

REGISTERED CHARITY NUMBER: 236140

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017
FOR
MUNICIPAL CHARITIES OF DOVER**

MUNICIPAL CHARITIES OF DOVER
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21 to 22

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report with the financial statements of the charity for the year ended 31 December 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and activities

Planning permission was sought by the charity for the construction on Cowgate Hill of 6 new almshouses and this is ongoing.

A number of kitchens were redesigned and replaced across the almshouses as part of our intent to bring all the kitchens and bathrooms up to standard. The Quinquennial survey of Gorley House highlighted some issues with the loft spaces and extensive works begun. Repairs to the roof of Albany House were completed.

The beneficiaries met with the Trustees twice this year to exchange thoughts and ideas giving a direct line of feedback on life in the almshouses. The trustees had an away day, which included meeting with residents and employees to acquaint themselves more closely with the business of the charity and to revisit the process of formal strategic planning.

There have been a number of games afternoons held in the community lounge, a summer barbeque and private showings of local short films. There is a thriving film club. There have been trips out on a vintage railway for tea and an afternoon spent taking rides in a pony and trap. The residents united with the help of staff to decorate the newly planted Christmas trees in the gardens with lights. Some of the beneficiaries and staff entertained the residents of St Johns Hospital Canterbury with afternoon tea and a tour of the almshouses

The Scheme Manager and Deputy Scheme Manager remain the main point of contact between the Charity and the beneficiaries. They meet regularly with the social committee and have been working to provide a lunch club on a monthly basis in the lounge. The Executive Officer also attends these lunches and the regular coffee mornings and has an open door policy with residents.

ACHIEVEMENT AND PERFORMANCE

The occupancy levels of the almshouses as at 31 December 2017 were:

Albany House	37 out of 37
Battle of Britain Homes	27 out of 29 due to refurbishment
Gorely House	21 out of 22 due to access required for roof space works

All almshouse residents pay maintenance contributions by monthly standing order. The amount of the residents' contribution is set taking into consideration the local housing allowance paid to benefits claimants, so that almshouse accommodation is available to poor people and therefore meets the requirement for demonstrating public benefit.

During the year, a waiting list for accommodation developed for applicants and trustees visited as many as was practical so that voids could be avoided in case of almshouses becoming vacant. Several internal transfers took place. Five new applicants were appointed as almshouse beneficiaries according to the established criteria for eligibility.

The last of the commercial properties were sold and permission sought from the Charity commission to spend the funds raised from those and previous sales on maintenance and construction. As a result of this the replacement of 25 kitchens was undertaken along with works in the roof space at Gorley House and repairs to the roof at Albany House.

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL REVIEW

Financial position

The accountants provide a monthly statement of income and expenditure and a rolling cashflow forecast and, from time-to-time, financial forecasts for the following year and for a 5-year period. The reports and forecasts are an increasingly useful tool, appreciated by the Trustees and management.

The Charity's unrestricted fund ran at a moderate surplus before gains/losses on investments with the programme of refurbishment and modernisation of the almshouses being funded out of permanent endowment with the approval of the Charity Commission.

The Charity's objects mean that periodically major capital projects are undertaken. These can be in the form of new buildings, large extensions or extensive renovations to existing freehold property. In order to fund the maintenance and repair of the almshouse properties from its own resources, the Municipal Charities holds cash, cash investments and a portfolio of investment properties to generate revenue income and capital for planned projects. Opportunities for grants, including grants in kind and loans, from statutory authorities and other funders are investigated in order to ensure that the Charities' reserves are used to best possible advantage.

The guideline formulae figures provided by the Almshouse Association for general maintenance, cyclical maintenance and extraordinary repairs were used to develop planned programmes of works to almshouse buildings, using quinquennial condition surveys. This amount is uplifted by 25% to allow for routine maintenance contracts.

Grigg Christmas Boot Gift : the trustees will decide year-by-year on the amount of funds to be distributed, topped up from general charitable income.

