charity has never borrowed money but has been delighted to be able to take advantage of grants from Homes England, which have greatly increased the pace of providing more almshouses, whilst allowing the Charity to maintain its network of financial support to the homeless. The Charity sponsors a homelessness day centre, a domestic training unit, free clothes and free recycled furniture when re-housed.

The Board reviews its investment strategy and almshouse maintenance strategy regularly, including consideration of where savings might be made, for example by installing solar panels and water meters.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Routine Almshouse Maintenance Costs

In 2018 the Charity monitored the cost of maintaining the 27 affordable almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for the letting agents who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units

in the 2019 budget which proved sufficient. This is considerably less than the lowest amount of £2,020 quoted in the “average costs revealed by the regulator.” The Charity generally benefits from lower than average administration costs as it benefits from unpaid trustee involvement.

Between 1899 and 1985 the Charity “lost” 32 of its original 64 almshouses, due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or demolished as they became uninhabitable, and the sites were sold.

By 2021 the Charity will have recovered with a total of 96 units comprising 7 built in 1708, 25 in the 1960s, 27 between 2013 - 2017, 10 in 2018, 2 in 2019 and 25 in 2020/21. The 7, originally built as 14, were not modernised until 1965, with toilets installed instead of privies. They were reduced in number from 14 to 7 in 1981, by turning two into one, and baths were replaced with showers in the 1990s. The 25 built in 1964 on a 16th century site, originally with 15 almshouses which were demolished, have had a complete modernisation of the electrical wiring, showers to replace bathrooms, and a rolling programme to replace the kitchens will take place between 2019 - 2025. The 37 built between 2013 and 2018 are already subject to minor maintenance and repairs arranged by the Worcester Citizens Advice “SmartLets” agents.

“Programme Related Investment”

In 2013 the Charity adopted this Charity Commission recognised definition which ***“uses assets to directly further the charity’s aims, while potentially also generating a financial return”***.

By 2021 there will be 64 new “affordable” flats for the homeless, with an approximate rental return of £320,000. The 2019 Investment Report to the Board demonstrates that the reinvestment strategy is both sustainable and diverse and, in particular, almost replaces the lost income of £150,000 from the vacation of the Shaw Street offices in 2018 with 25 affordable flats for the homeless, and only an overall gross loss of about £20,000 in rental income. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control, due to the Government’s disastrous privatisation of half of the Probation Service, being largely responsible for their departure.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of 12 affordable flats for the homeless and appointed D & S, the chosen contractors as “preferred providers.” It was agreed that the preferred provider would be used for all work under £500,000 but their tenders would always be checked by our retained Quantity Surveyors. The one exception to this was two contracts on this single site in 2018 where the preferred provider was awarded the first contract at £273,000, and then offered the second at £657,240 as there were no preliminary charges which benefited the Charity considerably.

Competitive tenders were sought for the c. £1,900,000 contract in 2019 but of the seven contractors who expressed an interest in tendering, five declined. Three further enquiries were sent out with only one of these returning a favourable response. There were three confirmed tenderers but one was based in Leominster, a second in Gloucester, and only one, D & S, in Worcester. The Charity enquired whether a negotiated tender would be acceptable to Homes England, and were advised that it would be, providing that “independent” advice was obtained from a Quantity Surveyor which was arranged. At the November Board Meeting the Trustees formally agreed to approve negotiated tenders. The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment

In broad terms, there is no real shortage of retirement facilities for the elderly in Worcester; commercial high street shops and offices are on standstill rents; and any new capital, if it can be matched by HE grants, will be directed towards affordable flats for the single homeless in continuation of the Charity’s “programme related investment.”

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2019	2018	Commentary
Reinvestment percentage	2.12%	15.93%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned. The Charity developed 2 further social units this year and plan to develop a further 25 in 2020.
Percentage of new supply delivered	2.82%	14.49%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end. The Charity developed 2 further social units this year and plan to develop a further 25 in 2020.
Social housing cost per unit	£4,427	£3,498	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed. This figure has increased mainly due to reinvestment in social housing by increased repair/maintenance works in the year.
Operating margin as a percentage (social housing)	22.53%	32.68%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income. This has decreased due to reinvestment in social housing.
Overall operating margin	20.42%	31.37%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income. Overall operating margin has decreased due to the charity's reinvestment and development in social housing which saw a reduction in rental income from investment property and an increase in grants being awarded in the year.
Return on capital employed (ROCE) as a percentage	1.46%	2.47%	This is the overall operating margin divided by (total assets minus current liabilities). The lower return this year reflects the reinvestment in charity's property and increase in grants being awarded to fulfil its charitable objectives.

