

THE RICHMOND CHARITIES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE RICHMOND CHARITIES

CONTENTS

	Page
Reference and Administrative Details of the Charity, Its Trustees and Advisers	1 - 2
Trustees' Report	3 - 12
Trustees' Responsibilities Statement	13
Independent Auditors' Report on the Financial Statements	14 - 16
Statement of Financial Activities	17 - 18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 46

THE RICHMOND CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees	Mr P W C Marr, Chairman ¹ Mrs F E Davis (resigned 1 October 2019) ^{2,4} Dr A J M Hall (appointed 23 January 2019) ⁴ Mrs E Halford (appointed 20 November 2019) ^{2,4} Mr S J King ^{1,3,4,5} Mr A S Lourie ^{1,2} Mrs M Marshall ² Mrs K Maxwell ³ Mrs K O'Brien ⁴ Cllr R Pyne (appointed 22 January 2020) Revd W Roest ⁴ Cllr R Thompson (resigned 31 October 2019) ² Mr M Townsin ⁴ Mr J Williams ^{2,3,5}
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- ¹ Finance Committee
- ² Property Committee
- ³ Risk Management Committee
- ⁴ Welfare Committee
- ⁵ Safeguarding Group

Charity registered number	200431
Principal office	8 The Green Richmond Surrey TW9 1PL
Chief Executive	Ms J Ames-Lewis
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Barclays Bank plc 8 George Street Richmond Surrey TW9 1JY HSBC 67 George Street Richmond Surrey TW9 1HG

THE RICHMOND CHARITIES

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Solicitors	Moore Blatch 9 The Green Richmond Surrey TW9 1BP
Property Agents and Surveyors	HML Shaw 9-11 The Quadrant Richmond Surrey TW9 1BP
Investment Fund Managers	Sarasin & Partners Juxon House 100 St. Pauls Churchyard London EC4M 8BU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

THE RICHMOND CHARITIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2019 to 31 December 2019.

Objectives and activities

a. Activities undertaken to achieve objectives

The objects of the Charity are to provide almshouse accommodation and to generate income for the charities embraced by The Richmond Charities as described below.

The area of benefit is the London Borough of Richmond-upon-Thames.

The Richmond Charities originated from:

1. William Hickey's Almshouse Charity
2. Bishop Duppa's Almshouse Charity
3. Houlton's Almshouse Charity
4. Sir George Wright's or Queen Elizabeth's Almshouse Charity
5. Michel's Almshouse Charity (including Benn's Walk)
6. The Almshouses of Richmond Church Charity Estate (Church Estate Almshouses)
7. Twickenham United Charities (Candler Almshouses)

The appointment to almshouse accommodation is subject to residential and other qualifications.

Other charities embraced by The Richmond Charities are:

Relief in Need: Share of the Charity of Henry Smith

In addition, the Trustees have responsibility for the administration of one welfare and one relief in sickness charity:

The Misses Thompson and Whipple Trust
The Richmond Aid in Sickness Fund

These charities share the objective of benefiting the London Borough of Richmond-upon-Thames.

The Trustees maintain an Extraordinary Repair Fund. The purpose of this fund is to repair, improve and replace existing almshouses, and to provide for future growth and re-development. The funds are kept separate and safe, by ensuring adequate accounting records are maintained.

b. Main activities undertaken to further the Charity's purposes for the public benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The public benefit of the charity is in providing safe and comfortable almshouse accommodation for those in need as described in the Scheme and generating income for those charities described in the Objectives and Activities of the charity below. Our strategic aims as stated on page 4 link to this benefit and we are satisfied that these aims do not have a detrimental effect outside of the Charity's activities. Whilst many of the activities are local in nature, the Trustees do not consider this to be an unreasonable geographic restriction and those in need are not excluded from benefit.

As a result of the above, the Trustees consider that the charity satisfies the public benefit test.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report

Achievements and performance

a. Review of activities

The stated objectives of the Charity are deemed to have been achieved for the year to the best of the Charity's and its Trustees' abilities and these achievements can be measured as follows:

A high level of occupancy was maintained in line with the object of providing such accommodation. Considerable time and expense was devoted in the year to maintaining the accommodation to a high standard for the residents.

A surplus of incoming resources has been generated by the Charity's investments, including properties. The performance of the Charity's investments is considered by the Trustees to have been satisfactory given the expenditure on major repairs and the current market conditions.

The surplus on net incoming resources of the Charity arises from property and other approved investments and, after deducting charitable and governance expenditure, is £494,111 (2018: £1,087,978) applied as shown in the Statement of Financial Activities (page 17).

HML Shaw continued to act as Property Managers of the investment properties.

The Trustees held a Strategic Planning Meeting in October 2016 to set strategic objectives for 2017-2021. The objectives are as follows:

1. To actively seek opportunities to build more almshouses by engaging a development agent/land buyer to find potential sites for development in the borough, by working with the Council and by building relationships and seeking joint development opportunities with other housing providers and builders.
2. To continue the work to refurbish almshouses when vacant but also to offer existing residents internal redecoration work and the installation of level access showers.
3. To expand significantly the role of the Charity in working to build and strengthen the almshouse communities through activities and events and by setting up a Residents' Activities & Welfare Fund.
4. To develop a coherent communications strategy for the Charity by engaging a communications expert.
5. To review the almshouse applicant qualifying criteria.
6. To review the Welfare Charities criteria in the light of the findings of a research study into un-met need in the borough.
7. Governance – to draw up a Trustees Recruitment Policy, undertake a Trustee Skills Audit, to draw up terms of reference for all sub-committees and to implement a policy of a maximum of 3 terms' of office for Trustees.
8. To undertake some administrative tasks to include implementing a policy of reviewing all professional advisers every 5 years, implementing staff appraisals and writing a disaster recovery plan for HQ.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report (continued)