Investment policy and performance

The investment policy of the Charity is to maintain a substantial investment in the Charities Official Investment Fund.

When managed efficiently the maintenance contributions generated from the charity's almshouse beneficiaries provide a modest surplus over the normal running costs of the almshouses. Good financial planning and budget controls have meant that this surplus is a normal occurrence.

The performance of the Charities Official Investment Fund units has been satisfactory after taking into account current market conditions.

Reserves policy

Income reserves at 31 December 2017 amounted to £1,681,531 (2016 - £2,417,980). In addition to this there is a permanent endowment fund of £6,708,300 (2016 - £5,757,240) of which £1,768,560 (2016 - £Nil) is available for expenditure following the approval of a special resolution by the Charity Commission. Sufficient income reserves are held.

FUTURE PLANS

The Trustees will review the Charity's vision, mission statement and strategic plan annually. The Summary Information Return of Aims, Objectives and Achievements will be updated with the intention of seeking assurance of compliance with the Charities Act 2011 and associated secondary legislation. Trustees will continue to add to the rolling strategic plan and will review the internal controls and finance risk assessments to make sure they are fit for purpose. Risk management will continue to be addressed.

There is the intention to continue with the improvement of the almshouses through a phased refurbishment over the next two years. The construction of the flats on Cowgate Hill should also commence in the coming year funded by funds available for expenditure as referred to above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by Schemes dated 22 October 1984 and 10 February 1997.

MUNICIPAL CHARITIES OF DOVER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational and decision making structure

The Municipal Charities of Dover is a charity registered in England, number 236140, whose principal objects are to support the poor in Dover.

The Board comprises six Trustees who are co-opted and five who are nominated by the local authority. On 16 December 2010 the board of trustees was incorporated under the name of "The Incorporated Trustees of the Municipal Charities of Dover". The Trustees do not draw any remuneration from the Charity but are entitled to be reimbursed for expenses incurred.

As at 31 December 2017 there was one vacancy for a co-opted Trustee.

A skills audit had previously identified shortages of knowledge and experience of Human Resources, Estate Management and Health and Safety amongst the Trustees and these shortfalls are taken into consideration when co-opting a new trustee. Trustees have also sought knowledge with the appointment of professionals in these fields to advise the board when appropriate. Induction programmes and documents for new trustees are prepared by the Executive Officer. Away days incorporating training and strategic planning are available to trustees annually as a minimum. A Code of Conduct for trustees has been adopted.

The Board of Trustees has overall responsibility for achieving the aims and objectives of the organisation. The Trustees meet quarterly with the Clerk and the Executive Officer with the Accountants being in attendance, to review the strategy and performance of the charity and to set objectives, operating plans and budgets. Three Trustee committees: Audit and Finance, Human Resources, and Almshouse, exist to provide specific support and guidance. Each committee provides a report to the Board of Trustees at its next quarterly meeting. The frequency of committee meetings and the topics discussed depend on the needs of the organisation.

The Officers, comprising the Clerk, the Executive Officer and the Scheme Manager, are paid employees of the Charity and have four main delegated functions:

- 1 to implement the policies adopted by the Trustees for the fulfilment of the Charity's objects
- 2 to advise the Trustees in matters relevant to their expertise
- 3 to manage the Charity's activities in accordance with the Trustees' wishes
- 4 to ensure compliance with statutory requirements and best practice

The strategic and operational management of the Charity's business is delegated to the Executive Officer. The operational management of the almshouses and their residents is assumed by the Scheme Manager. The Scheme Manager attends meetings of the Board of Trustees and its committees by invitation.

Relationships with other bodies

The Municipal Charities of Dover has a contract with Shepway LifeLine for the provision of an out-of-hours emergency call response system. The Scheme Manager has contact, as required, with Social Services, Age UK and care agencies.

