

**Charity Registration No: 205177**  
**Regulator of Social Housing Registration No: AO215**

**THE GLOUCESTER CHARITIES TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**THE GLOUCESTER CHARITIES TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**THE GLOUCESTER CHARITIES TRUST  
INFORMATION AND ADVISORS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Registered Office and Principal Place of Business**

Century House  
100 London Road  
Gloucester  
GL1 3PL

**Bankers**

NatWest Bank plc  
21 Eastgate Street  
Gloucester  
GL1 1NH

Clydesdale Bank plc  
Bering House  
Mariner Court  
Clydebank

Nationwide Building Society  
28 Westgate St  
Gloucester  
GL1 1TQ

**Solicitors**

Tayntons LLP  
Clarence Chambers  
8-12 Clarence Street  
Gloucester  
GL1 1DZ

Lodders Solicitors LLP  
Glensanda House  
1 Montpellier Parade,  
Cheltenham  
GL50 1UA

**Auditor**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**Investment Managers**

Investec Wealth & Investment  
2 Gresham Street  
London  
EC2V 7QP

Brewin Dolphin Limited  
The Lypiatts  
Lansdown Road  
Cheltenham  
GL50 2JA

**Registered Charity Number**

205177

**Regulator of Social Housing Registration Number**

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**THE GLOUCESTER CHARITIES TRUST  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**TRUSTEES' REPORT**

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2020.

**Aims and Objectives**

The aims of the Charity are:

- Provision of quality sheltered accommodation at an affordable cost
- Extra care facilities for frail Almshouse residents
- Administer effectively the Relief in Need branch of the Charity

The Trust beneficiaries are older people in need in the County of Gloucestershire. The beneficiary selection policy is in accordance with the provisions of The Scheme, which is the governing document of the Trust.

The Trust also separately administers the former Gloucester District Nursing Charity (which was united with the Trust in 2008).

The aims of Gloucester District Nursing Charity are:

- The relief of persons in need resident in the area of benefit who are convalescent, disabled, or infirm by relieving their suffering or assisting their recovery
- The relief of nurses who are in need and are resident in the area of benefit; and
- The relief of any retired nurses who are in need and who were formerly employed by the Gloucester District Nursing Society

In exceptional cases the Trustees may grant relief to persons otherwise eligible who are resident outside the said area but in the opinion of the Trustees ought nevertheless for sufficient reason to be treated as if resident therein or who are located for the time being within that area.

**Our Strategic Aims**

- To grow and become a leading, strategic, and influential housing, care, and support services provider for older people
- To operate and further develop exceptional Almshouses offering additional care and support to maintain independent living,
- To ensure high quality service delivery in our residential and nursing homes specialising in dementia; end of life; and palliative care
- To expand our specialist dementia day care services in line with market demand to support those living independently as well as our own residents
- To support our local communities through our Relief in Need grant giving
- To build our own internal strengths and capabilities to increase our impact ensuring our organisational structure can deliver our strategic plan
- To pursue our other objectives whilst maintaining and improving the financial viability of the Trust

**THE GLOUCESTER CHARITIES TRUST  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Reference and Administrative Information**

Principal Office: Century House, 100 London Road, Gloucester GL1 3PL

Mr Brian Large (Chairman)	Mrs Jackie Matthews
Mr Martin Collins (Vice Chairman)	Miss Dawn Melvin
Mrs Gill Payne	Mr Lee Hensley
Mr Terry Haines	Mr Jeff Roberts (resigned 10.07.2020)
Mrs Christine Harber	Miss Pam Tracey
Mr Stephen Heath	Mr Martyn White
Mr Graham Howell	Mr Colin Youngson
Mr Graham Limbrick	Dr Ian Donald (appointed 25.09.2020)
Mr Graham Locke	Dr Jan Lugg
Mr Stephen Ayland	

The day to day running of the Trust affairs is managed by the Chief Executive, Mrs Kathryn Lewis.

Hazlewoods LLP provides audit services and related advice to the Trustees.

Tayntons Solicitors and Ladders Solicitors provide legal services and related advice to the Trustees.

NatWest Bank Plc provides financial services to the Trustees.

Investec Wealth & Investment provide investment services to the Trustees.

Brewin Dolphin provide investment services to the Trustees for the Gloucester District Nursing Charity funds.

Custodian Trustee – The Official Custodian

McCartneys LLP act as Land Agents for the Trust.

**Structure, Governance and Management**

The Charity is an unincorporated Charity (registration number 205177) with an unincorporated body of Trustees. The governing document of the Charity is The Scheme dated 4 April 1997 as amended by Scheme dated 16 December 1997 and Scheme dated 30 April 2001 registered with the Charity Commission. The Charity is a registered charity, an Almshouse charity and a Registered Provider (RP). The Charity is registered with the Regulator of Social Housing, the Care Quality Commission (CQC) and is a member of the Almshouse Association.

The body of Trustees, when complete, consists of 18 Trustees of which nine are nominated Trustees and nine co-optative Trustees. The co-optative Trustees are individuals who through residence, occupation, or employment in or near the City of Gloucester have a specialist knowledge or interest in the work of the Charity. Of the nominated Trustees seven should be appointed by the Council of the City of Gloucester and two by the Committee of the Freemen of the City of Gloucester. The Trust has a Trustee Recruitment and Selection Policy and a separate Trustee Induction Policy which are reviewed every two years. Trustees are provided with an information pack upon joining the Trust which contains the most recent audited financial statements, the latest management account information, minutes of the two most recent General Meetings, a short history of the Trust, the Trust Schemes, and a copy of Charities Commission booklet CC3 – The Essential Trustee What you need to know, and a list of the year's forthcoming meetings. In addition, they are also issued with any policies with which they need to comply, the Code of Governance and the Terms of Reference of the various sub-committees.

Trustees can be co-opted by existing Trustees if they have the relevant skills, knowledge and background that enable them to meet an existing skills gap on the Board of Trustees.

**THE GLOUCESTER CHARITIES TRUST  
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During 2019 The Board of Trustees met each month to carry out the business of the Charity however since January 2020 the Board agreed to meet bi-monthly. Due to the covid-19 restrictions, most of our Board meetings have been held virtually using Microsoft Teams. There are several sub-committees which comprise of Trustees with a specialist knowledge or skill in a particularly relevant area. These committees take forward recommendations to the main meetings of the full Trustee Board. Employees of the Charity report to the main Board of Trustees at monthly meetings or through a monthly information pack and may refer recommendations for the consideration and approval of all Trustees. The sub-committees are: Audit and Governance, Finance and Property and Welfare (Staff and Residents).

The day to day running of the Trust is delegated to the Chief Executive supported by a Senior Management Team which has been expanded to include a new, key role, that of Head of Operations and Compliance. Helen Gore has been appointed to this role and started with us on 15<sup>th</sup> February 2021.