Achievements and performance (continued)

Progress was achieved in 2019 in all these areas as follows:

1. The Charity continued to seek opportunities for further expansion and development of more almshouses.
2. Work continued with Eden Luxe Developers on the purchase of a new development in Twickenham and the Charity exchanged on the purchase of the development on 29 January 2020.
3. Work continued with Mortlake Almshouse Charity on a merger and the Charity Commission has agreed a new Scheme.
4. Other potential new sites for development were identified and are being progressed.
5. The following almshouses were refurbished in 2019: 3 Michel's, 5 Michel's, 8 Michel's, 14 Michel's, 2 Candler, 2 Church Estate, 9 Church Estate, 2 Houblon's, 12 Hickey's, 18 Hickey's, 21 Hickey's, 22 Hickey's, 30 Hickey's, 33 Hickey's, 37 Hickey's, 41 Hickey's. Secondary glazing was installed at Bishop Duppa's Almshouses.
6. Internal redecoration work was undertaken for a number of existing residents.
7. External decoration work was undertaken at Church Estate Almshouses.
8. A new garden room for residents' use for communal activities and events was built at Church Estate Almshouses.
9. The Charity undertook an in-depth energy audit across all estates with electric heating and Focus Consultants prepared a detailed report to show ways in which we can improve the fabric of the almshouses and install renewable energy sources to help reduce residents' electricity bills.
10. The programme of events and activities for residents was expanded with activities now run by both staff and residents. Residents came up with new ideas of activities and events which they would like to run or be involved with. Weekly drop-in coffee mornings are held in the Charity's new garden room. The charity held a third Christmas lunch for all residents, staff and trustees and 120 attended. The Trustees had committed a budget for 2019 to fund all the above, and which also funds the costs of travel for residents to attend activities.
11. The Charity held resident open forums for the second year to hear comments and opinions from our beneficiaries about their homes and the running of the charity.
12. The Charity instigated a new professional produced format for our quarterly Almshouse News magazine and continued to keep our revamped website up to date.
13. The Charity continued work on raising its profile amongst potential beneficiaries and attended events such as the Full of Life Fair and the Voluntary Sector Marketplace event.
14. The Charity welcomed 12 new residents into its community.
15. The second year of the new system of allocating Welfare Charities funding to local organisations worked well and 10 organisations have been allocated funding for 2020.
16. The Charity is working with the Charity Commission to seek permission to expand its objects in order to be able to grant fund more people in need in the borough.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report (continued)

Achievements and performance (continued)

17. The Charity recruited three new Trustees in line with its Trustee Recruitment Policy and to fill skills gaps on the Board as identified through its regularly updated Trustees' Skills Audit.

18. The Charity recruited two new members of staff who will take up their posts in 2020 to replace two Scheme Managers who are leaving.

19. The Charity revised its Business Continuity Plan and Risk Register.

20. The Charity wrote a new Safeguarding Policy and all staff and trustees underwent external safeguarding training.

21. The Charity sold one investment property, 7 Grena Gardens and is in the process of selling two others, 264 Sandycroft Road and 69 Houlston Road, and trustees agreed a 5-year plan for the sale of more investment properties in order to fund new almshouse development and to rebalance the Charity's asset portfolio between property and invested funds.

22. The Charity retendered for Property Management & Surveying Services for the investment property portfolio. HML Shaw won the 3-year contract.

23. Major refurbishments on investment properties were undertaken at 8 St Mary's Grove, 24 St Mary's Grove, 26 St Mary's Grove, 15 Rosedale Road and 31 Kew Foot Road.

24. External redecorations were undertaken at various properties in Adelaide Road, Houlston Road, Rosedale Road and Michel's Row.

The Trustees directly manage the Charity's investment portfolio in conjunction with professional fund managers.

The Richmond Charities assumed management of Richmond Philanthropic Society from September 2009. Richmond Philanthropic Society has been in existence since 1870 and remained in a strong financial position to distribute grants to the needy of Richmond, Kew, Petersham and Ham. Richmond Philanthropic Society is a separate charitable entity to Richmond Charities' Almshouses and files separate accounts.

The Richmond Charities measures and assesses success by how many elderly people in need of almshouse accommodation the charity is able to house during the year.

b. Investment policy and performance

Funds are invested in such a manner as the Trustees think fit in order to provide an appropriate and balanced portfolio, taking into account the requirements of the law relating to the investment of charitable monies.

The investment performance is measured against the objectives as laid out in the charity's investment policy. The principal aim of the endowed funds invested in the income portfolio is to be managed on the basis of producing a regular income whilst at least maintaining its capital base in real terms.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report (continued)

Financial review

a. Reserves policy

The Charity regularly reviews its operational risks and requirements and maintains a level of reserves considered sufficient in order to be able to address its requirements. Some of the reserves are designated in accordance with this assessment and where necessary transfers are made to achieve the Charity's targets. The current actual level of reserves are considered to be adequate based on current and projected activities and risks and are detailed below.

(a) Major Repairs Reserves

The Trustees' objective is to build up a designated reserve sufficient to cover the level of anticipated major repairs expenditure for the forthcoming two year period. At 31 December 2019 the designated reserve stands at £1,100,000.