The Municipal Charities of Dover have, occasionally, held discussions with Dover District Council on new developments. The Executive Officer attends meetings with other almshouse charities across Kent for the sake of shared knowledge. The Municipal Charities is a member of the Almshouse Association and the Larger Almshouse group.

The Scheme Manager is invited, from time-to-time, to participate in consultations with health and social services about care of the elderly in the community, in particular those suffering from dementia.

Risk management

The Trustees routinely assess the risks facing the Charity with the assistance of the Officers. These risks are both financial and operational. The operational risks are mitigated by a careful staff selection and monitoring policy, while the constant review of the investment portfolios will protect against the risk that the Charity would not generate enough income to provide accommodation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

236140

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address

Mogul House
5-6 Chapel Place
DOVER
Kent
CT17 9AS

Trustees

Mrs B M Scott
Mrs S R Nicholas
R S Walkden
Mrs M C Cox
Mrs P M Brivio
Mrs P M Beresford
Mrs M L Gordon
J M Smith
A Shirley
J Heron

- appointed 27.7.17

The board of trustees is incorporated under the name of "The Incorporated Trustees of the Municipal Charities of Dover".

Auditors

Batchelor Coop Limited
Statutory Auditor
The New Barn
Mill Lane
Eastry
SANDWICH
Kent
CT13 0JW

Bankers

National Westminster Bank plc
25 Market Square
DOVER
Kent
CT16 1ND

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
WEST MALLING
Kent
ME19 4JQ

Solicitors

Mowll & Mowll Solicitors
Trafalgar House
Whitfield
DOVER
Kent
CT16 3PN

Accountants

McCabe Ford Williams
Chartered Accountants
Charlton House
Dour Street
DOVER
Kent
CT16 1BL

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Property Managers

Smith-Woolley & Perry
43 Castle Hill Avenue
FOLKESTONE
Kent
CT20 2RB

Officers

Executive officer	S Manning, Mogul House, Chapel Place, Dover. CT17 9AS
Clerk	M Diomede, Trafalgar House, Whitfield, Dover. CT16 3PN
Scheme manager	C J McKay, Mogul House, Chapel Place, Dover. CT17 9AS

CUSTODIAN TRUSTEE

The Municipal Charities of Dover are the custodians of the Grigg Christmas Boot Gift which provides footwear for school age children.

MUNICIPAL CHARITIES OF DOVER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 11 July 2018 and signed on its behalf by:

S R Nicholas

Mrs S R Nicholas - Chairman of the Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUNICIPAL CHARITIES OF DOVER

Opinion

We have audited the financial statements of Municipal Charities of Dover (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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, 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUNICIPAL CHARITIES OF DOVER

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.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Batchelor Coop Limited

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The New Barn

Mill Lane

Eastry

SANDWICH

Kent

CT13 0JW

Date:

MUNICIPAL CHARITIES OF DOVER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		317	-	-	317	600
Charitable activities						
Relating to almshouses		368,551	-	-	368,551	372,731
Other trading activities	3	-	-	-	-	490
Investment income	4	<u>7,948</u>	<u>-</u>	<u>-</u>	<u>7,948</u>	<u>18,141</u>
Total		376,816	-	-	376,816	391,962
EXPENDITURE ON						
Raising funds	5	2,495	-	-	2,495	5,874
Charitable activities	6					
Relating to almshouses		308,007	-	202,027	510,034	505,389
Miscellaneous charities		398	-	-	398	1,044
Other		<u>18,888</u>	<u>-</u>	<u>-</u>	<u>18,888</u>	<u>17,383</u>
Total		329,788	-	202,027	531,815	529,690
Net gains/(losses) on investments		<u>261,683</u>	<u>-</u>	<u>107,927</u>	<u>369,610</u>	<u>407,976</u>
NET INCOME/(EXPENDITURE)		308,711	-	(94,100)	214,611	270,248
Transfers between funds	18	<u>(1,045,160)</u>	<u>-</u>	<u>1,045,160</u>	<u>-</u>	<u>-</u>
Net movement in funds		(736,449)	-	951,060	214,611	270,248
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,417,980</u>	<u>-</u>	<u>5,757,240</u>	<u>8,175,220</u>	<u>7,904,972</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,681,531</u>	<u>-</u>	<u>6,708,300</u>	<u>8,389,831</u>	<u>8,175,220</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MUNICIPAL CHARITIES OF DOVER

BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	11	3,674,550	3,665,557
Investments			
Investments	12	3,374,060	3,001,189
Investment property	13	<u>145,000</u>	<u>272,500</u>
		7,193,610	6,939,246
 CURRENT ASSETS			
Debtors	14	5,590	5,908
Cash at bank and in hand		<u>1,290,490</u>	<u>1,267,807</u>
		1,296,080	1,273,715
 CREDITORS			
Amounts falling due within one year	15	(99,859)	(37,741)
		<u>1,196,221</u>	<u>1,235,974</u>
 NET CURRENT ASSETS/(LIABILITIES)			
		8,389,831	8,175,220
 TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>8,389,831</u>	<u>8,175,220</u>
 NET ASSETS			
 FUNDS	18		
Unrestricted funds		1,681,531	2,417,980
Endowment funds		<u>6,708,300</u>	<u>5,757,240</u>
 TOTAL FUNDS		<u>8,389,831</u>	<u>8,175,220</u>

The financial statements were approved by the Board of Trustees on 11 July 2018 and were signed on its behalf by:

S.R. Nicholas
Mrs S R Nicholas – Chairman of the Trustees

The notes form part of these financial statements

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. STATUTORY INFORMATION

The Municipal Charities of Dover is an unincorporated charity registered in England. The charity's registered number, principal address and nature of operations can be found in the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

These financial statements combine the accounts of all funds which are governed by the terms of the trust deeds dated 22 October 1984 and 10 February 1997 including all charities using the name of Municipal Charities of Dover. They are all separately constituted and the financial statements have been presented in this form in order to give financial information about the activities which have been carried on in the name of Municipal Charities of Dover.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

The freehold properties, comprising the almshouses, are included at an existing use value. Adjustments to freehold properties in between valuations are included at cost. Details of the original costs of many of the properties has been lost and due to the length of time the Charity has held the properties the original costs would be meaningless.

Furniture and equipment has been included in the accounts at a brought forward cost based on an insurance valuation established in 1989. From 1993 the additional costs have been capitalised and the balance will be written off over its expected useful life at 15% on a reducing balance basis.

Depreciation is charged to the Fund in which the assets are held.

Impaired assets are written down to their recoverable amount being the higher of the net realisable value and the value in use. Impairment losses are treated as additional depreciation and included in the Statement of Financial Activities. The revised carrying amount of the asset is depreciated over its remaining useful economic life.

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Investment property

The freehold investment properties are included at an open market value. They are subject to an external professional valuation every five years. In the intervening years internal consideration is given as to whether there have been material movements in the values.

Other investments are included at their mid market value as at the year end. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The Charity's unrestricted general fund can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Transfers are made from general funds to designated and restricted funds when appropriate and available in order to achieve the objects of the Charity. Transfers are made from the Permanent Endowment "Almshouse" Fund only to appropriate Almshouse replacement funds.

Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund.

3. OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Recharges	-	490

4. INVESTMENT INCOME

	2017	2016
	£	£
Rents receivable	5,723	16,123
Deposit account interest	2,225	2,018
	<u>7,948</u>	<u>18,141</u>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

5. RAISING FUNDS

Investment management costs

	2017	2016
	£	£
Rates and insurance	350	1,764
Fees	828	831
Lighting	-	(27)
Repairs (net of contributions)	768	1,585
Managing agent's fees	<u>549</u>	<u>1,721</u>
	<u>2,495</u>	<u>5,874</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Relating to almshouses	510,034	510,034
Miscellaneous charities	<u>398</u>	<u>398</u>
	<u>510,432</u>	<u>510,432</u>

7. SUPPORT COSTS

	Governance costs
	£
Other resources expended	<u>18,888</u>

Support costs, included in the above, are as follows:

	2017 Other resources expended	2016 Total activities
	£	£
Auditors' remuneration	2,100	2,100
Clerk's salary	5,106	4,981
Accountancy	11,682	8,982
Legal and other professional fees	<u>-</u>	<u>1,320</u>
	<u>18,888</u>	<u>17,383</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

9. STAFF COSTS

Remuneration was paid as follows:

	2017 £	2016 £
Wages	103,657	109,297
Social security costs	5,054	4,777
Pension costs	<u>1,800</u>	<u>1,727</u>
	<u>110,511</u>	<u>115,801</u>

A termination payment of £NIL (2016 - £3,174) is included in the above figures.

No employee received more than £60,000 in either year.

The average number of employees in the year was:

Management and administration	3	3
Wardens	2	2
Maintenance	1	1

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	600	-	-	600
Charitable activities				
Relating to almshouses	372,731	-	-	372,731
Other trading activities	490	-	-	490
Investment income	<u>18,141</u>	<u>-</u>	<u>-</u>	<u>18,141</u>
Total	391,962	-	-	391,962
EXPENDITURE ON				
Raising funds	5,874	-	-	5,874
Charitable activities				
Relating to almshouses	498,816	-	6,573	505,389
Miscellaneous charities	1,044	-	-	1,044
Other	<u>17,383</u>	<u>-</u>	<u>-</u>	<u>17,383</u>
Total	523,117	-	6,573	529,690
Net gains/(losses) on investments	<u>264,789</u>	<u>-</u>	<u>143,187</u>	<u>407,976</u>
NET INCOME/(EXPENDITURE)	133,634	-	136,614	270,248

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	2,284,346	-	5,620,626	7,904,972
TOTAL FUNDS CARRIED FORWARD	<u>2,417,980</u>	<u>-</u>	<u>5,757,240</u>	<u>8,175,220</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Totals £
COST			
At 1 January 2017	3,628,312	167,778	3,796,090
Additions	<u>10,110</u>	<u>5,259</u>	<u>15,369</u>
At 31 December 2017	<u>3,638,422</u>	<u>173,037</u>	<u>3,811,459</u>
DEPRECIATION			
At 1 January 2017	-	130,533	130,533
Charge for year	<u>-</u>	<u>6,376</u>	<u>6,376</u>
At 31 December 2017	<u>-</u>	<u>136,909</u>	<u>136,909</u>
NET BOOK VALUE			
At 31 December 2017	<u>3,638,422</u>	<u>36,128</u>	<u>3,674,550</u>
At 31 December 2016	<u>3,628,312</u>	<u>37,245</u>	<u>3,665,557</u>

The freehold properties were valued by N Marston MRICS of Smith-Woolley & Perry in May 2015 on the basis of current use and occupation.

12. FIXED ASSET INVESTMENTS

	COIF charity funds £
MARKET VALUE	
At 1 January 2017	3,001,189
Unrealised gains and losses	<u>372,871</u>
At 31 December 2017	<u>3,374,060</u>
NET BOOK VALUE	
At 31 December 2017	<u>3,374,060</u>
At 31 December 2016	<u>3,001,189</u>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 DECEMBER 2017**

12. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

The majority of the investment portfolio is held in Charities Official Investment Fund accumulation units with the remainder being Charities Official Investment Fund fixed interest income units.

13. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 January 2017	272,500
Disposals	<u>(127,500)</u>
At 31 December 2017	<u>145,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>145,000</u>
At 31 December 2016	<u>272,500</u>

The freehold investment properties were subject to a five year revaluation in December 2014 / February 2015. The properties were valued by D J Thackray MRICS of Caxtons Chartered Surveyors on a open market basis. The Trustees consider this valuation to be indicative of the fair value of the remaining property at 31 December 2017.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Rents due	448	2,602
Due from residents	4,642	2,747
Other debtors	<u>500</u>	<u>559</u>
	<u>5,590</u>	<u>5,908</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 16)	9,969	-
Owed to suppliers	83,073	30,378
Residents contributions received in advance	-	1,428
Other creditors and accruals	<u>6,817</u>	<u>5,935</u>
	<u>99,859</u>	<u>37,741</u>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

16. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>9,969</u>	<u>-</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Fixed assets	4,470	-	3,670,080	3,674,550	3,665,557
Investments	1,697,468	-	1,821,592	3,519,060	3,273,689
Current assets	6,276	-	1,289,804	1,296,080	1,273,715
Current liabilities	<u>(26,683)</u>	<u>-</u>	<u>(73,176)</u>	<u>(99,859)</u>	<u>(37,741)</u>
	<u>1,681,531</u>	<u>-</u>	<u>6,708,300</u>	<u>8,389,831</u>	<u>8,175,220</u>

18. MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted funds				
General fund	2,326,881	298,474	(1,202,464)	1,422,891
Extraordinary Repair Fund	83,215	10,369	156,853	250,437
Grigg shoe	<u>7,884</u>	<u>(132)</u>	<u>451</u>	<u>8,203</u>
	2,417,980	308,711	(1,045,160)	1,681,531
Endowment funds				
Almshouses fund (permanent)	5,757,240	102,340	(919,840)	4,939,740
Almshouses fund (available for expenditure per resolution)	<u>-</u>	<u>(196,440)</u>	<u>1,965,000</u>	<u>1,768,560</u>
	5,757,240	(94,100)	1,045,160	6,708,300
TOTAL FUNDS	<u>8,175,220</u>	<u>214,611</u>	<u>-</u>	<u>8,389,831</u>

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	376,526	(329,390)	251,338	298,474
Grigg shoe	290	(398)	(24)	(132)
Extraordinary Repair Fund	-	-	10,369	10,369
	<u>376,816</u>	<u>(329,788)</u>	<u>261,683</u>	<u>308,711</u>
Endowment funds				
Almshouses fund (permanent)	-	(5,587)	107,927	102,340
Almshouses fund (available for expenditure per resolution)	-	(196,440)	-	(196,440)
	-	(202,027)	107,927	(94,100)
	<u>-</u>	<u>(202,027)</u>	<u>107,927</u>	<u>(94,100)</u>
TOTAL FUNDS	<u>376,816</u>	<u>(531,815)</u>	<u>369,610</u>	<u>214,611</u>

Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted Funds				
General fund	2,203,781	123,401	(301)	2,326,881
Extraordinary Repair Fund	72,742	10,473	-	83,215
Grigg shoe	7,823	(240)	301	7,884
	<u>2,284,346</u>	<u>133,634</u>	<u>-</u>	<u>2,417,980</u>
Endowment funds				
Almshouses fund (permanent)	5,620,626	136,614	-	5,757,240
	<u>5,620,626</u>	<u>136,614</u>	<u>-</u>	<u>5,757,240</u>
TOTAL FUNDS	<u>7,904,972</u>	<u>270,248</u>	<u>-</u>	<u>8,175,220</u>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	391,621	(522,073)	253,853	123,401
Grigg shoe	341	(1,044)	463	(240)
Extraordinary Repair Fund	-	-	10,473	10,473
	391,962	(523,117)	264,789	133,634
Endowment funds				
Almshouses fund (permanent)	-	(6,573)	143,187	136,614
TOTAL FUNDS	<u>391,962</u>	<u>(529,690)</u>	<u>407,976</u>	<u>270,248</u>

Unrestricted funds comprise those funds that the trustees are free to use in accordance with the Charity's objects.