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a huge volume of individual applications for assistance, there is an inbuilt unavoidable administration cost. In The Period the Charity spent £11,826 (1%) of gross income on Governance and £109,681 (9%) of gross income on Administration.

15. PROPERTY RE-VALUATIONS

In 2015 the trustees commissioned a quinquennial property revaluation exercise. The Commercial Properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors. The "Functional Properties", occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The exercise will be repeated in 2020.

16. PROPERTY INSURANCES

In 2010 the trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd

17. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the trustees reconsidered their reserves policies and decided to set aside reserves on an "ad hoc" basis when required e.g. for a capital programme or major repairs or maintenance. Each year a contingency sum of approximately 10% is set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money is transferred to the reserves to purchase new investment properties when sufficient is available, to help the Charity at least keep pace with inflation. This process has brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%.

The total funds of the Charity as at the year-end amounted to £17,352,375 (2018 £17,098,649), consisting of restricted funds of £nil (2018 £2,603) and endowment funds of £14,489,403 (2018 £14,209,253). Designated funds, which are funds set aside by the Trustees for future projects amounted to £159,676 (2018 £295,000), leaving unrestricted funds amounting to £2,703,296 (2018 £2,591,793).

Free reserves after making allowances for tangible fixed assets and investment properties amounted to £1,512,174 (2018 £1,400,126).

"New Risks" form the first agenda item for all Board meetings. In 2016 the Trustees began publishing their "Financial Risk Register & Narrative" as part of their Business Plan.

18. STAFF REMUNERATION

The trustees review the pay of all paid staff and self employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups by UK CPI inflation.

19. SERIOUS INCIDENTS

The trustees confirm that in The Period ended 31st December 2019 there were no "serious incidents" to report.

20. THE CHARITIES' PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	AQUIRED	AQUIRING CHARITY~	TENANT/OCCUPANT
1.**	2 St. Swithin's Street	Shop	1560	St.Thomas's Day	Timpson Ltd
2.**	3 St. Swithin's Street	Shop	1560	St.Thomas's Day	Sarah Johnson, Simply Beautiful
3.	15 St. Swithin's St, Ground Floor	Shop + 1st floor room	1560	St.Thomas's Day	M & M Meats (Nelmes Family)
3A.	15 St. Swithin's Street	4 Social Housing Units	1560	St.Thomas's Day	Citizens Advice, 4 HMO Residents
4.	1 The Cross	Bank	1618	Inglethorpe's	National Westminster
5.	16 St. Swithin's St, Ground Floor	Shop	1618	Inglethorpe's	Headway
6.	17 St. Swithin's St, Ground Floor	Shop	1618	Inglethorpe's	SCOPE
6A.	16/17 St. Swithin's St, Upper Floors	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice, 6 Residents
7.	Nash's & Wyatt's Court	25 Social Housing Units	1661	Nash's	25 Residents
8.	25 Nash's & Wyatt's Court	1 Flat	1661	Nash's	Warden's Flat
9.	13 Nash's & Wyatt's Court	Community Room	1661	Nash's	Residents
10.*	Berkeley Court	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	Kateryn Heywood House	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	Berkeley's Chapel	Community Room	1692	Berkeley's	Residents & charities
13.*	The Gatehouse, Berkeley Court	Warden's House	1692	Berkeley's	Warden's House
14.*	The Cellar, Berkeley Court	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	22 The Cross, Ground 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	3 - 4 Shaw Street	Offices & Car Park	1994	WCMC/WMEF	Conversion to 25 Flats planned
19.#	6A Checkett's Lane Ind. Est.	Offices	1996	WCMC	Enterprise Driver Training
20.#	6B Checkett's Lane Ind. Est.	Furniture Store	1996	WCMC	Armchair
21.	Castle House, Castle Street	Offices & Car Park	1997	WCMC	Swanswell Charitable Trust
22.	20 Church Street, Evesham	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	Sir Thomas White Court	10 Social Housing Units	1997	WCMC	Citizens Advice, 10 Residents
28.#	1 & 2 Inglethorpe Court	Offices	2000	WCMC	Citizens Advice
32.	Crown Lane Wychbold 1	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	Crown Lane Wychbold 2 & 3	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	8 Sansome Place	2 Social Housing Units	2002	WCMC	Citizens Advice, 2 Residents
40.**	Old Glove Factory (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	Old Glove Factory (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	Old Glove Factory (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	St.Albans, Deansway	Day centre for the homeless	2009	WCMC	Maggs Day Centre
44.**s#	Tudor House, Friar Street	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	Medway Road Community Centre	Offices, Youth Club, Hall	2012	WMEF	WAY & All Sorts of Performing Arts
48.**	9 Sansome Place	6 Social Housing Units	2013	WCMC	Citizens Advice, 6 Residents
49.	Land at Welland	45.1 acres arable land	1702	S & G	Mr Bullock - Life-Time tenancy
51.**#	21 The Cross	3 Social Housing Units	2014	WCMC	Citizens Advice, 3 Residents
52.**	19 Foregate Street	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	19 Foregate Street	6 Social Housing Units	2015	WCMC	Citizens Advice, 6 Residents
53	59/60 The Tything	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	59/60 The Tything	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice, 2 Residents