The Trust also operates an Advisory Committee which consists of the Chair, Vice Chair and one other Trustee to which the Chief Executive can refer should a decision need to be made urgently.

The Trustees are required under charity legislation and Homes England to prepare financial statements that give a true and fair view of the charity's performance during and at the end of the financial year.

**Public Benefit**

The Trust's main charitable aim is to provide good quality, affordable accommodation for older people from the County of Gloucestershire to meet the variety of needs which this client group presents. The Trust owns and manages 137 sheltered housing flats at four locations within Gloucester and both Guild House Residential Home and Magdalen House Nursing Home in addition to the Kimbrose Club. The Trust therefore operates a circle of care which supports individuals living independently right through to those requiring Nursing care. The accommodation and care provided by the flats and Homes is open to the community of Gloucestershire subject to meeting the Trust's admission criteria. In addition, the Trust also offers a dedicated day care facility, The Kimbrose Club. The Club is open to older people (residents and non-residents) living with dementia, memory loss or depression and anxiety.

The Club is intended to accommodate those who live independently and have no personal care requirements. They are lively, vibrant places where friendships are made, good food eaten and where there is the opportunity to discover new things to do. Sadly, the Club had to close in March 2020 due to the coronavirus lockdown rules. We re-opened in October 2020, much to the delight of our members, albeit on a much smaller scale as we were unable to support more than 15 members at any time. The Club remained covid-19 free throughout the time it was reopened which was a huge achievement. Due to our ongoing covid-19 risk assessment process we very reluctantly took the decision to close again in early January 2021. It is our intention to open again as soon as we feel the risks to our members and staff have been mitigated to an acceptable level.

The above meets the public benefit criteria and falls within the Charities Act 2006 charitable purpose defined as "relief of those in need by reasons of youth, age, ill-health, disability, financial hardship or other disadvantage". All the Trust's charitable activities focus on directly improving the lives of older people by providing a range of housing and care options. The Trust's Relief in Need activities also clearly meet the public benefit criteria and are available to non-residents, of any age, subject to the requirements of the governing document.

In the furtherance of these aims the Board, as the Charity Trustees, have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

The Trust awarded grants to individuals in the year via the Relief in Need and Gloucester District Nursing Charity schemes. There has been an increased number of applications during the year and this is indicative of the very difficult circumstances so many individuals have found themselves in. A swifter grant approval process was approved by the Board and set up to ensure we were able to provide immediate support wherever possible.

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**Review of achievements and performance for the year**

It must be noted that due to the coronavirus pandemic we had to make significant changes to the way in which we conducted our business in the year; there were numerous operational difficulties to overcome and some of our planned projects had to be placed on hold. We have found new ways of working to deal with the ongoing coronavirus situation and have been innovative and flexible in our approaches. It is, however, fair to say that this year has been the most challenging we have ever experienced, and we are immensely grateful to our dedicated staff team who have worked tirelessly throughout to ensure our residents have been well looked after and supported. We are also delighted that we have been virtually covid-19 free throughout the pandemic, which is due to the superb infection control practice our staff have followed.

**Items brought forward from 2018/2019 – progress report**

1. Secure planning permission to develop our Hewmar House site and build an enhanced sheltered housing scheme – Outcome: *An opportunity to purchase a block of flats, with a development plot on which planning permission had already been obtained, presented itself so GCT purchased this in May 2020 with a view to it becoming an additional sheltered housing scheme once the plot is developed. This means we are currently reviewing our plans for the Hewmar House site.*
2. Secure planning permission to build a garden room at St Margarets – Outcome: *Listed Building Consent and Planning permission have been obtained for the project. We are now seeking architectural services to bring the project to fruition. We hope to have the garden room built during 2021.*
3. Create an additional flat at St Marks by making use of an under-utilised lounge and kitchen. Outcome: *This has been placed on hold due to other projects being prioritised.*
4. Create a contemporary open plan lounge / dining / kitchen room at St Marks in the downstairs communal area. Outcome: *This has been placed on hold due to the reasons listed in 3 above.*
5. Replace the care call system at all remaining Almshouse sites – Outcome: *We have a new system installed at St Bartholomews but had to put the upgrades on hold at the other Almshouse sites due to our stringent covid-19 prevention measures.*
6. Continue our programme of upgrading lighting to LED throughout the Trust – Outcome: *Ongoing as and when rooms and flats are vacated.*
7. Refurbish the remaining bathrooms at Magdalen House – Outcome: *Completed*
8. Carry out various resurfacing projects throughout the Trust – Outcome: *Completed at St Philips and Guild House. The remaining sites should be completed during 2021.*
9. Assess the feasibility of creating buggy stores at St Philips – Outcome: *Completed*
10. Close monitoring of Brexit and the impact it may have on our ability to operate our services. Outcome: *Although Brexit has happened, the impact of this is hard to assess and will be ongoing.*

**The items below were planned for completion in 2019/2020**

1. Install a new call bell system at Magdalen House – *completed*
2. Install a new heating system in the St Margaret's Tower Block – *completed*
3. Upgrade our CCTV across all sites – *in progress*
4. Refurbish one of our cottages on Mill Farm for residential letting – *completed*
5. Create two buggy stores at our St Philips scheme -*completed*
6. Develop the York site in line with the planning permission granted – *project started. Delayed due to covid-19 restrictions*
7. Refurbish our dining room at Magdalen House – *on hold*

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**Performance Review**

As previously mentioned, this year has been unquestionably the most challenging the Trust has ever faced. We have, however, strived to ensure we have provided the highest standards of care and support for our residents with an emphasis on their overall wellbeing. This has included the provision of additional staff to provide more in-house social activities and resident engagement as there has been little opportunity to go out on trips or have outside entertainment and events involving relatives and other visitors. We have ensured our residents who live independently have been well supported through our welfare calls, meal delivery services and the in-house shopping service we developed to ensure all our residents had access to food, at reasonable prices, delivered free to their doors. This was extremely well received by those residents as was the regular "treats" we organised such as cream teas and fish and chips delivered to their doors.

The Trust had more vacant flats and lower occupancy in our sheltered accommodation during the year which was largely attributed to us not offering accommodation for several months and only visiting sites to carry out essential works. This meant a delay in carrying out works in flats requiring refurbishment.

We achieved significantly higher than budgeted occupancy in our Nursing Home, Magdalen House but lower than expected in our Residential Home, Guild House which was mainly due to our no admissions policy for six months. Magdalen House has still been able to offer respite care when it is safe to do so and in accordance with our strict covid-19 prevention measures.

The promotion of the circle of care offered by the Trust continues to be a key feature of our service. We are always looking at ways in which to add more into our Circle of Care and our much-anticipated social enterprise project at The York is certainly going to enhance it further. We were very appreciative of the Infection Control Grants which we received from Gloucestershire County Council; these have helped us support our staff team, enhance resident engagement, and facilitate safe visits for relatives throughout the pandemic to date.

