

Kathryn Lewis
Gloucester Charities Trust
Century House
100 London Road
Gloucester
GL1 3PL

MJH/JSB/5890446

28 March 2019

Dear Kathryn

The Gloucester Charities Trust Limited

Thank you for returning the signed documents. I have pleasure in enclosing an original signed copy of the financial statements for the above company, for the year ended 30 September 2018.

Yours sincerely



Martin Howard
Partner
martin.howard@hazlewoods.co.uk

Enclosures

BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

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CHEL TENHAM • STAVERTON

Hazlewoods is a trading name of Hazlewoods LLP.

Hazlewoods LLP is a limited liability partnership registered in England and Wales. Registered No. OC311817.

A list of members names is open to inspection at our registered office. Registered Office: Staverton Court, Cheltenham, Glos. GL51 0UX.

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

Hazlewoods is a member of  International. A world-wide network of independent accounting firms and business advisers.

Charity Registration No: 205177
Homes and Communities Agency Registration No: AO215

THE GLOUCESTER CHARITIES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**THE GLOUCESTER CHARITIES TRUST
INFORMATION AND ADVISORS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

Davies & Partners
Rowan House
Barnett Way
Barnwood
Gloucester
GL4 3RT

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

Homes and Communities Agency Registration Number

AO215

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2018.

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 manage high quality 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 as many people as we can through our Relief in Need grant giving
- To build our own internal strengths and capabilities to increase our impact ensuring our organisational structure is able to deliver our strategic plan
- To pursue our other objectives whilst maintaining and improving the financial viability of the Trust

Reference and Administrative Information

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

Mr Graham Locke (Chairman)
Mr Lee Hensley (Vice Chairman)
Mr Martyn White
Mr William Hewer (left 21.09.18)
Mrs Jackie Matthews
Mr Brian Large
Mr Graham Limbrick
Mr Graham Howell
Mr Neil Hampson (Left 18.05.18)
Mr Martin Collins

Mr Christopher Gabb
Dr Jan Lugg
Miss Pam Tracey
Mr Terry Haines
Miss Dawn Melvin
Mrs Gill Payne
Mr Stephen Ayland
Mr Stephen Heath (joined 16.11.18)
Mrs Christine Harber (joined 16.11.18)
Mr Colin Youngson (joined 16.03.18)

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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 Davies & Partners Solicitors provide legal services and related advice to the Trustees.

NatWest Bank Plc, Clydesdale Bank & Nationwide Building Society provide 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 Homes and Communities Agency, 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 Freeman 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 Board of Trustees meet each month to carry out the business of the Charity. 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 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.

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.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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. We also operate the "Monday Club" which was established in response to the need for a warm and friendly social gathering place to be available in the Community for older people to enjoy at a reasonable cost. The Club is designed to accommodate those who are able to live independently and have no personal care requirements. It is a lively, vibrant place where friendships are made, good food eaten and where there is the opportunity to discover new things to do.

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 the total of £24k to individuals in the year via the relief in need scheme. This included the donation of five defibrillators to the Public Hearts Scheme set up by Gloucestershire PC Matt Hammond. The grants made to individuals are usually for items such as white goods and furniture. A review of the grant giving process was carried out in the year and improvements made to the documentation which include ensuring GDPR compliance.

Review of achievements and performance for the year

What we said we would do last year.