(b) Extraordinary Repair Fund

The Trustees' objective is to build up a fund that will provide for exceptional repairs, improvements and replacements of existing almshouses, and will provide for future growth and redevelopment. At 31 December 2019 the designated reserve stands at £1,012,766.

(c) Development Fund

The Trustees' objective is to build up a designated reserve sufficient to allow the purchase or development of new almshouse properties. At 31 December 2019 the designated reserve stands at £696,742.

(d) Almshouse Property Fund

The Trustees' objective is to represent the value of the almshouse properties within this fund. At 31 December 2019 the designated reserve stands at £4,184,587.

(e) Almshouse Fund

The Trustees' objective is to establish sufficient positive reserves to be in a position to cover the level of annual operating costs. At 31 December 2019 the unrestricted reserve stands at £2,690,146.

(f) Welfare Charities

The Trustees' objective is to comply with the terms of the specific trust deeds by awarding grants to qualifying and needy applicants. At 31 December 2019 the restricted reserve stands at £NIL.

(g) Endowed Capital Funds

The Trustees' objective is to safeguard the endowed capital assets whilst seeking long term investment growth. At 31 December 2019 the endowment reserve stands at £125,532,207.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report (continued)

Financial review (continued)

b. Financial review

The accounts on the following pages are produced in accordance with the full provisions of the Charities Statement of Recommended Practice 2015 (FRS102).

The value of investment properties has increased to £110,324,750 (2018: £109,008,750). HML Shaw (Chartered Surveyors) undertook a full valuation of the properties for the year ended 2019, and in their opinion there had been an overall increase in value of 0.1%. Investment property, 7 Grena Gardens was disposed of in the year giving a loss on disposal of £74,190.

Investments increased in aggregate value in the year to £18,212,096 (2018: £15,156,273) after additions of £5,439,798, disposals of £4,000,118 and a total revaluation gain of £2,381,188.

The Capital Endowment Fund balance as at 31 December 2019 was £125,532,207 (2018: £121,481,621).

The Unrestricted Fund Balance as at 31 December 2019 was £9,679,241 (2018: £8,432,019).

The Restricted Fund Balance as at 31 December 2019 was £NIL (2018: £10,681).

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Considerations and Impact of Covid-19

- As soon as the potential impact of the spread of covid-19 in the UK became evident at the end of February 2020, The Richmond Charities developed and put in place an action plan to support our elderly residents in the almshouses. As the situation developed, we issued a series of guidance and support letters to all residents stressing the government's requirements for social distancing and self-isolation for those in high risk groups (which includes most residents).
- All community activities in our almshouses ceased in mid-March.
- All refurbishment work in the almshouses ceased in mid-March and will remain suspended for the duration of the lockdown.
- We are supporting our residents not just with practical needs but with emotional support during the isolation period. We are issuing support via our more regular newsletter and via email to those residents who have online access.
- The Risk Management Committee started to meet weekly to consider and develop the charity's response.
- The Finance Committee undertook some scenario planning to look at the potential impact on the charity's finances in 2020 and up to 12 months from the date of signing:
 - o Loss of income from investment property rents. Income will fall due to a 3 month rent holiday given to the Mitre pub and due to giving temporary rent reductions to those tenants in financial difficulties. At the end of the lockdown, repayment plans will be put in place for tenants to repay their arrears gradually.
 - o Loss of income from WMC for residents due to almshouses sitting empty for longer. The charity has decided not to move any new residents in during the lockdown period. In addition, almshouses will be void for longer due to all refurbishment work being suspended temporarily.
 - o Loss of income from dividends from Sarasin & Partners and CCLA, though CCLA has committed to delivering the forecast dividends.
 - o The Finance Committee has looked at potentially delaying some of the major works planned for 2020 in order to reduce expenditure.
 - o The charity faces uncertainty as to whether property sales currently under offer will get to exchange and completion at present and whether we will be able to sell other properties earmarked for sale in 2020. This will impact on the purchase of the new almshouses at Heath Road and the charity may need to finance Heath Road from invested funds and/or borrowing. Heath Road is due to complete in the summer of 2020 but the completion date will slip due to covid-19.
 - o The charity is budgeted to make a surplus in 2020 but this is likely to be significantly reduced and in the worst case scenario could be turned into a deficit.
 - o However, the Finance Committee is confident that the charity is in a strong financial position and will be able to withstand the impact of covid-19 in the long term.
- Covid-19 is affecting our beneficiaries significantly and the charity is providing all the practical and emotional help possible. If the virus control measures continue in place for a significant length of time, we will be unable to offer almshouses to those on our register who are in housing need. In addition, many of our plans for this year, in terms of community activities and events, will be affected.

As the financial year end was 31 December 2019 there are no events which are deemed by the Trustees as adjusting events to the financial statements, consideration has been made above to the impact on the present and future implications for the charity. The Trustees deem the Charity to be a going concern as set out in further detail in the accounting policy.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management

a. Constitution

The Richmond Charities is administered in accordance with the following Charity Commission schemes:

5.8.1974	The Richmond Charities
21.8.1974	Michel's Almshouse Charity
30.4.1987	Richmond Charities' Almshouses
18.11.1987 and 21.6.1990	Richmond Charities' Almshouses
24.5.2004	Richmond Charities' Almshouses
27.2.2006	Richmond Charities' Almshouses
17.12.2008	Richmond Charities' Almshouses

Under the 18.11.1987 and 21.6.1990 schemes, Michel's Almshouse Charity was merged with The Richmond Charities, to be administered as one, under the name Richmond Charities' Almshouses. Under the Charity Commission scheme dated 24.5.2004, which altered the trusts of Richmond Church Charity Estates (Charity Reg. No. 212770), title of the Church Estate Almshouses was transferred to Richmond Charities' Almshouses. The scheme of 27.2.2006 extended the area of benefit from the former Borough of Richmond to the London Borough of Richmond. The scheme of 17.12.2008 merged Twickenham United Charities and Richmond Charities' Almshouses and updated the governing instrument.