Recruitment and retention have been quite difficult in Guild House and Magdalen House during the year; however, we have managed to maintain a core staff team and keep our reliance upon Agency staff to a minimum which means we have been able to provide continuity of care and support to all our residents. As always, the staff team have done a wonderful job in caring for and meeting the needs of our residents and members and we are extremely appreciative of the dedication and commitment they continue to give under the most difficult of circumstances.

Magdalen House Team are still to complete the Gold Standard Framework training for end-of-life care as the training programme has been considerably disrupted by the covid-19 pandemic. We are utilising the learning gained to date to ensure we offer the very best standards of end-of-life care.

Our in-house activity and social engagement programmes have increased even more in the last year with our Activity & Wellbeing Team becoming ever more creative in the range of activities and social engagement on offer. We have purchased several interactive tables which our residents are thoroughly enjoying. As always, we have numerous special days which are celebrated not least every resident's birthday.

We have made use of the opportunity where there have been vacant rooms at Guild House to refurbish them to include new flooring, LED lighting upgrades and complete redecoration so they are ready to be occupied when a new resident wishes to move in.

Throughout the Trust, staff turnover has remained a concern. We are still very fortunate to have a core staff team who have been with us for a long time and whose dedication and commitment to the Trust enables us to provide the high standards of care and support to residents that they deserve. To ensure the retention of our key staff the Trust is looking to increase our range of well-being initiatives to implement in 2020/21. We have appointed one of our Management Team as Trust Wellbeing Lead and are now publishing monthly Wellbeing Newsletters which contain a host of tips and advice for staff to follow.

The much-awaited planning consent to create a garden room at St Margarets was finally received. We have not been able to progress to the next stage yet due to covid-19 restrictions but are now ready to seek tenders for architectural services to achieve our goal to provide a much-needed communal space for the residents to enjoy socialising and for us to undertake more joint working in the local community. The room will also be used by other organisations for training, meetings etc when not in use by the Trust.



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Our Kimbrose Club has had a very difficult year due to having to close in March 2020, reopen in October 2020 and close again in January 2021. This meant that staff have been furloughed or redeployed to work in either Guild or Magdalen. It is our intention to re-open the Club as soon as it is considered safe to do which will be when we feel we have mitigated as many risks as possible for both staff and members.

Our staff and residents took part in a book drive organised by GCT for the benefit of a local primary school. There was a huge response to our request for children's books, old and new, and we were able to deliver more than 600 books to them for them to utilise as they saw fit.

We have continued our programme of brand awareness in the Trust with literature, posters, vehicles etc. all promoting GCT. The Trust has reviewed, updated, and introduced a range of policies, systems, processes, and practices throughout the year. The aim of which has been to streamline information to ensure it is of direct benefit to the end user. Trustees are now provided with a range of qualitative and quantitative information to assist them in the governance decisions and to provide them with assurances that the Trust is being well managed.

In financial terms the Trust has had a successful year in overall terms of the operational activities however the performance of its investments has, as expected, not been as good as in previous years. We have completed our Value for Money (VFM) metrics for inclusion in the accounts as we are now required to do and there are no concerns noted when comparing them to the previous year.

We have substantially reduced our cash balances as we purchased a block of 12 flats on Brunswick Road which also has an attached plot with planning permission for a further 8 flats and a house in multiple occupation. This purchase will enable us to meet our strategic objectives in increasing the number of Almshouse flats we are able to offer to those meeting our admission criteria. The Brunswick Road flats are ideally suited to very ambulant individuals who wish to be within walking distance of Gloucester town centre and maintain a very independent lifestyle with the minimum of input from GCT.

The audit and quality assurance system in both Homes continues to evolve and we have also had several external audits carried out as we have not been able to carry out provider visits and our usual QA / Audit checks on site. The external reports have provided us with any actions needing to be completed and assurances that our provider obligations are being met in relation to CQC.

During the year we have upgraded our hardware and software over our entire network; this has been a major capital expenditure project which has assisted us with GDPR compliance and improved the efficiency and effectiveness of our IT network.

Staff training has focused largely upon e-learning as we were unable to conduct face to face training or attend external training courses etc. We were not able to progress fully with the implementation of our Positive Workplace Culture training in 2019/2020 so this is now being reviewed by our newly appointed Head of Operations and Compliance who will be instrumental in developing, implementing, and embedding the agreed culture strategy during 2021/2022.

The Trust conducted several key reviews throughout the year including the review of its Risk Summary and the corresponding action plans to mitigate risks in certain areas. The Strategic Plan has been reviewed and further updated particularly considering the events of the year. The Head of Operations and Compliance will work with the operational Managers to create detailed individual business plans to dovetail with the overarching GCT plan.

In terms of its non-core assets, the Trust has continued to work closely with our Land Agent to support the Tenants to make improvements to the farms they occupy. This has included the erection of a new barn at Mill Farm. We have also carried out capital expenditure works on some of our investment properties which includes the complete refurbishment of one of our cottages and a mini refurbishment at one of our residential properties. Our Brunswick Road property is currently occupied by tenants on a residential letting basis but will eventually, when circumstances allow, become another of our sheltered housing schemes.

During the year we received a highly commended from the National GBCA awards, in the category of Care Home Employer of the Year, of which we are extremely proud.

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## **Plans**

In addition to those items we have brought forward into this year we are also intending to do the following:

- We plan to further develop, implement, and embed our well-being initiatives for staff and appoint Wellbeing Champions to support our work on further developing a positive workplace culture.
- There will be considerable work carried out to ensure our quality and audit systems are effective and provide assurances to the Board of Trustees that the management of the organisation is being competently and efficiently carried out with an updated suite of management information tools. We have refined the suite of information provided to the Board so that it consists of essential qualitative and quantitative information for them to meet their governance obligations effectively.
- Our newly appointed Head of Operations will be instrumental in the major review and revision of our QA and Audit systems.
- We will be conducting reviews into our training programmes to ensure they enable us to equip staff with the necessary skills and knowledge to meet our residents care and support needs.
- We will carry out further work on developing and implementing detailed business plans for each of our areas of operation which align with the overall strategic plans of the Trust.
- We are planning to re-open our Kimbrose Club very soon and are collating information which will ensure we identify the risk to the service and the risk to others of re-opening. Our subsequent analysis of the risks will determine the timing of the re-opening and the way in which we will work to mitigate the risks identified.

In addition to our extensive programme of planned and preventative maintenance and cyclical maintenance, we intend to progress the following capital expenditure works in 2021/2022 as well as completing the works which were carried over from previous years.