1. The kitchen at Guild House is to be replaced in April 2018. Outcome: *We have a new kitchen installed at Guild House with state-of-the-art cooking equipment and catering facilities.*
2. The communal lounge at St Bartholomews is being converted into an additional flat and the former Housing Officer flat on the same site is being converted into two flats. Outcome: *We have created the three exceptionally well-appointed flats as planned. All are now occupied.*
3. Creation of office, meeting room & therapy rooms on landings at St Bartholomews. Outcome: *this is in progress.*
4. An electronic care planning system is to be sourced and implemented in Guild & Magdalen. Outcome: *we now have the Standex e-plan system fully operational in both Homes.*
5. Progress plans to create a garden room at St Margarets. Outcome: *We have commissioned a series of reports and assessments based on the pre-application planning response prior to our submission. The submission is now ready to be made.*
6. Carry out a quinquennial inspection of all GCT operational properties. Outcome: *although not formally carried out we have conducted extensive inspections of all our buildings and a planned maintenance & refurbishment plan was produced for the year. The 2019 plan is just being finalised.*
7. Refurbishments to bathrooms and communal areas at Magdalen House. Outcome: *the upstairs lounge has been refurbished and is now a bright, contemporary lounge dining area which residents love to spend time in. One of the bathrooms has been refurbished and is now a space where residents can relax and be pampered. Plans are in progress for the refurbishment of the other bathrooms and a change of use to a dedicated hairdressing room for the remaining bathroom.*

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8. Boiler replacement at Magdalen House. Outcome: *the works have just started so are a little behind schedule.*
9. Resurfacing driveway and improvements to grounds and gardens at Guild House. Outcome: *other priorities at Guild came to light so this has been put on hold until Spring 2019.*
10. Guest room refurbishments at St marks & St Bartholomews. Outcome: *both guest rooms have been refurbished and facilities improved.*
11. Head Office refurbishment including repair / replacement of windows. Outcome: *we have had a major refurbishment of the whole of Head Office including the repair of our lovely sash windows. The refurbishment has focused around our GCT branding and our staff are delighted to work in such well-appointed offices.*
12. Explore the future uses of 2B Denmark Road in line with market demands and needs. Outcome: *We are in the process of completing operational strategic plans, which will link into our overall GCT plan, which deal with the maximising of all GCT assets.*
13. Bring the development plans at Hewmar House to fruition. Outcome: *after a very lengthy programme of reports and assessments being carried out, a planning application was submitted for the proposed development. We are awaiting the outcome of the application.*

Performance Review

The Trust has maintained near full occupancy in our sheltered accommodation throughout the whole year but sadly lower than expected levels of occupancy in our Residential Home, Guild House and our Nursing Home, Magdalen House. We were hit quite hard by the flu outbreak in January 2018 and several of our long-standing residents also died of unrelated causes. Whenever a vacancy has occurred, Magdalen has been able to offer respite care to a number of residents, which has been of enormous benefit to their families and carers. A number of the respite referrals came from the Kimbrose Club and several residents moved on a permanent basis from our sheltered accommodation and Kimbrose Club services to our residential homes. The circle of care offered by the Trust has become more widely known and the Management Team are very keen to promote it.

Magdalen House has had quite a difficult year in terms of staffing. It has been very difficult to recruit and retain nurses of the calibre we seek and we have lost some of our care staff to the NHS as they are able to offer better rates and terms and conditions of employment. Nevertheless, the staff team have done a wonderful job in caring for and meeting the needs of our residents. During the year, the arrangement for the Joint Registered Manager was reviewed and a decision made to appoint a full-time permanent Manager for the Home. Kelly Halford, the Deputy Manager, was appointed on an interim basis and Ben Millin, the Clinical Lead was promoted to Deputy Manager. Kelly and Ben have made an excellent start in their roles and have now been confirmed in post. Kelly was successful in her Registered Manager application to CQC which was an excellent achievement. We also appointed a fulltime Wellbeing Co-ordinator during the year. Anton came to us with a wealth of experience in this area and is working with our residents in Magdalen & Guild on an individual and group basis to support them to live as fulfilled a life as they possibly can.

We have cared for quite a number of residents in the year who have come to us close to the end of their lives. It has been a privilege to be trusted to provide this level of care and our aim is to afford each resident the best possible death we can. We work very closely with the hospitals and GPs to try to accommodate as many residents as we can and provide as much support to the family and friends as they need at what is a very difficult time for them. We believe that we are exceptionally good at providing end of life care and this is something we are working towards specialising in over the next 3-5 years. Magdalen receives a lot of feedback regarding the wonderful care and beautiful environment we have on offer. It is so rewarding to know that what we do is appreciated and motivates us to do even more for residents.