The Trustees' strategic plans re-affirm the values of the Charity to continue: - creating an environment for older people to live independently and with dignity; supporting older people in remaining independent for as long as possible; looking for ways to improve the almshouses; seeking ways to increase the number of almshouses; ensuring the provision of housing for future older generations.

b. Methods of appointment or election of Trustees

The management of the charity is conducted by the Chief Executive, under day-to-day authority delegated by the Trustees. The major part of the administration is concerned with the almshouses, its residents, investment properties and investments.

The Trustees' meetings take place at regular intervals (minimum six times a year) and are attended periodically by representatives of HML Shaw, who act as Property Managers for the Charity.

The Trustees may consist of an ex-officio, eight co-optative and three nominative Trustees. Two nominative Trustees are nominated by the Local Authority and the remaining one must be appointed by the vicar for the time being of the ecclesiastical parish of St. Mary's Twickenham. Trustees are appointed at ordinary meetings by way of majority resolution. Newly appointed Trustees receive an in-depth induction.

The Trustees meet at regular intervals during the year to review the Charity's strategy and performance, approve plans and monitor budgets. The Trustees have delegated certain functions to the Finance, Risk Management, Welfare, Property and Safeguarding Committees whose composition is annotated at the front of these accounts.

New Trustees' receive a full information pack and induction from the Chief Executive. They are introduced to all properties and residents gradually. Training for Trustees takes place during the year and in 2019 all Trustees underwent Safeguarding Training.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management (continued)

c. Pay policy for key management personnel

The Trustees consider the board of Trustees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their free time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in Notes 11 and 26 to the accounts.

Staff pay will be reviewed annually and will normally be increased in accordance with average earnings. In view of the nature of the charity, the trustees will normally benchmark against pay levels in other charities of similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for any additional responsibilities.

d. Risk management

The Trustees are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They have reviewed the key risks to which the Charity is exposed together with the operating and financial compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Charity's significant risks that have been in place for the year ending 31 December 2019. This process is regularly reviewed by the Trustees.

The principal risks faced by the Charity lie in managing the loss of key staff and financial risk from increasing expenditure.

The operational risk from loss of key staff is managed by the trustees by ensuring there is effective succession planning in place. This involves having a practical notice period and handover policy as well as a vigorous recruitment process to identify the right individuals for the vacant positions.

The risk of additional expenditure is managed by the finance committee which holds regular meetings to assess expenditure against the Charity budgets. Authorisation procedures exist to ensure additional expenditure is authorised and if necessary the Charity will consider delaying or cancelling planned projects.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Plans for future periods

The Charity will oversee the development of the new build at Heath Road, Twickenham and will house new residents when it is completed. The new development will provide 9 new almshouses, a communal room and a guest room, along with 2 commercial units.

The Charity will continue to investigate and bid for other sites when opportunities arise.

The Charity is now working closely with the Council and the Council is allowing the charity to bid for sites being disposed of by the Council.

The Charity will progress the merger with Mortlake Almshouse Charity to a satisfactory conclusion.

The Charity will start work on implementing the recommendations in the 2019 energy audit.

The Trustees intend to continue their programme of major repairs and improvements to almshouse properties, to be funded out of income. Plans for 2020 include the refurbishment of 5 Bishop Duppa's, 8 Bishop Duppa's, 17 Hickey's, 35 Hickey's, 4 Michel's, the Nurse's Lodge and the completion of 2 Houblon's, 21 Hickey's and 12 Hickey's. Other refurbishments will arise as and when other almshouses come vacant.

In line with the objective set at the Strategic Planning meeting, existing residents will be offered the chance to have internal redecoration undertaken and level access showers installed. Residents are also being offered help with the maintenance of their individual gardens.

Residents who have lived in their almshouse for over 15 years will be offered refurbishment work.

The new Careline system using the latest technology will be rolled out to more estates.

Work will continue to strengthen the almshouse communities with new ideas for events and activities.

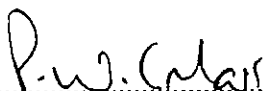
With the investment properties, major refurbishment work will be completed at 15 Rosedale Road and undertaken at 23 Rosedale Road, 27 Rosedale Road, 27 Michel's Row and 2 St Mary's Grove. Major refurbishments will be undertaken if and when properties become vacant and are in need of refurbishment or the Trustees will decide to sell properties. External decorations will be undertaken on a number of properties.