The Almshouse Replacement Fund was renamed the Extraordinary Repair Fund during the year and represents funds set aside by the trustees for the purpose of extending the provision of and modernising the existing provision of almshouses. The fund was increased to £250,000 during the year.

The Grigg Shoe Fund provides free footwear to selected primary schools in the Dover area for children in need. Any deficit of income over expenditure in the year is funded by a transfer from the general fund.

The Permanent Endowment Fund relates to the original legacies given to the Charity as revalued and are not available for distribution by the trustees. This was set up to protect income from original bequests and allow expansion of the provision of almshouse accommodation to more people rather than subsidising the rents of a fortunate minority of existing almspeople. During the year the Trustees passed a resolution, which was subsequently approved by the Charity Commission, to spend up to the sum of £1,965,000 of the permanent endowment towards and in connection with the construction of new almshouses at Cowgate Hill, Dover, Kent and any remedial works or works of improvement to the Charity's existing almshouses.

19. CONTINGENT LIABILITIES

During a prior year a derelict freehold property owned by the charity was demolished. It is the intention of the board of trustees to build an almshouse on the land. This will incur a substantial cost to the charity which is not currently quantifiable. As a result of a change in the plans for the building and the need to reapply for planning permission the previous estimate of the costs involved is no longer considered accurate.

20. OTHER FINANCIAL COMMITMENTS

At the year end the charity had financial commitments of £119,108 which had been contracted for but which are not provided for in these financial statements.

21. RELATED PARTY DISCLOSURES

During the year the following officers of the Charity had these interests in the transactions of the Charity:

M Diomede (clerk) is a director of Mowl Limited (solicitors). During the year £2,040 (2016 - £648) inclusive of VAT was payable to Mowl Limited for professional services relating mainly to conveyancing.

The charity has a trustee indemnity policy which is paid for by the Charity.

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

22. PENSION CONTRIBUTIONS

The pension cost in the year amounted to £4,946 (2016 - £4,736) inclusive of employee contributions. Five (2016 - five) members of staff are accruing benefits under this scheme.

MUNICIPAL CHARITIES OF DOVER
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	317	600
Other trading activities		
Recharges	-	490
Investment income		
Rents receivable	5,723	16,123
Deposit account interest	<u>2,225</u>	<u>2,018</u>
	7,948	18,141
Charitable activities		
Residents contributions	<u>368,551</u>	<u>372,731</u>
Total incoming resources	376,816	391,962
EXPENDITURE		
Investment management costs		
Rates and insurance	350	1,764
Fees	828	831
Lighting	-	(27)
Repairs (net of contributions)	768	1,585
Managing agent's fees	<u>549</u>	<u>1,721</u>
	2,495	5,874
Charitable activities		
Salaries, etc	113,645	119,060
Repairs and maintenance	348,359	339,331
Rates and insurance	14,203	13,964
Light and heat	7,663	6,575
Office costs	16,275	15,279
TV rentals, licenses, etc	410	408
Payments to beneficiaries	2,688	3,604
Training and subscriptions	813	1,639
Furniture and equipment depreciation	<u>6,376</u>	<u>6,573</u>
	510,432	506,433
Support costs		
Governance costs		
Auditors' remuneration	2,100	2,100
Clerk's salary	5,106	4,981
Accountancy	11,682	8,982
Legal and other professional fees	<u>-</u>	<u>1,320</u>
	18,888	17,383

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MUNICIPAL CHARITIES OF DOVER
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 <u>£</u>	2016 <u>£</u>
Total resources expended	531,815	529,690
Net expenditure before gains and losses	(154,999)	(137,728)
Realised recognised gains and losses		
Realised gains/(losses) on investment property	(3,261)	13,386
Net expenditure	<u>(158,260)</u>	<u>(124,342)</u>

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