Our activity and social engagement programme have increased even more in the last year with our Activities Coordinator, Vicky, supported by staff from various departments doing such a great job in providing things that residents ask for or want to do.

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The Magdalen House upstairs lounge was refurbished in the year which has provided us with additional dining space for those residents who prefer to eat in a quieter setting than our main dining area. The lounge area is a very popular space for residents and they are certainly making use of it for numerous activities and get togethers as well as for quieter, more reflective moments too.

We created a lovely, tranquil Japanese themed courtyard garden at Magdalen too. The area is shaded by a huge sail to ensure our residents do not get too hot or indeed wet if they choose to go outside in the rain. We have a lovely little stream running alongside the Home which is very calming too.

Works are currently underway to replace the existing heating and hot water system in the Home. This is expected to be completed by Spring. The lift nearest the Reception area is undergoing refurbishment, which has been beset with problems. We are optimistic that this will be in operation soon and are very grateful to residents, relatives and staff for their patience and understanding in what has been a very stressful period.

Guild House has had a good year. Occupancy levels have been very good, though not quite as high as expected, and there is still strong demand for the services offered. The Home was inspected in October 2018 and maintained its overall Good rating whilst improving to 'Good' in all categories, which was an excellent achievement and we are enormously grateful to Lorraine, Emma, Moya and the staff team for the work they have put in to maintain the high standards we have set. We are always delighted by the positive feedback we receive from residents, their relatives and friends. If only we were able to reserve places in advance, we would be full for years!

During the year we have had a brand-new kitchen installation which has provided us with a much more efficient catering facility. Staff are very pleased with their new working environment too and the standard of food produced is always excellent. In addition, we have refurbished the ground floor dining room and created a contemporary space which has the feel of a high quality restaurant. Residents, relatives and staff are all delighted with the result. We have also created a beautiful, relaxing hairdressing and pamper room on Bluebell Wing which our residents (and hairdresser) love.

Activities and social engagement at Guild are plentiful. Sabine, Margaret and other staff facilitate a wide variety of things for residents to participate in. We have particularly lovely arts and crafts items made in the Home which are lovingly created by our residents.

In both Magdalen and Guild staff turnover has been higher than in previous years. 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.

In both Magdalen and Guild, we made the transition from hand written paper care plans to the Standex e-planning system. This has been a very successful transition and the system is in use in both Homes to good effect. The system is very person centred and easy to use saving time writing up records which means staff can spend more time with residents.

The Almshouse operation has had another very good year. Occupancy has been very high and voids kept to an absolute minimum with flats being refurbished and turned around extremely quickly in order to house the next individual on our waiting list.

We have continued our programme of refurbishment and modernisation at each of the Almshouse sites during the year. St Marks has had new communal carpets throughout, all corridors, flat doors and woodwork have been decorated and a relaxing, low maintenance garden and seating area created outside the dining room patio doors which really does bring the outside in. St Marks also had their new lift installed which was not without a few problems. We are grateful to our residents and their visitors for their patience and understanding during the refurbishment works.

At St Bartholomews, the plans to convert a little used communal space into a one bed flat and to convert the three bed flat previously occupied by a Housing Officer into two, one bed flats, came to fruition. We now have three beautifully appointed new flats, all of which are occupied. Landing area spaces are to be utilised to form an office, a meeting room and therapy room and a mini gym. We are also in the process of upgrading the care call alarm system at St Bartholomews with a view to rolling this out to all other sites once we are satisfied with its performance.

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The Trust is still planning to create a garden room at St Margarets 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. We have had a number of investigations and reports written by professionals to submit with our planning application for the Garden Room and it is hoped the submission will be made in March 2019.

Our guest flats at St Marks and St Bartholomews have been refurbished during the year which has pleased our guests.