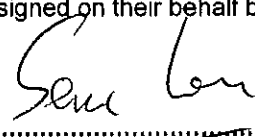
Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Mr P W C Marr
Chairman
Date: 20/5/20


.....
Mr S Lourie
Trustee

THE RICHMOND CHARITIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

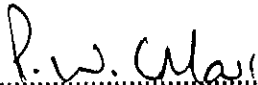
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

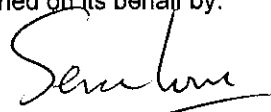
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Will. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:


.....
Mr P W C Marr
Chairman
Date: 20/5/20


.....
Mr S Lourie
Trustee

THE RICHMOND CHARITIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES

Opinion

We have audited the financial statements of The Richmond Charities (the 'Charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

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

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

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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

THE RICHMOND CHARITIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES (CONTINUED)

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 Auditors' 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

THE RICHMOND CHARITIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES (CONTINUED)

Auditors' 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 regulations made under section 154 of that Act.

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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants
Registered Auditors
6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: 25/06/20

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RICHMOND CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Donations and legacies	3	-	4,400	-	4,400	4,415
Charitable activities	4	1,156,070	-	-	1,156,070	934,659
Investments	5	3,024,068	-	-	3,024,068	2,968,280
Total income and endowments		4,180,138	4,400	-	4,184,538	3,907,354
Expenditure on:						
Raising funds:	8					
Property management		1,705,140	-	-	1,705,140	1,150,514
Fund management		5,050	-	-	5,050	59,818
Other raising funds		64,767	-	-	64,767	-
Charitable activities	7	1,900,389	15,081	-	1,915,470	1,609,044
Total expenditure		3,675,346	15,081	-	3,690,427	2,819,376
Net gains on investments	8	280,897	-	4,503,119	4,784,016	3,563,968
Net Income/(expenditure)		785,689	(10,681)	4,503,119	5,278,127	4,651,946
Transfers between funds	18	452,533	-	(452,533)	-	-
Net movement in funds before other recognised gains		1,238,222	(10,681)	4,050,586	5,278,127	4,651,946
Other recognised gains:						
Actuarial gains/(losses) on defined benefit pension schemes	24	9,000	-	-	9,000	(2,000)
Net movement in funds		1,247,222	(10,681)	4,050,586	5,287,127	4,649,946

THE RICHMOND CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:	18					
Total funds brought forward		8,432,019	10,681	121,481,621	129,924,321	125,274,375
Net movement in funds		1,247,222	(10,681)	4,050,586	5,287,127	4,649,946
Total funds carried forward		9,679,241	-	125,532,207	135,211,448	129,924,321

All income and expenditure derive from continuing activities.

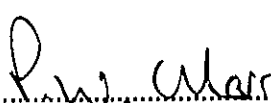
The notes on pages 21 to 46 form part of these financial statements.

THE RICHMOND CHARITIES

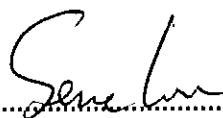
BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	12		5,113,007		5,143,093
Investments	14		18,212,096		14,391,228
Investment property	13		110,324,750		109,008,750
			<u>133,649,853</u>		<u>128,543,071</u>
Current assets					
Debtors	15	447,904		97,229	
Investments	16	1,012,766		765,045	
Cash at bank and in hand	21	310,519		716,358	
		<u>1,771,189</u>		<u>1,578,632</u>	
Creditors: amounts falling due within one year	17	(204,594)		(181,382)	
Net current assets			<u>1,566,595</u>		<u>1,397,250</u>
Total assets less current liabilities			<u>135,216,448</u>		<u>129,940,321</u>
Defined benefit pension scheme liability	24		(5,000)		(16,000)
Total net assets			<u><u>135,211,448</u></u>		<u><u>129,924,321</u></u>
Charity funds					
Endowment funds	18		125,532,207		121,481,621
Restricted funds	18		-		10,681
Unrestricted funds	18		9,679,241		8,432,019
Total funds			<u><u>135,211,448</u></u>		<u><u>129,924,321</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



 Mr P W C Marr
 Chairman
 Date: 20/5/20



 Mr A S Lourie
 Trustee

The notes on pages 21 to 46 form part of these financial statements.

THE RICHMOND CHARITIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(2,755,396)	690,951
Cash flows from investing activities		
Investment income	3,024,068	495,903
Purchase of tangible fixed assets	(73,938)	(276,066)
Proceeds from sale of investments	4,000,118	1,333,724
Purchase of investments	(5,521,501)	(3,079,018)
Proceeds from the sale of investment properties	920,810	1,229,462
Net cash provided by/(used in) investing activities	2,349,557	(295,995)
Change in cash and cash equivalents in the year	(405,839)	394,956
Cash and cash equivalents at the beginning of the year	716,358	321,402
Cash and cash equivalents at the end of the year	310,519	716,358

The notes on pages 21 to 46 form part of these financial statements

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

The Richmond Charities is an Unincorporated Charity registered with the Charity Commission (Charity Registered Number 200431) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity has applied all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Richmond Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. These financial statements are presented in sterling which is the functional currency of the Charity and are rounded to the nearest pound.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

The Trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of Covid-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charity's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income from investments is accounted for when it is receivable.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

As a registered Charity conducting no trading operations, no taxation arises on income or gains.

The Charity incurs irrecoverable VAT on its outgoings, which is charged as part of expenditure.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value for accounting purposes is placed on the historic almshouse properties as the original cost of these assets would be immaterial to these financial statements. Any material future capital additions to the almshouse properties will be recorded at cost.

SORP (FRS 102) requires fixtures and fittings be included in the accounts at cost. The Charity's existing fixtures and fittings are deemed to be of no material value and have therefore not been included.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Almshouses	-	2%
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2.7 Investment properties

Investment properties are recorded at fair value at each reporting date with changes in fair value recognised in net gains/(losses) in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals during the year. As investments are revalued to fair value continuously no realised gains or losses arise.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 17 and taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. The assets of the scheme are held separately from those of the Employer. The annual contributions payable are charged to the Statement of Financial Activities.