* = Grade I Listed ** = Grade II Listed *** = Grade II* Listed AM = Ancient Monument

Leasehold - Properties are freehold except 19, 20, 28, 43, 44, 46 & 51

~ All property is vested in the CIO as Custodian Charity

21. CONCLUSION AND COMMENT

- a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.



- b) **A brief ancient history** of the Charity and the Chapel is published separately. Please visit the web site or ask at the office for a copy.

- c) **A major history** of the Charity is being written and will be published in 2020.

- d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

- e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent free housing and pensions for residents has become available for other purposes e.g. grant making and social investment.
- f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.
- g) **In 2013** the Government Social Fund which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2019 bought white goods to the value of £72,062, thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until March 2020 when a review is planned.
- h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

- i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.
- j) **The country** does seem to be on a retrograde journey, back to the old Victorian welfare values of “help yourself or go without, try the food banks or charities”. The pace of this process has been accelerated by the recession, welfare cuts, the introduction of Universal Credit and the Government’s reductions in grant aid to Local Authorities who have cut grants to charities.
- k) **On paper** this principle of “self help and find a job” may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.
- l) **This Charity**, and many others, will continue to do their best to help, but poverty and homelessness are very much on the increase and beyond the resources of charities on their own.
- m) **As well as offering help to individuals in need** (£130,842 including DWAS), the Charity is also empowered to help organisations that provide help to them.

*Pictured below Sir Thomas White Court, 10 new flats, built for the single homeless.
Officially opened by Jabba Riaz the Mayor of Worcester and Robin Walker MP on
Friday 16th November 2018.*



*Also pictured from left to right Martyn Saunders, WMC Vice Chair and Citizens Advice CEO
Paul Griffith MBE, WMC Chair, Peter Jones from Homes England
Frazer Bufton, Architect and Shaun Wood, Building Contractor.*

Page 11 shows the 25 new flats planned for the homeless in 2021

Page 12 provides details of the grants made to organisations for The Period worth £317,020.00.

Page 14 sets out the "Facility Gifts in Kind" to a number of charities valued at £75,244.00 for The Period.

22. LEGISLATION, POLICIES, PROCEDURES, AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:-

GOVERNANCE

The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register established and reviewed annually
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction and training
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests
Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS

Housing SORP applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES

Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review
Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for capital projects - 10% revenue contingency

REVIEWS

A review of all policies, procedures, practices and compliance is completed annually

23. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS

HallmarkHulme LLP
3-5 Sansome Place
Worcester
WR1 1UQ
Tel. 01905 726600

BANKERS

Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB
Tel. 0121 631 2743

ARCHITECTS

Lett and Sweetland, Architects
58 London Road
Worcester, WR5 2DS
Tel. 01905 353768

COMMERCIAL VALUERS

GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ
Tel. 01905 676169

ARC Surveyors Ltd

Adrian Robinson, MRICS
Chartered Surveyors & Land Agents
The Estate Office
Madresfeld, Malvern
WR13 5AH
Tel. 01684 588400

AUDITORS

Kendall Wadley
Granta Lodge
71 Graham Road
Malvern
WR14 2JS
Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 26, was approved and signed on behalf of the Board of Trustees on 11 May 2020, together with the audited Accounts pages 27 - 57 and presented to their meeting on 27th May 2020.



PAUL GRIFFITH, MBE (Chairman)



MARTYN SAUNDERS (Vice-Chairman)

24. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP 2018 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Housing SORP 2018 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.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2019 which comprise, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 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 Housing SORP 2018, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Matters on which we are required to report by exception

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

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.



Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

11 May 2020

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006


WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF COMPREHENSIVE INCOME INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total 2018 £
Income											
Rental income	3	995,558	-	-	-	995,558	1,044,840	-	-	-	1,044,840
Expenditure											
Operating costs	4	(916,457)	-	(72,062)	-	(988,519)	(752,775)	-	(68,311)	-	(821,086)
Other costs		-	-	-	-	-	-	-	-	-	-
Operating surplus		79,101	-	(72,062)	-	7,039	292,065	-	(68,311)	-	223,754
Other income											
Donations and grants received	9	103	-	149,261	-	149,364	182	-	138,414	-	138,596
Other income		17,410	-	-	-	17,410	44,973	-	-	-	44,973
Net gains/(losses) on investments	10	61,383	-	-	-	61,383	(10,291)	-	-	-	(10,291)
Net (deficit)/surplus		157,997	-	77,199	-	235,196	326,929	-	70,103	-	397,032
Interest receivable and other income	12	18,530	-	-	-	18,530	12,922	-	-	-	12,922
Total comprehensive income		176,527	-	77,199	-	253,726	339,851	-	70,103	-	409,954

Signed on behalf of the Trustees on 11 May 2020.


Paul Griffith MBE, Trustee


Mary Saunders, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	As restated Total 2018 £
Fund balances at 1 January 2019 as restated		2,591,793	295,000	2,603	14,209,253	17,098,649	2,184,440	295,000	-	14,209,253	16,688,693
Surplus/(deficit) from statement of comprehensive income		176,527	-	77,199	-	253,726	339,853	-	70,103	-	409,956
Transfers	13	(65,024)	(135,324)	(79,802)	280,150	-	67,500	-	(67,500)	-	-
Fund balances at 31 December 2019		2,703,296	159,676	-	14,489,403	17,352,375	2,591,793	295,000	2,603	14,209,253	17,098,649

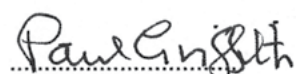
WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

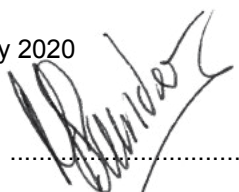
AS AT 31 DECEMBER 2019

	Notes	2019		2018 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	15	7,750,524		6,452,734	
Investment properties	16	7,930,001		8,948,185	
Investments	17	390,139		328,756	
		<u>16,070,664</u>		<u>15,729,675</u>	
Current assets					
Debtors	19	119,622		131,748	
Investments	20	39,907		39,416	
Cash at bank and in hand		1,347,006		1,443,462	
		<u>1,506,535</u>		<u>1,614,626</u>	
Creditors: amounts falling due within one year	21	(224,824)		(245,652)	
Net current assets		<u>1,281,711</u>		<u>1,368,974</u>	
Total assets less current liabilities		<u><u>17,352,375</u></u>		<u><u>17,098,649</u></u>	
Capital funds					
Endowment funds	23	14,489,403		14,209,253	
Income funds					
Restricted funds	24	-		2,603	
<u>Unrestricted funds - general</u>					
Designated funds	25	159,676		295,000	
General unrestricted funds		<u>2,703,296</u>		<u>2,591,793</u>	
		<u>2,862,972</u>		<u>2,886,793</u>	
		<u><u>17,352,375</u></u>		<u><u>17,098,649</u></u>	

The financial statements were approved by the Trustees on 11 May 2020



Paul Griffith MBE, Trustee



Martyn Saunders, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	29		166,488		587,101
Investing activities					
Purchase of tangible fixed assets		(140,659)		(778,323)	
Proceeds on disposal of tangible fixed assets		-		15,822	
Purchase of investment property		(140,324)		(22,100)	
Proceeds on disposal of other investments		(492)		-	
Interest received		18,530		12,922	
Net cash used in investing activities			(262,945)		(771,679)
Net decrease in cash and cash equivalents			(96,457)		(184,578)
Cash and cash equivalents at beginning of year			1,443,462		1,628,040
Cash and cash equivalents at end of year			1,347,006		1,443,462

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

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

1.4 Incoming resources

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

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

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

Rental income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

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

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.7 Investment properties

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

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal of sale whichever is appropriate.