- 8 flat Extension block to Brunswick Road
- Replacement of both lifts at St Bartholomews
- Installation of updated care-call systems at St Margarets, St Marks & St Philips
- Remodelling of 2 bedsits at St Margarets and creation of an additional flat using existing facilities
- Install a new master suite locking system for the Almshouses
- Continue our programme of refurbishment and upgrading of all our accommodation

## **Risks**

The Trustees have considered the financial and operational risks to which the Trust is potentially exposed and have introduced policies and management structures to mitigate them. The biggest risk to us is the ongoing impact of covid-19 coupled with trying to overcome the largely negative based press which has dominated care home news during the year. All our care home residents have received their first covid-19 vaccination as well as many staff which clearly mitigates the risk of infection.

Our financial controls are designed to minimise the risk of fraud or other losses and are regularly reviewed and updated. The Trust has appropriate insurance coverage for the activities in which it is involved. The Trust's reserves policy allows the Trust to continue operating for several years with a trading deficit if the Trustees decide this is warranted. This is particularly the case in the creation of new services which will take several years to break even. Risk management is embedded in all areas of the Trust's operations as a key activity that is to be continually reviewed and assessed.

The Trust has a detailed Risk Register and Key Risk Summary which is regularly updated by the CEO in conjunction with the relevant sub-committee and reviewed by the Audit & Governance Committee on a six-monthly basis as well as by each individual committee where they review the risks specifically associated with the remit of that committee.

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**Investment policy and objectives**

The investment policy provides for a broad-based portfolio of both financial and property investments to provide income for the Relief-in-Need branches, growth for the Extraordinary Repair Fund and security of endowed capital. This is particularly relevant when Trustees are looking at the potential cost of the major development projects which they have commissioned. The importance of keeping the reserves at a level which is sufficient to fund the future upkeep and development of Trust properties continues to be a major consideration for Trustees. The Trust also aims to maximise the income on temporarily invested restricted funds.

The Charity Commission Scheme dated 4 April 1997 empowers the Trustees to make such arrangements as they think fit for any investments of the Charity to be held by a corporate body which is incorporated in England and Wales as the Trustees' nominee. We will continue to work in the coming year with our investment managers Investec Wealth & Investment and Brewin Dolphin.

Clear investment direction is provided to the Investment Managers at the annual review meeting; however, the Trustees have not felt it necessary or appropriate to give specific instructions regarding the extent that social, environmental, or ethical considerations are taken into account, in relation to the retention and realisation of investments.

The Trust reviewed its Investment Management options during 2017 and decided not to make any changes at that time. It is likely that the Investment Management options will be considered again in 2022.

**Reserves policy**

Under the Housing SORP 2014 designated funds are no longer permitted and must revert to normal unrestricted reserves. The unrestricted reserves of the Trust therefore include those previously designated as either Cyclical Maintenance Fund (CMF) or Extraordinary Repair Fund (ERF) reserves.

The Trustees are satisfied that the reserves held are commensurate with the scale of operations. Most the Trust's fixed assets are held either in our housing or investment properties therefore the level of reserves is commensurate with the contingency required to ensure the ongoing business of the Trust. Details of the levels of reserves at the year end, and the policies attached to each reserve, can be found in notes 14 to 16 of these financial statements.

**Key Value of Money Metrics**

In April 2018 the Regulator of Social Housing has introduced a requirement of small registered social housing landlords to include their Value for Money (VFM) metrics in their annual financial statements.

Below are the seven metrics for the Trust. Figures are in Pounds Sterling.

**Metric 1 – Reinvestment %**

This metric looks at the investment in properties as a percentage of the value of the total properties held (THP – Total Housing Properties). The reinvestment activities include development and/or acquisition of new properties and major maintenance works carried out in our existing properties (i.e. central heating upgrades, new kitchens and bathrooms installations etc).

	2019/20	2018/19
Development of New Properties (THP)		
Newly build properties acquired (THP)		
Works to Existing (THP)	108,339	113,572
Divided by:		
Housing Properties at net book value	2,321,053	2,272,135
<b>Outcome</b>	<b>5%</b>	<b>5%</b>

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**Metric 2 – New Supply Delivered %**

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at 30 September 2020.

	2019/20	2018/19
<b>a. Social Housing Units</b>		
Total Social Housing Units Developed or Newly Built Units Acquired In-Year	0	2
Divided by Total Social Housing Units (inc. Shared Ownership)	137	137
<b>Outcome</b>	<b>0%</b>	<b>1%</b>
<b>b. Non-Social Housing Units</b>		
Total Non-Social Units Developed or Newly Built Units Acquired In-Year (Owned). (Total non-social rental housing units owned, non-social leasehold units owned, new outright sale units developed or acquired).		
Divided by Total and Non-Social Housing Units Owned (Period End). (Total social housing units owned, total non-social rental housing units owned, social leasehold units owned, non-social leasehold units owned (Period end))	0	0
<b>Outcome</b>	<b>0%</b>	<b>0%</b>

**Metric 3 – Gearing %**

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

	2019/20	2018/19
<b>Total of:</b>		
Short-Term Loans	3,618	2,340
Long-Term Loans	383,184	387,706
Less Cash and Cash Equivalents	(1,636,789)	(2,855,667)
Amounts Owed to Group Undertakings		
Finance Lease Obligations		
<b>Divided by:</b>		
Housing Properties at net book value	2,321,053	2,272,135
<b>Outcome</b>	<b>-54%</b>	<b>-109%</b>

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**Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %**

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.

	<b>2019/20</b>	<b>2018/19</b>
Operating Surplus / (Deficit) (Overall)	298,834	344,970
Less Gain / (loss) on disposal of fixed assets (housing properties)		
Less Amortised Government grant		
Plus Interest receivable		
Less Capitalised major repairs expenditure for period	(108,339)	(113,572)
Plus Total depreciation charge for period	141,259	119,590
<b>Divided by:</b>		
Interest Capitalised		
Plus Interest payable and financing costs	43,110	43,445
<b>Outcome</b>	<b>770%</b>	<b>808%</b>

**Metric 5 – Headline Social Housing Cost Per Unit**

	<b>2019/20</b>	<b>2018/19</b>
<b>Total of:</b>		
Management Costs	77,308	65,208
Service Charge Costs	151,425	156,856
Routine Maintenance Costs	100,551	108,426
Planned Maintenance Costs	26,762	28,491
Major Repairs Expenditure		
Capitalised Major Repairs Expenditure for Period	108,339	113,572
Other Social Housing Letting Costs	557,149	524,903
Community Services	643	672
Other Social Housing Activities		
<b>Divided by:</b>		
Total Social Housing Units Owned and Managed at the Period End	137	137
<b>Outcome</b>	<b>7,461</b>	<b>7,286</b>

**THE GLOUCESTER CHARITIES TRUST  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**Metric 6 – Operating Margin %**

The Operating margin demonstrates the profitability of operating assets before exceptional expenses are considered.