The Charity also contributes to the Church of England defined benefit pension scheme in respect of one member of staff.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds represent those assets which must be held permanently by the Charity, principally the investments used to generate funds. 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 investments from part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	-	-	15
The Charity of Henry Smith	4,400	4,400	4,400
	<u>4,400</u>	<u>4,400</u>	<u>4,415</u>

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Income from donations and legacies (continued)

In 2018, all income from donations and legacies was to restricted funds.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Almshouses - Residents' contributions	1,156,070	1,156,070	934,659

In 2018, all income from charitable activities was to unrestricted funds.

5. Income from investments

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rents receivable	2,420,620	2,420,620	2,434,827
Dividend income receivable	602,279	602,279	533,194
Bank interest receivable	1,169	1,169	259
Total	3,024,068	3,024,068	2,968,280

In 2018, all income from investments was to unrestricted funds.

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Expenditure on raising funds

	2019 £	2018 £
Fund management		
Investment management costs	69,817	59,818
	<u>69,817</u>	<u>59,818</u>
Property management		
Direct costs - Property	1,634,013	1,081,415
Support costs - Property	71,127	69,099
	<u>1,705,140</u>	<u>1,150,514</u>

In 2018, all expenditure on raising funds was from unrestricted funds.

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Almshouses	1,648,124	4,400	172,527	1,825,051
Governance	-	-	90,419	90,419
Total 2019	<u>1,648,124</u>	<u>4,400</u>	<u>262,946</u>	<u>1,915,470</u>

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total funds 2018 £
Almshouses	1,413,583	4,400	108,454	1,526,437
Governance	-	-	82,607	82,607
Total 2018	<u>1,413,583</u>	<u>4,400</u>	<u>191,061</u>	<u>1,609,044</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Analysis of expenditure on charitable activities (continued)

In 2018, of the total expenditure on charitable activities of £1,609,044, £1,595,075 was from unrestricted funds, £4,400 was from restricted funds and £9,569 was from endowment funds.

Analysis of direct costs

	Almshouses 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	456,312	456,312	439,037
Telephone	11,638	11,638	10,936
Rates and water	51,745	51,745	57,499
Insurance	-	-	24,146
Electricity and gas	23,775	23,775	32,696
Cleaning	6,562	6,562	6,022
LBRUT Careline	13,350	13,350	13,089
Garden and tree maintenance	87,321	87,321	96,997
Repairs and maintenance	167,730	167,730	183,663
Legal and professional fees	102,259	102,259	112,536
Miscellaneous	4,128	4,128	3,282
Major property repairs	723,304	723,304	433,680
	<u>1,648,124</u>	<u>1,648,124</u>	<u>1,413,583</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Almshouses 2019 £	Governance 2019 £	Total funds 2019 £
Staff costs	-	57,349	57,349
Depreciation	104,024	-	104,024
Insurance	12,399	1,378	13,777
Electricity and gas	258	-	258
Cleaning	2,183	243	2,426
Repairs and maintenance	9,173	1,019	10,192
Legal and professional fees	928	103	1,031
Office expenses	20,607	1,747	22,354
Miscellaneous	22,955	2,551	25,506
Audit	-	25,457	25,457
Postage and stationery	-	572	572
Total 2019	172,527	90,419	262,946

	Almshouses 2018 £	Governance 2018 £	Total funds 2018 £
Staff costs	-	51,438	51,438
Depreciation	51,950	-	51,950
Insurance	1,779	198	1,977
Electricity and gas	221	-	221
Cleaning	1,626	181	1,807
Repairs and maintenance	12,582	1,398	13,980
Legal and professional fees	2,778	309	3,087
Office expenses	17,526	1,520	19,046
Miscellaneous	19,992	2,222	22,214
Audit	-	24,888	24,888
Postage and stationery	-	453	453
Total 2018	108,454	82,607	191,061

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Net gains/losses on Investments

	2019 £	2018 £
(Loss) / profit on disposal of Investment Property	(74,190)	16,751
Revaluation gains on Investments	4,858,206	3,547,217
	<u>4,784,016</u>	<u>3,563,968</u>

9. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,500	12,500
Fees payable to the Charity's auditor in respect of: Other services	<u>12,957</u>	<u>12,388</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Staff costs

	2019 £	2018 £
Wages and salaries	427,754	410,567
Social security costs	42,283	37,132
Pension costs	44,288	42,776
	<u>514,325</u>	<u>490,475</u>

The average number of persons employed by the Charity during the year was as follows:

	2019 No.	2018 No.
Staff	<u>12</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 No.	2018 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The Charity considers its Key Management Personnel to comprise the Trustees and the Chief Executive. The total employment benefits including employer pension contributions and employer national insurance contributions of the Key Management Personnel were £95,098 (2018: £84,197).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, expenses totalling £232 were reimbursed or paid directly to 2 Trustees (2018 - £57 to 1 *Trustee*). In both years, these transactions are in relation to mileage and training expenses.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Tangible fixed assets

	Almshouses £
Cost or valuation	
At 1 January 2019	5,195,043
Additions	73,938
At 31 December 2019	<u>5,268,981</u>
Depreciation	
At 1 January 2019	51,950
Charge for the year	104,024
At 31 December 2019	<u>155,974</u>
Net book value	
At 31 December 2019	<u>5,113,007</u>
At 31 December 2018	<u>5,143,093</u>

Almshouses

The Almshouse properties are non investment properties, held by the Charity as inalienable, with conditions attached for their use. For accounting purposes, no value is placed on the original Almshouse properties as it is considered by the Trustees that the original historic cost of the properties would not be material to the financial statements. The Trustees do not consider that the fair value of the Almshouses can be measured reliably, given the conditions specified for their use. Any costs of valuation to the Charity would not be commensurate with any benefit obtained from the information to the users of the accounts or to the Charity for its own stewardship purposes. Recognition of the Almshouses at fair value is not practicable.