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

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

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

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

Basic financial assets

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

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

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

1.13 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3	Rental income	Sheltered Social housing		Investment properties		Total		Sheltered Social housing		Investment properties		Total	
		2019	£	2019	£	2019	£	2018	£	2018	£	2018	£
	Charitable rental income	224,785		175,279		568,710		225,524		652,008		1,010,555	
	Service charges	5,663		-		21,121		3,095		31,190		34,285	
		<u>230,448</u>		<u>175,279</u>		<u>589,831</u>		<u>228,619</u>		<u>683,198</u>		<u>1,044,840</u>	

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating costs

	Grant making 2019 £	Sheltered housing 2019 £	Social housing 2019 £	Investment properties 2019 £	Total 2019 £	Total 2018 £
Staff costs	11,659	41,268	-	-	52,927	47,711
Welfare costs	-	10,478	-	-	10,478	10,351
Routine maintenance	-	73,548	38,489	41,697	153,734	113,540
Heat and power	-	23,169	1,269	-	24,438	29,400
Rates	-	11,819	-	-	11,819	13,862
Management costs	-	-	26,292	-	26,292	19,832
Unreimbursed costs	-	-	-	20,646	20,646	19,355
Cleaning and hygiene	-	2,197	-	-	2,197	1,760
	<u>11,659</u>	<u>162,479</u>	<u>66,050</u>	<u>62,343</u>	<u>302,531</u>	<u>255,811</u>
Grant funding of activities (see note 5)	447,861	-	-	-	447,861	374,699
Share of support costs (see note 6)	30,085	46,303	35,218	114,695	226,301	179,558
Share of governance costs (see note 6)	1,572	2,420	1,840	5,994	11,826	11,018
	<u>491,177</u>	<u>211,202</u>	<u>103,108</u>	<u>183,032</u>	<u>988,519</u>	<u>821,086</u>
Analysis by fund						
Unrestricted funds - general	419,115	211,202	103,108	183,032	916,457	752,775
Restricted funds	72,062	-	-	-	72,062	68,311
	<u>491,177</u>	<u>211,202</u>	<u>103,108</u>	<u>183,032</u>	<u>988,519</u>	<u>821,086</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating costs

(Continued)

For the year ended 31 December 2018

	Grant making £	Shelterd housing £	Social housing £	Investment properties £	Total 2018 £
Staff costs	11,225	36,486	-	-	47,711
Welfare costs	-	10,351	-	-	10,351
Repairs	-	26,654	23,005	63,881	113,540
Heat and power	-	29,400	-	-	29,400
Rates	-	13,862	-	-	13,862
Management costs	-	-	19,832	-	19,832
Unreimbursed costs	-	-	-	19,355	19,355
Cleaning and hygiene	-	1,760	-	-	1,760
	<u>11,225</u>	<u>118,513</u>	<u>42,837</u>	<u>83,236</u>	<u>255,811</u>
Grant funding of activities (see note 5)	374,699	-	-	-	374,699
Share of support costs (see note 6)	22,955	35,288	20,814	100,501	179,558
Share of governance costs (see note 6)	1,409	2,165	1,277	6,167	11,018
	<u>410,288</u>	<u>155,966</u>	<u>64,928</u>	<u>189,904</u>	<u>821,086</u>
Analysis by fund					
Unrestricted funds - general	341,977	155,966	64,928	189,904	752,775
Restricted funds	68,311	-	-	-	68,311
	<u>410,288</u>	<u>155,966</u>	<u>64,928</u>	<u>189,904</u>	<u>821,086</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Grants awarded

	Grant making 2019 £	Grant making 2018 £
<u>Grants to institutions (11 grants):</u>		
Maggs Day Centre	28,838	28,162
CAB/ WHABAC	168,658	164,705
Armchair	15,995	15,621
Shopmobility	7,000	7,000
Worcester Community Trust	18,432	18,000
Tudor House Museum (WHAT)	35,183	1,730
WAY	21,174	32,571
Dancefest	10,790	10,537
All Sorts of Performing Arts	10,000	790
John Palmer	950	950
	<u>317,020</u>	<u>265,064</u>
<u>Grants to individuals (159 grants)</u>		
Relief in need and carpets	47,920	19,344
Educational	1,122	2,375
White goods	9,738	4,601
DWAS	72,062	68,311
	<u>447,861</u>	<u>374,699</u>
Grants paid in the year		
Grants paid to institutions	392,116	353,194
Grants paid to individuals	58,131	37,071
	<u>450,247</u>	<u>390,265</u>