The Association's operating margin shows that the organization uses its resources efficiently. The social housing lettings excludes the social housing grant amortization.

	2019/20	2018/19
a. Social Housing Lettings	25%	27%
b. Overall	6%	5%

**Metric 7 – Return on Capital Employed (ROCE) %**

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.

	2019/20	2018/19
Operating Surplus / (Deficit) Inc. Gain / (Loss) on Disposal of Fixed Assets (Housing Properties)	261,977	213,817
Share of Operating Surplus / (deficit) in Joint Ventures/Associates		
Divided by:		
Total Assets less Current Liabilities	20,991,744	20,073,355
<b>Outcome</b>	<b>1%</b>	<b>1%</b>

**Commentary**

We are conscious of our obligations to provide value for money in the services we provide, as evidenced in the metrics included in these financial statements. The metrics above are applicable to the Almshouse activities of the charity, and therefore the information provided relates solely to the Almshouses where relevant.

The Almshouses are just one part, albeit a very important one, of the overall care activities of the charity. Unlike most providers of social housing, the charity derives most of its income from other activities. As a result, it is difficult to benchmark the metrics as the activities of the charity are relatively unique. The trustees do, however, consider the metrics to be within their expectations and show a very positive outlook for the Almshouse activities and the charity as a whole.

**THE GLOUCESTER CHARITIES TRUST  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Registered Social Housing Legislation and the Charities Act 1993 require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Charity's affairs and of its income and expenditure for the period. In preparing those financial statements, the Trustees are required to: -

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards and the Statement of Recommended Practice 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.

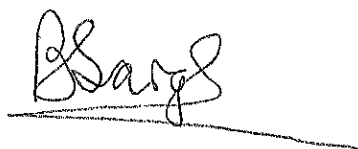
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Scheme of the Charity Commissioners dated 4 April 1997 by which the Charity was constituted, Section 1 to the Housing Act 2006, Regulation 4 of the Charities Accounts and Reports Regulations 1995, the Statement of Recommended Practice – Accounting by Registered Social Landlords and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

**Auditors**

Hazlewoods LLP acted as Auditors during the year.

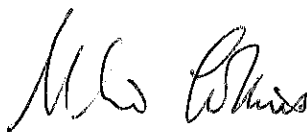
Approved and authorised for issue by the Trustees:

X  
Mr Brian Large  
Chairman of Trustees  
The Gloucester Charities Trust



Date 19 March 2021

X  
Mr Martin Collins  
Vice Chairman of Trustees  
The Gloucester Charities Trust



Date 19<sup>th</sup> March 2021

**THE GLOUCESTER CHARITIES TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

---

**Opinion**

We have audited the financial statements of The Gloucester Charities Trust for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

**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 Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**THE GLOUCESTER CHARITIES TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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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

**Opinion on other matters prescribed by the Charities Act 2011**

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all of the information and explanations we require for our audit.

**Respective responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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 directors 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 directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**THE GLOUCESTER CHARITIES TRUST  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

---

**Auditor's responsibilities for the audit of the financial statements**

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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our 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.



**Martin Howard (Senior Statutory Auditor)**

**Date: 24 March 2021**

**For and on behalf of Hazlewoods LLP  
Statutory Auditors**

Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT

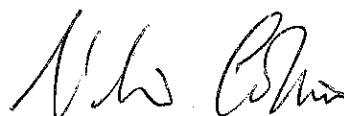
**THE GLOUCESTER CHARITIES TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>TURNOVER</b>	2	4,573,490	4,548,843
Operating costs	2	<u>(4,311,513)</u>	<u>(4,335,026)</u>
<b>OPERATING SURPLUS</b>	2	261,977	213,817
Deficit on disposal of tangible fixed assets		(7,376)	-
Deficit on disposal of fixed asset investments		<u>(175,981)</u>	<u>(22,703)</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME AND INTEREST</b>		78,620	191,114
Interest receivable and other income	6	148,434	181,216
Interest payable and similar charges	7	<u>(49,896)</u>	<u>(50,777)</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE CHANGES IN MARKET VALUE OF INVESTMENTS</b>		177,158	321,553
Movement in fair value of investments		<u>(119,488)</u>	<u>184,000</u>
<b>SURPLUS FOR THE YEAR</b>		57,670	505,553
Unrealised surplus on revaluation of tangible fixed assets		888,858	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>946,528</u>	<u>505,553</u>

These financial statements were approved and authorised for issue by the Trustees on 19<sup>th</sup> March 2021



Mr Brian Large  
**Chairman of Trustees**  
**The Gloucester Charities Trust**



Mr Martin Collins  
**Vice Chairman of Trustees**  
**The Gloucester Charities Trust**

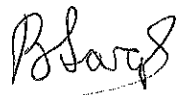
The Trust's results relate wholly to continuing activities.

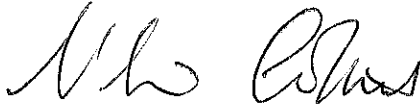
The notes on pages 22 to 35 form part of these financial statements.

**THE GLOUCESTER CHARITIES TRUST  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020	2019
<b>FIXED ASSETS</b>			
Housing properties		2,321,050	2,272,132
Extra care facilities		3,274,552	3,304,551
Investment properties		8,323,564	5,722,733
Other assets		<u>483,015</u>	<u>549,353</u>
Tangible fixed assets	8	14,402,181	11,848,769
Investments	9	<u>5,234,967</u>	<u>5,531,654</u>
		19,637,148	17,380,423
<b>CURRENT ASSETS</b>			
Debtors	10	136,732	166,372
Cash at bank and in hand		<u>1,636,789</u>	<u>2,855,667</u>
		1,773,521	3,022,039
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(418,925)</u>	<u>(329,107)</u>
<b>NET CURRENT ASSETS</b>		<u>1,354,596</u>	<u>2,692,932</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>20,991,744</u>	<u>20,073,355</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>1,912,748</u>	<u>1,940,887</u>
<b>FINANCING AND RESERVES</b>			
Restricted reserves - including a revaluation reserve of £185,045 (2019 - £164,950)	14	1,154,549	1,090,321
Unrestricted funds			
- including a revaluation reserve of £5,311,526 (2019 - £4,388,277)	16	15,871,498	14,930,068
Endowment funds			
- including a revaluation reserve of £1,102,690 (2019 - £1,161,820)	15	<u>2,052,949</u>	<u>2,112,079</u>
		<u>19,078,996</u>	<u>18,132,468</u>
		<u>20,991,744</u>	<u>20,073,355</u>

These financial statements were approved and authorised for issue by the Trustees on 19<sup>th</sup> March 2021

  
Mr Brian Large  
Chairman of Trustees  
The Gloucester Charities Trust

  
Mr Martin Collins  
Vice Chairman of Trustees  
The Gloucester Charities Trust

The notes on pages 22 to 35 form part of these financial statements.