With respect to the Almshouses transferred from RCCE, if at any time any of the Almshouses cease to be used permanently as Almshouses, half of the value of that land shall be paid to the Trustees of RCCE to be held as permanent endowment and the income used for its general purposes, provided that this clause will apply only if the land in question is sold and the proceeds of sale are used to purchase replacement land for the provision of Almshouses within a reasonable time.

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Investment property

	Investment property £	Mitre Pub £	Total £
Valuation			
At 1 January 2019	108,273,750	735,000	109,008,750
Disposals	(995,000)	-	(995,000)
Surplus on revaluation	2,311,000	-	2,311,000
At 31 December 2019	109,589,750	735,000	110,324,750

Investment property

On 14 January 2020, HML Shaw (Chartered Surveyors) undertook a full review of the properties for the year ending 31 December 2019. It was their opinion that there had been an overall increase in value of the property portfolio by 0.1% during 2019 (2018: 3.5% increase).

14. Fixed asset investments

	Capital endowment funds £	Designated development fund £	Short term fund £	Total £
Cost or valuation				
At 1 January 2019	13,808,696	582,532	-	14,391,228
Additions	2,939,650	-	2,500,148	5,439,798
Disposals	(4,000,118)	-	-	(4,000,118)
Revaluations	2,266,309	114,240	639	2,381,188
At 31 December 2019	15,014,537	696,772	2,500,787	18,212,096
Net book value				
At 31 December 2019	15,014,537	696,772	2,500,787	18,212,096
<i>At 31 December 2018</i>	<i>13,808,696</i>	<i>582,532</i>	<i>-</i>	<i>14,391,228</i>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15. Debtors

	2019 £	2018 £
Due within one year		
Rent receivable	100,831	41,414
Prepayments and accrued income	347,073	55,815
	<u>447,904</u>	<u>97,229</u>

16. Current asset investments

	2019 £	2018 £
Extraordinary repair funds	<u>1,012,766</u>	<u>765,045</u>

Listed investments

The market value of the listed investments at 31 December 2019 was £1,012,766 (2018: £765,045).

The balance at the year end includes additions and revaluations gains of £81,703 (2018: £758,847) and £166,018 (2018: £263,279) respectively.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	36,606	16,734
Other taxation and social security	14,739	11,728
Other creditors	6,112	6,112
Accruals and deferred income	147,137	146,808
	<u>204,594</u>	<u>181,382</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 January	74,548	85,001
Resources deferred during the year	78,935	74,548
Amounts released from previous periods	(74,548)	(85,001)
	<u>78,935</u>	<u>74,548</u>
Deferred income at 31 December		

In 2019 the Charity had deferred income related to rent received in advance.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
Designated funds						
Almshouse property fund	4,195,784	-	-	(11,197)	-	4,184,587
Extraordinary repair fund	765,045	-	-	81,703	166,018	1,012,766
Development reserve	353,577	-	-	343,165	-	696,742
Major repairs reserve	1,100,000	-	-	-	-	1,100,000
	<u>6,414,406</u>	<u>-</u>	<u>-</u>	<u>413,671</u>	<u>166,018</u>	<u>6,994,095</u>
General funds						
Almshouse fund	2,033,613	4,178,138	(3,675,346)	38,862	114,879	2,690,146
Pension reserve	(16,000)	2,000	-	-	9,000	(5,000)
	<u>2,017,613</u>	<u>4,180,138</u>	<u>(3,675,346)</u>	<u>38,862</u>	<u>123,879</u>	<u>2,685,146</u>
Total Unrestricted funds	<u>8,432,019</u>	<u>4,180,138</u>	<u>(3,675,346)</u>	<u>452,533</u>	<u>289,897</u>	<u>9,679,241</u>
Endowment funds						
Almshouse fund - General	<u>121,481,621</u>	<u>-</u>	<u>-</u>	<u>(452,533)</u>	<u>4,503,119</u>	<u>125,532,207</u>
Restricted funds						
Welfare charities	<u>10,681</u>	<u>4,400</u>	<u>(15,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Total of funds	129,924,321	4,184,538	(3,690,427)	-	4,793,016	135,211,448

The Almhouse funds are unrestricted and are used to fund activities in furtherance of the charities objectives alongside the management and administration. Included within this fund is the Mitre pub originally purchased at £550,000. A designated fund was created in the prior year relating to the purchase of an Almhouse property.

The Development fund is designated for the funding of the potential acquisition and development of new Almhouses.

The Major Repairs fund is designated for the funding of anticipated major repairs for the forthcoming two year period.

The Welfare Charities fund is a restricted fund administered by the Trustees in compliance with the specific trust deeds. Grants are awarded to qualifying and needy applicants whilst maintaining a positive level of reserves. This fund contains miscellaneous restricted donations.