Our Kimbrose Club had a very unexpected but welcome influx of members during the year; Age UK closed its Engage day service and we were pleased to be the provider of choice for their members to transfer to. We certainly had a very hectic few months adapting to the much higher volume of members in the Club on a daily basis and are immensely appreciative of Kerry-Ann and the Kimbrose staff team for adapting so quickly to the increase in membership and continuing to provide an excellent day for all our members. The Club is such a vibrant, fun place to be and it is so evident that our members thoroughly enjoy their time with us whether it be in the main Club or out and about on one of the many trips we organise each week. In order to accommodate the increase in numbers we undertook some works to maximise the space available to us by creating a small commercial kitchen for us to provide the members meals from, adapting the bathroom so that it is now a hairdressing and pamper room as well. We also created a beautiful beach like garden complete with sand and lapping water and a lovely shady decked area with lots of seating for members to enjoy.

Relatives and resident surveys were issued during the year and the excellent feedback from those was very much appreciated by the Trustees and staff. Where possible suggestions have been taken into consideration and incorporated into the ongoing improvement plan in the homes. A staff survey was also conducted and it was very pleasing to note that the vast majority of our staff are happy in their work and feel that the Trust is an excellent employer. The results of all surveys are collated & a summary issued to the Board so they are aware of the feedback and action needing to be taken.

We have added further to our fleet of vehicles in the year and now have four minibuses and two MPVs for us to use for the benefit of residents and members. We also have our maintenance vehicles which can often be spotted around Gloucester as the Team work across all sites. Most of our vehicles have now been sign written with our distinctive GCT branding.

In financial terms the Trust has had a successful year in part due to the performance of its investments, however the Almshouse area of the Trust has also performed well as has Kimbrose. We have made a small loss on our extra care facilities (Guild and Magdalen) which is mainly due to occupancy being a little lower than budgeted. The Trustees are very mindful of the need to keep a close eye on the financial performance of the Trust.

During the year our long-standing tenants at our residential property decided to leave. This has given us the opportunity to consider what we would like to use the property for in the future and also the chance to carry out a mini refurbishment. The property is currently being used to help our Kimbrose members maintain their independence and daily living skills by growing ingredients or shopping for them, cooking them and then all sitting down together to eat what has been cooked. The members who are involved in this have all said how much they enjoy the home from home feel and that it is giving them more confidence and purpose in life.

The audit and quality assurance system in both Homes has been an area where there is an ongoing requirement to review, evaluate and revise, resulting in an improved service and standard of care for all residents. The system has been completely revamped in the year to ensure it is as efficient and effective as possible.

We have reviewed systems, processes, data handling and storage to ensure we meet the GDPR requirements. We have privacy notices for staff, residents and grant recipients which are sent out to all individuals in those categories. We have also reviewed the Terms of Reference of our Trustee Committees and updated them as necessary.

Staff training has largely focused on competency assessment during the year. It was very pleasing to see that we have a very experienced workforce who treat our residents with the utmost dignity and respect. We have enrolled all staff on a new e-learning programme for them to complete their mandatory training for the coming year.

The Trust conducted a number of key reviews throughout the year including that of updating its Risk Register twice in the year and putting in place an action plan to mitigate risks in certain areas. The Strategic Plan has been developed for the period 2018-2023 and the Senior Management Team are in the process of creating their own operational strategic plans to dovetail with the overarching GCT plan.

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The Trust has also reviewed its Business Continuity and Disaster Recovery Plans and created new operational business continuity plans bespoke to each area of the Trust.

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 and for us to explore the possibility of maximising our income by considering the development of areas of the farms which are either not used by the Tenant farmer or not included in their agreements.

Future plans

It is a very exciting time for the Trust as we have a number of pipeline projects which we hope will come to fruition this year or in the next few years. We have a comprehensive capital and maintenance plan produced for the year in addition to several major projects which, if realised, will help the Trust to play a bigger role in the local community and further increase the public benefit requirement of the Charity Commission. Our main aims for the next 12 months are:

1. Secure planning permission to develop our Hewmar House site and build an enhanced sheltered housing scheme.
2. Secure planning permission to build a garden room at St Margarets.
3. Create an additional flat at St Marks by making use of an under-utilised lounge and kitchen.
4. Create a contemporary open plan lounge / dining / kitchen room at St Marks in the downstairs communal area.
5. Upgrade the Wi-Fi systems in Guild, Magdalen & Kimbrose so that Wi-Fi can be accessed from anywhere in the Homes and Club.
6. Resurface the driveway and car park at Guild House.
7. Create a new laundry room at Guild house and convert the existing one to a staff room.
8. Replace the ground floor carpeting in Magdalen House.
9. Create a new hair and pamper salon in Magdalen house in a little used bathroom.
10. Replace the care call system at all remaining Almshouse sites.
11. Replace the St Margarets Tower Block roof.
12. Continue our programme of upgrading lighting to LED throughout the Trust.
13. Creation of office, meeting / therapy room and mini gym at St Bartholomews using landing space.
14. Refurbish the remaining bathrooms at Magdalen House.
15. Carry out various resurfacing projects throughout the Trust.
16. Assess the feasibility of creating buggy stores at St Philips.
17. Replace the flooring in the Almshouse communal entrances.
18. Carry out garden improvements at Guild to make the space more accessible to all.
19. We will look at the possibility of installing generator portals so that we can utilise emergency generators should we have a power failure.
20. To improve our recruitment and retention of high calibre staff.
21. Close monitoring of Brexit and the impact it may have on our ability to operate our services.

Risks

The Trustees have considered the financial and operational risks to which the Trust is potentially liable and have introduced policies and management structures to mitigate them. 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 a number of 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 which is regularly updated by the CEO in conjunction with the Senior Management Team and reviewed by the Audit & Governance Committee on a six-monthly basis.

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

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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.

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 CMF or ERF reserves.

The Trustees are satisfied that the reserves held are commensurate with the scale of operations. The majority of 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.

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.

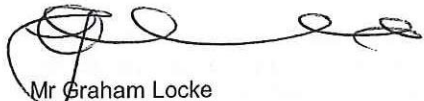
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Scheme of the Charity Commissioners dated 4 April 1997 by which the Charity 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.

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Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Signed by order of the Board of Trustees



Mr Graham Locke
Chairman of Trustees
The Gloucester Charities Trust

Date. 15 March 2019



Mr Lee Hensley
Vice Chairman of Trustees
The Gloucester Charities Trust

Date. 15 March 2019

**THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Opinion

We have audited the financial statements of The Gloucester Charities Trust for the year ended 30 September 2018 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 2018 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 company 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 2018
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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 company 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 9, 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 company'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 company 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 2018
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. 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 27 Mar 2019

**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 2018**

	Note	2018 £	2017 £
TURNOVER	2	4,262,255	4,213,861
Operating costs	2	<u>(4,164,203)</u>	<u>(3,900,015)</u>
OPERATING SURPLUS	2	98,052	313,846
Surplus on disposal of tangible fixed assets		10,992	193,061
Surplus on disposal of fixed asset investments		<u>1,834</u>	<u>9,636</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME AND INTEREST		110,878	516,544
Interest receivable and other income	6	162,833	162,666
Interest payable and similar charges	7	<u>(50,991)</u>	<u>(45,430)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE CHANGES IN MARKET VALUE OF INVESTMENTS		222,720	633,779
Movement in fair value of investments		<u>254,444</u>	<u>332,528</u>
SURPLUS FOR THE YEAR		477,164	966,307
Unrealised surplus on revaluation of tangible fixed assets		-	114,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>477,164</u>	<u>1,080,307</u>

These financial statements were approved and authorised for issue by the Trustees on 15 March 2019


Mr Graham Locke
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The association's results relate wholly to continuing activities.

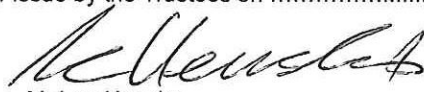
The notes on pages 18 to 30 form part of these financial statements.