THE GLOUCESTER CHARITIES TRUST  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2020

	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2019	1,090,321	14,930,068	2,112,079	18,132,468
Total comprehensive income	64,228	941,430	(59,130)	946,528
<b>Balance at 30 September 2020</b>	<b>1,154,549</b>	<b>15,871,498</b>	<b>2,052,949</b>	<b>19,078,996</b>

2019

	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2018	985,234	14,547,986	2,093,695	17,626,915
Total comprehensive income	105,087	382,082	18,384	505,553
<b>Balance at 30 September 2019</b>	<b>1,090,321</b>	<b>14,930,068</b>	<b>2,112,079</b>	<b>18,132,468</b>

**THE GLOUCESTER CHARITIES TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	2019 £
<b>Net cash generated from operating activities (note i)</b>	689,539	452,086
<b>Cash flow from investing activities</b>		
Purchase of investment securities	(1,043,760)	(536,268)
Sale and maturity of investment securities	1,044,979	512,892
Purchase of tangible fixed assets	(2,005,330)	(789,331)
Sales proceeds from disposal of tangible fixed assets	400	-
Interest received	5,210	7,685
	(1,998,501)	(805,022)
<b>Cash flow from financing activities</b>		
Dividends received	143,224	173,531
Interest paid	(49,896)	(50,777)
Repayment of borrowings	(3,244)	(2,909)
	90,084	119,845
<b>Net change in cash and cash equivalents (note ii)</b>	(1,218,878)	(233,091)
<b>Cash and cash equivalents at beginning of year</b>	2,855,667	3,088,758
<b>Cash and cash equivalents at end of year</b>	1,636,789	2,855,667

	2020 £	2019 £
<b>i) ANALYSIS OF CASH FLOWS</b>		
<b>Cash flow from operating activities</b>		
Surplus for the year before revaluation of investments	177,158	321,553
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	332,999	348,960
Decrease in debtors	29,640	300
Increase in creditors	88,542	(87,373)
Surplus on sale of tangible fixed assets	7,376	-
Deficit on sale of fixed asset investments	175,981	22,703
<b>Adjustments for investing or financing activities:</b>		
Government grants utilised in the year	(23,619)	(23,618)
Interest payable	49,896	50,777
Interest received	(5,210)	(7,685)
Dividends received	(143,224)	(173,531)
<b>Net cash generated from operating activities</b>	689,539	452,086

The notes on pages 22 to 35 form part of these financial statements.

**THE GLOUCESTER CHARITIES TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**ii) ANALYSIS OF NET DEBT**

	<b>At 1 October 2019 £</b>	<b>Cash flow £</b>	<b>Non-cash movement £</b>	<b>Total 2020 £</b>
Cash at bank and in hand	2,855,667	(1,218,878)	-	1,636,789
Debt due within one year	(2,340)	(1,278)	-	(3,618)
Debt due in more than one year	(387,706)	4,522	-	(383,184)
<b>Net debt</b>	<u>2,465,621</u>	<u>(1,215,634)</u>	<u>-</u>	<u>1,249,987</u>

**THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

**1 ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

**Basis of accounting**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, rounded to the nearest pound, being the functional currency of the primary economic environment in which the Trust operates.

**Turnover**

Turnover represents weekly maintenance contributions, nursing home fees, residential home fees and commercial rent-receivable.

**Going concern**

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These 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.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation, with the exception of investment properties which are shown at open market value. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following rates per annum:

Freehold housing properties	See below
Refurbishments	5%-12.5%
Office fixtures and fittings	20%
Motor vehicles	25%
Nursing Home and Day Centre fixed equipment	10%-20%



**THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 ACCOUNTING POLICIES (continued)**

**Housing properties**

The Trust accounts for its expenditure on housing properties using component accounting. Under component accounting, in addition to the structure, the housing property is divided into those major components which are considered to have substantially different useful economic lives as follows:

Main Fabric	100 years
Roof	50 years
Windows and doors	20 years
Bathrooms	10 years
Electrics	20 years
Lifts	20 years
Heating	15 years
Kitchens	10 years

As required by FRS 102, the Trust has reviewed the useful economic lives of its housing properties and depreciates the property accordingly.

The Trust capitalises work to existing properties which results in an increase in the net rental income, including a reduction in maintenance costs, or results in significant extension to the useful economic life of the property.

Where property components with a separate identifiable life are replaced, the new components are capitalised with new life and the old components, if any, are written off.

Housing properties in the course of construction are stated at cost and are not depreciated.

**Social Housing Grant and Other Capital Grants**

Where developments have been financed wholly or partly by Social Housing Grant "SHG" (formerly "HAG"), the grants are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

SHG and HAG is repayable under certain circumstances, primarily following sale of a property but will normally be restricted to proceeds of sale, if this is lower than the initial grant received.

**Government Grant**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

**Capitalisation of interest**

Interest on mortgage loans financing new developments is capitalised up to the date of practical completion of the scheme.

**Leased assets**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Investments**

Investments are stated at market value and are in accordance with the valuation reports received from the Investment Managers.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

**1 ACCOUNTING POLICIES (continued)**

**Trade debtors**

Trade debtors are amounts due from customers for the rental of Housing properties.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

**Trade Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Taxation**

The Trust is of charitable status and therefore exempt from taxation. Irrecoverable VAT on expenditure is included as part of the cost of the item of expenditure to which the VAT relates.

**Pension costs**

The Charity operates a defined contribution pension scheme. Contributions are charged to the income and expenditure accounts as they became payable in accordance with the rules of the scheme.

**Legacy income**

Legacy income is recognised in the income and expenditure account on a receivable basis.

**Restricted reserves**

These are detailed in note 14 to the financial statements.

**Endowment Funds**

These are detailed in note 15 to the financial statements.

**Financial instruments**

The trust only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets or financial liabilities.

Debt instruments like loans and other receivables and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in non-puttable ordinary shares are measured at cost less impairment for all other investments.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

**1 ACCOUNTING POLICIES (continued)**

**Financial Instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying value and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the trust would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount recognised in the statement of financial position when there is an 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.

At each reporting date non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in the reported surplus or deficit.

THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

2020	Turnover £	Operating Costs £	Operating Surplus/(Deficit) £
Social housing lettings (see note 3)	1,217,259	(918,425)	298,834
Grant income	23,619	-	23,619
<b>Other income / (expenditure)</b>			
Investment property lettings	156,804	(4,120)	152,684
Charitable giving	-	(88,169)	(88,169)
Administration costs	-	(173,078)	(173,078)
Kimbrose Club	168,716	(265,878)	(97,162)
Extra-care facility	2,861,187	(2,861,843)	(656)
Other income	145,905	-	145,905
<b>Total</b>	<b>4,573,490</b>	<b>(4,311,513)</b>	<b>261,977</b>
<b>2019</b>	<b>Turnover £</b>	<b>Operating Costs £</b>	<b>Operating Surplus/(Deficit) £</b>
Social housing lettings (see note 3)	1,205,908	(901,339)	304,569
Grant income	23,618	-	23,618
<b>Other income / (expenditure)</b>			
Investment property lettings	141,083	(6,064)	135,019
Charitable giving	-	(112,797)	(112,797)
Administration costs	-	(142,764)	(142,764)
Kimbrose Club	350,304	(325,785)	24,519
Extra-care facility	2,827,930	(2,846,277)	(18,347)
<b>Total</b>	<b>4,548,843</b>	<b>(4,335,026)</b>	<b>213,817</b>

All income is generated within the United Kingdom.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**3 PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

	<b>Supported housing (including housing for older people)</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Rent receivable net of identifiable service charges	635,631	641,434
Service charge income	555,855	549,310
Amortised government grants	-	-
Government grants taken to income	13,867	-
Other grants	11,906	15,164
Turnover from social housing lettings	1,217,259	1,205,908
<b>Operating expenditure</b>		
Management	71,744	57,919
Service charge costs	573,521	562,841
Routine maintenance	47,483	48,972
Planned maintenance	79,832	87,944
Bad debts	1,266	1,560
Depreciation of housing properties	141,259	142,103
Other costs	3,320	-
Operating expenditure on social housing lettings	918,425	901,339
Operating surplus/(deficit) on social housing Lettings	298,834	304,569
Void losses	46,571	25,556

During the year ended 30 September 2020, the Charity owned 137 units of social housing accommodation under its own management (2019 - 137).

The average weekly maintenance contribution on social housing accommodation was £84.61 (2019 - £72.30).

There were no general needs housing or other categories for the social housing lettings.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**4 EMPLOYEES**

	2020	2019
Average number of employees expressed in full time equivalents	<u>130</u>	<u>124</u>
Employees costs during the year		
Wages and salaries	2,526,501	2,494,569
Social security costs	169,221	166,784
Other pension costs	<u>60,569</u>	<u>52,748</u>
	<u>2,756,291</u>	<u>2,714,101</u>
Emoluments to Chief Executive Officer	<u>104,553</u>	<u>97,672</u>

The CEO is an ordinary member of the Trust Group Personal Pension Scheme and there are no special terms applied. The contribution made by the Trust is 8% of gross salary; CEO pays 3% individual contribution, which is the same as all other members of the Pension Scheme. The CEO has no other personal pension agreement to which the Trust makes a contribution.

The above represents the emoluments of the highest paid officer. The Trustees, who constitute the managing body of the trust, received no remuneration therefrom. One employee of the trust was paid between £100,000 and £110,000 in the year and nil paid between £90,000 and £100,000 (2019 – One paid between £90,000 and £100,000, nil paid between £80,000 and £90,000).

The Trust has no officers other than the Trustees and the Chief Executive.

**5 AUDITOR'S REMUNERATION**

	2020 £	2019 £
Remuneration payable to the auditor including Value Added Tax was as follows:		
For audit services	<u>10,200</u>	<u>10,200</u>

THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

**6 INTEREST RECEIVABLE AND OTHER INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Investment income</b>		
Dividend income	143,224	173,531
Interest	<u>5,210</u>	<u>7,685</u>
	<u><b>148,434</b></u>	<u><b>181,216</b></u>

**7 INTEREST PAYABLE**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest payable and similar charges</b>		
Housing corporation loans (see note 13)	43,110	43,445
Bank charges payable	<u>6,786</u>	<u>7,332</u>
	<u><b>49,896</b></u>	<u><b>50,777</b></u>

THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 TANGIBLE FIXED ASSETS						
	Housing properties £	Extra-care facility and head office £	Investment properties £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 October 2019	3,953,205	5,083,176	5,722,733	2,375,733	121,390	17,256,237
Additions	108,339	67,181	1,711,973	107,967	9,870	2,005,330
Revaluation	-	-	888,858	-	-	888,858
Disposals	(8,876)	-	-	-	(5,754)	(14,630)
At 30 September 2020	4,052,668	5,150,357	8,323,564	2,483,700	125,506	20,135,795
<b>Depreciation</b>						
At 1 October 2019	1,681,073	1,778,625	-	1,865,352	82,418	5,407,468
Charge for the year	54,835	97,180	-	161,810	19,175	333,000
Disposals	(4,290)	-	-	-	(2,564)	(6,854)
At 30 September 2020	1,731,618	1,875,805	-	2,027,162	99,029	5,733,614
<b>NET BOOK VALUE</b>						
At 30 September 2020	2,321,050	3,274,552	8,323,564	456,538	26,477	14,402,181
At 30 September 2019	2,272,132	3,304,551	5,722,733	510,381	38,972	11,848,769

The extra-care facility is a freehold nursing home, a day care centre and a residential home. All other properties above are also freehold. The investment properties are commercially let. Certain investment properties were revalued as at 30 September 2020 by the Trustees following consultations with McCarneys LLP, Chartered Surveyors. The historical cost of the investment properties at 30 September 2020 is £3,517,209 (2019 - £1,805,236).



**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**9 INVESTMENTS**

	<b>Total £</b>
At 1 October 2019	5,531,654
Additions	1,043,761
Disposals	(1,220,960)
Change in market value	<u>(119,488)</u>
<b>At 30 September 2020</b>	<b><u>5,234,967</u></b>
<b>Cost:</b>	
<b>30 September 2020</b>	<b><u>3,708,696</u></b>
<i>30 September 2019</i>	<i><u>3,751,807</u></i>

All investments are quoted.

No individual investment makes up more than 5% of the total investment portfolio.

**10 DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	71,914	96,131
Other debtors and prepayments	64,818	70,241
	<u>136,732</u>	<u>166,372</u>

**11 CREDITORS – due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Trade creditors	171,586	100,560
Other creditors and accruals	220,102	202,588
Deferred income – Social Housing grants	23,619	23,619
Housing loans (note 13)	<u>3,618</u>	<u>2,340</u>
	<u>418,925</u>	<u>329,107</u>

Creditors include £16,924 (2019 - £16,185) relating solely to housing activities.