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WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs	58,869	-	58,869	61,500	Charitable activities
Depreciation	1,378	-	1,378	1,559	Charitable activities
Office running costs	7,324	-	7,324	5,851	Charitable activities
Accountancy	9,334	-	9,334	9,760	Charitable activities
Bank charges and subscriptions	1,182	-	1,182	1,166	Charitable activities
IT and software	3,041	-	3,041	2,511	Charitable activities
Sundries	6,039	-	6,039	1,473	Charitable activities
Irrecoverable VAT	52,382	-	52,382	35,313	Charitable activities
Telephone	3,799	-	3,799	1,197	Charitable activities
Insurance	32,963	-	32,963	25,692	Charitable activities
Business manager fees	18,715	-	18,715	8,387	Charitable activities
Surveyor fees	29,701	-	29,701	21,806	Charitable activities
Legal & professional	1,574	-	1,574	3,343	Charitable activities
Audit fees	-	9,274	9,274	9,520	Governance
Meeting expenses	-	2,552	2,552	1,498	Governance
	<u>226,301</u>	<u>11,826</u>	<u>238,127</u>	<u>190,576</u>	
Analysed between					
Charitable activities	<u>226,301</u>	<u>11,826</u>	<u>238,127</u>	<u>190,576</u>	

7 Auditor's remuneration

Governance costs includes payment to the auditors of £9,274 (2018 £9,520) for audit fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Donations and grants received

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	As restated Total
	general			general		
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Donations and gifts	103	-	103	182	-	182
Grants received	-	149,261	149,261	-	138,414	138,414
	<u>103</u>	<u>149,261</u>	<u>149,364</u>	<u>182</u>	<u>138,414</u>	<u>138,596</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Net gains/(losses) on investments

	Unrestricted funds general 2019 £	Unrestricted funds general 2018 £
Revaluation of investments	61,383	(10,291)

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Support	3	4
Warden	2	1
	5	5

Employment costs

	2019 £	2018 £
Wages and salaries	101,637	99,286
Social security costs	5,036	4,865
Other pension costs	5,123	5,060
	111,796	109,211

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

12 Investments

	Unrestricted funds general 2019 £	Unrestricted funds general 2018 £
Income from listed investments	10,383	7,243
Interest receivable	8,147	5,679
	18,530	12,922

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Transfers

During the year £135,324 was transferred from designated funds to unrestricted funds to account for funds designated by the Trustees in relation to the Tudor House and Shaw Street projects.

£198 was transferred from unrestricted funds to restricted funds to account for overspends on the DWAS project.

£80,000 was transferred from restricted funds to endowment funds for grant monies spent towards 8 Sansome Place.

£280,150 was transferred from unrestricted funds to endowment funds to account for additions made to endowment property during the course of year.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Accommodation owned, managed and in development

	Number of units at 1 Jan 2019	Number of units at 31 Dec 2019
<i>Social housing</i>		
General needs housing:		
Let at social rent	-	-
Affordable rent	37	39
Supported housing	32	32
	<hr/>	<hr/>
Total owned and managed	69	71
	<hr/>	<hr/>
Accommodation in development	10	25
	<hr/>	<hr/>

Net surplus / (deficit) from social and sheltered housing

	2019		2018	
	Social	Sheltered	Social	Sheltered
Rental income	175,279	224,785	133,023	225,524
Service charges	-	5,663	-	3,095
	<hr/>	<hr/>	<hr/>	<hr/>
	175,279	230,448	133,023	228,619
<u>Operating costs</u>				
Staff costs	-	(41,268)	-	(36,486)
Routine maintenance	(38,489)	(73,548)	(23,005)	(26,654)
Welfare	-	(10,478)	-	(10,351)
Heat and light	(1,269)	(23,169)	-	(29,400)
Rates	-	(11,819)	-	(13,862)
Cleaning and hygiene	-	(2,197)	-	(1,760)
Management cost	(26,292)	-	(19,832)	-
<u>Administrative expenditure</u>				
Share of support costs	(35,218)	(46,303)	(20,814)	(35,288)
Share of governance costs	(1,840)	(2,420)	(1,277)	(2,165)
	<hr/>	<hr/>	<hr/>	<hr/>
Net surplus / (deficit)	72,171	19,246	68,095	72,653
	<hr/>	<hr/>	<hr/>	<hr/>