The Extraordinary Repair Fund is designated for the funding of extraordinary Almhouse repairs. The Trustees are required to maintain this fund by paying into an Investment Fund a yearly sum of not less than £3,940 out of charity income.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds						
Designated funds						
Almshouse property fund	3,962,099	-	-	233,685	-	4,195,784
Extraordinary repair fund	268,357	-	-	495,568	1,120	765,045
Development reserve	353,577	-	-	-	-	353,577
Major repairs reserve	1,100,000	-	-	-	-	1,100,000
	<u>5,684,033</u>	<u>-</u>	<u>-</u>	<u>729,253</u>	<u>1,120</u>	<u>6,414,406</u>
General funds						
Almshouse fund	1,670,522	3,898,939	(2,805,407)	(729,253)	(1,188)	2,033,613
Pension reserve	(18,000)	4,000	-	-	(2,000)	(16,000)
	<u>1,652,522</u>	<u>3,902,939</u>	<u>(2,805,407)</u>	<u>(729,253)</u>	<u>(3,188)</u>	<u>2,017,613</u>
Total Unrestricted funds	<u>7,336,555</u>	<u>3,902,939</u>	<u>(2,805,407)</u>	<u>-</u>	<u>(2,068)</u>	<u>8,432,019</u>
Endowment funds						
Almshouse fund - General	117,682,490	-	(9,569)	242,496	3,566,204	121,481,621
Almshouse fund - Recoupment	244,664	-	-	(242,496)	(2,168)	-
	<u>117,927,154</u>	<u>-</u>	<u>(9,569)</u>	<u>-</u>	<u>3,564,036</u>	<u>121,481,621</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Restricted funds						
Welfare charities	10,666	4,415	(4,400)	-	-	10,681
Total of funds	<u>125,274,375</u>	<u>3,907,354</u>	<u>(2,819,376)</u>	<u>-</u>	<u>3,561,968</u>	<u>129,924,321</u>

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	4,185,087	927,920	5,113,007
Fixed asset investments	3,197,559	15,014,537	18,212,096
Investment property	735,000	109,589,750	110,324,750
Current assets	1,771,189	-	1,771,189
Creditors due within one year	(204,594)	-	(204,594)
Defined benefit pension scheme liability	(5,000)	-	(5,000)
Total	9,679,241	125,532,207	135,211,448

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	4,195,784	-	947,309	5,143,093
Fixed asset investments	582,532	-	13,808,696	14,391,228
Investment property	735,000	-	108,273,750	109,008,750
Current assets	3,116,085	10,681	(1,548,134)	1,578,632
Creditors due within one year	(181,382)	-	-	(181,382)
Defined benefit pension scheme liability	(16,000)	-	-	(16,000)
Total	8,432,019	10,681	121,481,621	129,924,321

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	5,278,127	4,651,946
Adjustments for:		
Depreciation charges	104,024	51,950
Gains on investments	(4,784,016)	(3,563,968)
Dividends, interests and rents from investments	(3,024,068)	(507,511)
Decrease/(increase) in debtors	(350,675)	52,135
Increase in creditors	23,212	8,399
(Decrease) in defined benefit pension scheme	(2,000)	(2,000)
Net cash provided by/(used in) operating activities	(2,755,396)	690,951

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	310,519	716,358
Total cash and cash equivalents	310,519	716,358

22. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	716,358	(405,839)	-	310,519
Current asset investments	765,045	81,703	166,018	1,012,766
	1,481,403	(324,136)	166,018	1,323,285

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to Almshouses	109,101	61,983
Purchase, construction or development of Almshouses	286,250	-
Repairs, maintenance or enhancements to Investment property	161,122	20,905
	<u>556,473</u>	<u>82,888</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Pension commitments

The Richmond Charities Almshouses participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the Schemes separately from those of the Employer and the other participating employers.

Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The Scheme is considered to be a multi-employer Scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension's costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions.

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NALVL table, with allowance for improvements in mortality rates in line with CMI 2018 extended model, with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contribution (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends

	1 January 2018 to 31 December 2025
Deficit repair contributions	11.9%

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Movement in defined benefit pension scheme liability

	2019 £	2018 £
Balance at 1 January	16,000	16,000
Deficit contribution paid	(2,000)	(2,000)
Actuarial (gain) / loss	(9,000)	2,000
Balance at 31 December	5,000	16,000

Sensitivity analysis (per annum)

	2019 £	2018 £
Discount rate	1.1%	2.1%
Price inflation	2.8%	3.1%
Increase to total pensionable payroll	1.3%	1.6%

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Operating lease commitments

At 31 December 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings:		
Not later than 1 year	29,000	29,000
Later than 1 year and not later than 5 years	-	29,000
	<u>29,000</u>	<u>58,000</u>
Other:		
Not later than 1 year	1,646	2,651
Later than 1 year and not later than 5 years	3,841	5,487
	<u>5,487</u>	<u>8,138</u>
Total	<u><u>34,487</u></u>	<u><u>66,138</u></u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2019 £	2018 £
Operating lease rentals	<u>31,651</u>	<u>30,005</u>

26. Related party transactions

Other than Key Management Personnel and Trustee transactions detailed in Notes 10 and 11, there were no related party transactions during the period (2018: none).

27. Post balance sheet events

After the year end date the investment property 264 Sandycombe was agreed for sale at a sale price of £1,095,000, which will be formally exchanged in 2020. At the year end this property is included within the investment property note at the sale value.