**12 CREDITORS – due after more than one year**

	<b>2020 £</b>	<b>2019 £</b>
Deferred income – Social Housing grants	1,529,564	1,553,181
Housing loans (note 13)	<u>383,184</u>	<u>387,706</u>
	<u>1,912,748</u>	<u>1,940,887</u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**13 HOUSING LOANS**

Borrowings included in creditors due within and after more than one year are as follows:

		2020 £	2019 £
Loan secured by mortgage on St Margarets Property repayable by equal annual instalments over 60 years at an interest rate of 14.75%, repayments commenced in 1978		40,194	40,633
Loan secured by mortgage on St Philips Court Property repayable by equal annual instalments over 60 years at an interest rate of 11.37%, repayment commenced in 1983		79,632	80,396
Loan secured by mortgage on St Marks Property repayable by equal annual instalments over 60 years at an interest rate of 10.25%, repayments commenced 1984		74,035	74,753
Loan secured by mortgage on St Bartholomews Property repayable by equal annual instalments over 60 years at an interest rate of 10.5%, repayments commenced 1987		192,941	194,264
Total secured borrowings		<u>386,802</u>	<u>390,046</u>
<b>Loans are repayable as follows:</b>			
Due within one year	Note 11	<u>3,618</u>	<u>2,340</u>
<b>Due after more than one year:</b>			
Between one and two years		4,037	2,908
Between two and five years		15,146	10,899
After more than 5 years		<u>364,001</u>	<u>373,899</u>
	Note 12	<u>383,184</u>	<u>387,706</u>
	Note 11 & 12	<u>386,802</u>	<u>390,046</u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**14 RESTRICTED RESERVES**

	<b>Relief in Need branch £</b>	<b>Gloucester District Nursing Charity £</b>	<b>Total £</b>
At 1 October 2019	534,183	556,138	1,090,321
Transfer (to) / from profit and loss reserve	50,603	33,719	84,322
Transfer from revaluation reserve	(14,466)	(5,628)	(20,094)
<b>At 30 September 2020</b>	<b>570,320</b>	<b>584,229</b>	<b>1,154,549</b>

The Relief in Need reserve is made up of the Relief in Need Branch investments and the accumulated surplus of income generated by these investments over Relief in Need expenditure. The reserve may be applied only for the purpose set out in the constitutional scheme of the Charity.

The Gloucester District Nursing Charity reserve is made up of the accumulated surplus of income over expenditure generated by investments.

**15 ENDOWMENT FUNDS**

	<b>As at 30 September 2020 £</b>	<b>As at 1 October 2019 £</b>
<b>Expendable Endowment</b>		
Gloucester Relief in Sickness Endowment	438,119	467,595
<b>Permanent Endowment</b>		
Gloucester Relief in Sickness Endowment Fund	179,927	192,239
Nurses Welfare Fund	70,822	75,734
Wheeler Rest Home Repair Fund	180,081	192,511
Endowed Land	1,184,000	1,184,000
	<b>2,052,949</b>	<b>2,112,079</b>

**Expendable Endowment**

An expendable endowment fund is a fund that must be invested to produce income. Depending on the conditions attached to the endowment, the trustees will have a legal power to convert all or part of it into an income fund which can then be spent.

An expendable endowment differs from an income fund in that there is no actual requirement to spend the principal for the purposes of the charity unless or until the trustees decide to. However, income generated from expendable endowment is no different from income generated from permanent endowment and should be spent for the purposes of the charity within a reasonable time of receipt.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**15 ENDOWMENT FUNDS (continued)**

**Permanent Endowment**

Permanent endowment is property of the charity (including land, buildings, cash or investments) which the trustees may not spend as if it were income.

It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. The trustees cannot normally spend permanent endowment without authority.

The terms of the endowment may permit assets within the fund to be sold and reinvested or may provide that some or all of the assets are retained indefinitely.

**Purposes of endowment funds**

The Gloucester Relief in Sickness Charity (formerly part of the General and Welfare Fund) and the Gloucester Relief in Sickness Endowment Fund (formerly 14 Clarence Street) were established to relieve cases of persons in need in the area of the City of Gloucester and the parishes immediately adjoining thereto who are sick, convalescent, disabled, handicapped or infirm.

The Nurses Welfare Fund (formerly part of the General and Welfare Fund) was established to provide income for the relief of nurses who are in need and who are resident as above and of retired nurses who are in need and were formerly employed by the Gloucester District Nursing Society.

The Wheeler Rest Home Repair Fund combines the permanent endowments known as the Wheeler Legacy and the Wheeler Legacy Maintenance. These endowments were founded by the will of Violet Eva Wheeler and constituted the property 15, Heathville Road, Gloucester, and a capital sum the income of which is used to be used to meet the objects of the Charity. The property was sold during 2000 and the proceeds reinvested.

Endowed land is held to generate investment income.

**16 UNRESTRICTED FUNDS**

	<b>Investment Revaluation £</b>	<b>Property Revaluation £</b>	<b>Other £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
As at 1 October	756,982	3,584,372	10,588,714	14,930,068	14,547,986
Surplus for the year	-	-	97,932	97,932	378,476
Revaluation of investments	(40,263)	888,858	-	848,595	127,077
Release of investment revaluation reserve on disposals	74,653	-	(74,653)	-	-
Net transfer to endowed funds	59,131	-	-	59,131	(18,384)
Net transfer to restricted funds	20,094	-	(84,322)	(64,228)	(105,087)
<b>At 30 September</b>	<b>870,597</b>	<b>4,473,230</b>	<b>10,527,671</b>	<b>15,871,498</b>	<b>14,930,068</b>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**17 RECOUPMENT FUND**

In accordance with Orders of the Charity Commission dated August 1984 and July 1992 the Trust must set aside a sum each year over 60 years in order to recoup endowed capital. The Trust was permitted by the Charity Commission to withdraw from its capital in connection with the disposal of endowment properties.

The sums set aside are invested in Investec Wealth and Investment Unit Trusts and are made up as follows:

	<b>Cash Invested and Realised Gains</b>	<b>Unrealised Gains</b>	<b>Total Value</b>
	<b>£</b>	<b>£</b>	<b>£</b>
1984 and 1992 Recoupment	<u>133,306</u>	<u>64,841</u>	<u>198,147</u>

**18 GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

The total of future minimum lease payments is as follows:

	<b>2020 £</b>	<b>2019 £</b>
Not later than one year	40,604	42,168
Later than one year and not later than five years	97,448	62,384
	<u>138,052</u>	<u>104,552</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £8,775 (2019 - £18,517).

**19 LEGAL STATUS**

The Trust is a Registered Charity (number 205177) under the Charities Act 2011 and was constituted by way of a Scheme of the Charity Commissioners dated 4 April 1997. The Trust is also a Registered Social Landlord (number AO215) under section 5 of the Housing Associations Act 1985.

**20 UNITING DIRECTION**

A Uniting Direction was issued by the charity commission in 2009 for Gloucester District Nursing Charity and the Gloucester Charities Trust. The effect of this Uniting Direction was that the entities are registered under a common registration number and the trustees are required to prepare a single set of financial statements for the amalgamated charity.

**21 TAXATION**

The trust is a Registered Charity and is exempt from UK taxation on its charitable activities, no taxation therefore arises in respect of income.