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

15 Tangible fixed assets	Sheltered Social housing	Asset under construction social housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2019	3,039,716	3,406,353	-	6,224	6,456,824
Additions	-	139,826	4,531	833	1,299,167
		1,158,508	-		
At 31 December 2019	3,039,716	1,158,508	4,531	7,057	7,755,991
Depreciation and impairment					
At 1 January 2019	-	-	1,220	2,869	4,089
Depreciation charged in the year	-	-	331	1,047	1,378
At 31 December 2019	-	-	1,551	3,916	5,467
Carrying amount					
At 31 December 2019	3,039,716	1,158,508	2,980	3,141	7,750,524
At 31 December 2018	3,039,716	3,406,352	3,312	3,354	6,452,734
The carrying value of land included in land and buildings comprises:					
				2019	2018
				£	£
Freehold				7,419,572	6,121,237
Long leasehold				324,831	324,831
				7,744,403	6,446,068

The asset under construction relates to 3-4 Shaw Street where during the year works started on creating 25 affordable flats for the homeless.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Investment property

	Commercial properties	Social investment properties	Social investment properties	2019
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2019	7,763,185	850,000	335,000	8,948,185
Additions	140,324	-	-	140,324
Transfer to tangible fixed assets	(1,158,508)	-	-	(1,158,508)
At 31 December 2019	<u>6,745,001</u>	<u>850,000</u>	<u>335,000</u>	<u>7,930,001</u>

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations was made on an open market value basis by reference to market evidence of transaction prices for similar properties and the exercise will be repeated in 2020.

17 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2019	328,756
Valuation changes	61,383
At 31 December 2019	<u>390,139</u>
Carrying amount	
At 31 December 2019	<u>390,139</u>
At 31 December 2018	<u>328,756</u>

18 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>39,907</u>	<u>39,416</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

19 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	89,987	89,145
Other debtors	235	23,614
Prepayments and accrued income	27,716	18,988
	<u>117,938</u>	<u>131,747</u>
Amounts falling due after more than one year:		
Other debtors	1,684	-
	<u>1,684</u>	<u>-</u>
Total debtors	<u>119,622</u>	<u>131,747</u>

20 Current asset investments

	2019 £	2018 £
Unlisted investments	39,907	39,416
	<u>39,907</u>	<u>39,416</u>

21 Creditors: amounts falling due within one year

	Notes	2019 £	As restated 2018 £
Other taxation and social security		11,851	2,257
Deferred income	22	102,983	141,199
Grants payable		45,306	47,692
Other creditors		50,506	34,490
Accruals and deferred income		14,178	20,014
		<u>224,824</u>	<u>245,652</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Deferred income

	2019	2018
	£	£
Arising from rents paid in advance	102,983	141,199
	<u> </u>	<u> </u>

All the above relate to the following period and are released in full.

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

23 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds 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 assets form part of the fund will be used to acquire further freehold property.

	Balance at 1 January 2018	Movement in funds as restated					Movement in funds					Balance at 31 December 2019
		Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses		
	£	£	£	£	£	£	£	£	£	£	£	
Permanent endowments												
Endowed funds	14,209,253	-	-	-	-	14,209,253	-	-	280,150	-	14,489,403	
	14,209,253	-	-	-	-	14,209,253	-	-	280,150	-	14,489,403	

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

24 Restricted funds

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

	Movement in funds as restated				Movement in funds			
	Incoming resources	Resources expended	Transfers	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£	£
DWAS	70,914	(68,311)	-	2,603	69,261	(72,062)	198	-
Homes England	67,500	-	(67,500)	-	80,000	-	(80,000)	-
	<u>138,414</u>	<u>(68,311)</u>	<u>(67,500)</u>	<u>2,603</u>	<u>149,261</u>	<u>(72,062)</u>	<u>(79,802)</u>	<u>-</u>

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant this year in respect to the development of 8 Sansome Place and last year for Sir Thomas White Court.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

25 Designated funds

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

	Balance at 1 January 2018	Movement in funds as restated Incoming resources	Balance at 1 January 2019	Transfers	Balance at 31 December 2019
	£	£	£	£	£
Shaw Street	250,000	-	250,000	(140,324)	109,676
Tudor House	45,000	-	45,000	5,000	50,000
	<u>295,000</u>	<u>-</u>	<u>295,000</u>	<u>(135,324)</u>	<u>159,676</u>

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

26 Analysis of net assets between funds	Unrestricted		Designated		Restricted		Endowment		Designated		Restricted		Endowment		As restated	
	2019	£	2019	£	2019	£	2019	£	2018	£	2018	£	2018	£	2018	£
Fund balances at 31 December 2019 are represented by:																
Tangible assets	6,121		-		-		7,744,403		6,665		-		6,446,069		6,452,734	
Investment properties	1,185,001		-		-		6,745,000		1,185,001		-		7,763,184		8,948,185	
Investments	390,139		-		-		-		328,756		-		-		328,756	
Current assets/(liabilities)	1,122,035		159,676		-		-		1,071,370		2,603		-		1,368,973	
	2,703,296		159,676		-		14,489,403		2,591,792		2,603		14,209,253		17,098,649	

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

27 Capital commitments	2019	2018
	£	£
At 31 December 2019 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	26,215	-

28 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £37,360 (2018 - £37,360) to CAB/WHABAC and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £168,658 (2018 - £164,705) to CAB/WHABAC towards its running costs. Paul Griffith and Graham Hughes, are trustees of this charity and of CAB/WHABAC. Martyn Saunders and Geraint Thomas are trustees of this Charity and employees of CAB/WHABAC

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £39,850 (2018 - £39,850) and also made a grant of £28,838 (2018 - £28,162) to Maggs Day Centre. Sue Osborne is a Trustee of this charity and of Maggs Day Centre. Mel Kirk is a trustee of this charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 (2018 - £55,000) was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk, Sue Osborne, Martyn Saunders and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £7,000 (2018 - £7,000) and also made a grant over two years of £35,183 (2018 - £41,935) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

The Charity received a payment of £7,864 (2018 - £8,401) from Laslett's Charities for the provision of administrative support and an office and facilities for the Clerk. Margaret Jones is a trustee of this Charity and of Laslett's Charities.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	111,795	109,211

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

29	Cash generated from operations	2019 £	2018 £
	Surplus for the year	253,726	409,954
	Adjustments for:		
	Investment income recognised in statement of financial activities	(18,530)	(12,922)
	Fair value gains and losses on investments	(61,383)	10,291
	Depreciation and impairment of tangible fixed assets	1,378	1,559
	Movements in working capital:		
	(Increase) / decrease in current asset investments	-	120,000
	Decrease in debtors	12,125	30,760
	Increase in creditors	17,388	14,157
	(Decrease)/increase in deferred income	(38,216)	13,302
	Cash generated from operations	166,488	587,101

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

30 Prior period adjustment

Changes to the balance sheet

	At 31 December 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Tangible assets	6,452,735	-	6,452,735
Investment properties	8,948,185	-	8,948,185
Investments	328,756	-	328,756
	<u>15,729,676</u>	<u>-</u>	<u>15,729,676</u>
Current assets			
Debtors due within one year	131,747	-	131,747
Bank and cash	1,443,462	-	1,443,462
	<u>1,614,625</u>	<u>-</u>	<u>1,614,625</u>
Creditors due within one year			
Taxation	(2,257)	-	(2,257)
Other creditors	(102,196)	-	(102,196)
Deferred income	(57,300)	(83,899)	(141,199)
	<u>161,753</u>	<u>83,899</u>	<u>245,652</u>
Net current assets	<u>1,452,872</u>	<u>(83,899)</u>	<u>1,368,973</u>
Total assets less current liabilities	<u>17,182,548</u>	<u>(83,899)</u>	<u>17,098,649</u>
	<u><u>17,182,548</u></u>	<u><u>(83,899)</u></u>	<u><u>17,098,649</u></u>
Net assets			
Capital funds			
Endowment funds	-	14,209,253	14,209,253
Income funds			
Restricted funds	-	10,603	2,603
Designated funds	-	295,000	295,000
Unrestricted funds	17,182,548	(14,598,755)	2,591,793
Total equity	<u>17,182,548</u>	<u>(83,899)</u>	<u>17,098,649</u>

A prior year adjustment has been made to re-instate the various funds of the charity and to adjust the deferred income.



The Old Glove Factory - Grade II listed building - built 1691

Now occupied commercially by Expertan and Barber, Sorin Pop with the Charity providing the rest of the property to Citizens Advice Worcester rent free.



Nash's and Wyatt's Almshouses - The original almshouses of John Nash (New Street 1661) and Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances" of the 1960s and rebuilt together on the New Street site in 1964



Maggs Day Centre for the Homeless

St. Alban's Chapel

Grade 2 Listed Building & Ancient Monument
provided rent free by the Charity

Tudor House Museum

Grade 2* Listed Building

Let to Worcester Heritage &
Amenity Trust Ltd on a
Peppercorn rent