**THE GLOUCESTER CHARITIES TRUST
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018	2017
FIXED ASSETS			
Housing properties		2,175,785	2,151,885
Extra care facilities		3,163,353	3,156,001
Investment properties		5,424,078	5,389,533
Other assets		<u>645,182</u>	<u>671,407</u>
Tangible fixed assets	8	11,408,398	11,368,826
Investments	9	<u>5,346,981</u>	<u>5,204,482</u>
		16,755,379	16,573,308
CURRENT ASSETS			
Debtors	10	166,672	125,290
Cash at bank and in hand		<u>3,088,758</u>	<u>2,812,201</u>
		3,255,430	2,937,491
CREDITORS: amounts falling due within one year	11	<u>(416,476)</u>	<u>(367,675)</u>
NET CURRENT ASSETS		<u>2,838,954</u>	<u>2,569,816</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,594,333</u>	<u>19,143,124</u>
CREDITORS: amounts falling due after more than one year			
	12	<u>1,967,418</u>	<u>1,993,373</u>
FINANCING AND RESERVES			
Restricted reserves - including a revaluation reserve of £151,207 (2017 - £134,706)	14	985,234	909,915
Unrestricted funds			
- including a revaluation reserve of £4,332,104 (2017 - £4,344,653)	16	14,547,986	14,190,811
Endowment funds			
- including a revaluation reserve of £1,118,640 (2017 - £1,066,934)	15	<u>2,093,695</u>	<u>2,049,025</u>
		<u>17,626,915</u>	<u>17,149,751</u>
		<u>19,594,333</u>	<u>19,143,124</u>

These financial statements were approved and authorised for issue by the Trustees on 15 March 2019


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The notes on pages 18 to 30 form part of these financial statements.

THE GLOUCESTER CHARITIES TRUST
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2018

2018	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2017	909,915	14,190,811	2,049,025	17,149,751
Total comprehensive income	75,319	357,175	44,670	477,164
Balance at 30 September 2018	<u>985,234</u>	<u>14,547,986</u>	<u>2,093,695</u>	<u>17,626,915</u>

2017	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2016	826,192	13,217,687	2,025,565	16,069,444
Total comprehensive income	83,723	973,124	23,460	1,080,307
Balance at 30 September 2017	<u>909,915</u>	<u>14,190,811</u>	<u>2,049,025</u>	<u>17,149,751</u>

THE GLOUCESTER CHARITIES TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Net cash generated from operating activities (note i)	408,108	684,192
Cash flow from investing activities		
Purchase of investment securities	(800,017)	(745,295)
Sale and maturity of investment securities	911,962	759,384
Purchase of tangible fixed assets	(418,538)	(166,656)
Sales proceeds from disposal of tangible fixed assets	69,972	293,411
Interest received	5,553	3,086
	177,040	143,930
Cash flow from financing activities		
Dividends received	157,280	159,580
Interest paid	(50,991)	(45,430)
Repayment of borrowings	(6,772)	(32,895)
	99,517	81,254
Net change in cash and cash equivalents	276,557	909,377
Cash and cash equivalents at beginning of year	2,812,201	1,902,825
Cash and cash equivalents at end of year	3,088,758	2,812,201

	2018 £	2017 £
i) ANALYSIS OF CASH FLOWS		
Cash flow from operating activities		
Surplus for the year before revaluation of investments	222,720	633,779
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	322,751	296,464
Decrease/(Increase) in debtors	(41,933)	14,643
Increase/(Decrease) in creditors	52,857	82,858
Surplus on sale of tangible fixed assets	(10,992)	(193,061)
Surplus on sale of fixed asset investments	(1,834)	(9,636)
Adjustments for investing or financing activities:		
Government grants utilised in the year	(23,619)	(23,619)
Interest payable	50,991	45,430
Interest received	(5,553)	(3,086)
Dividends received	(157,280)	(159,580)
Net cash generated from operating activities	408,108	684,192

The notes on pages 18 to 30 form part of these financial statements

**THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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 2018

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.

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.

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 company will not be able to collect all amounts due according to the original terms of the receivables.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 ACCOUNTING POLICIES (continued)

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 company 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 2018

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 2018

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

2018	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Income and expenditure from weekly maintenance contributions	1,192,287	(971,822)	220,465
Grant income	22,511	-	22,511
Other income / (expenditure)			
Investment property lettings	142,684	(14,449)	128,235
Charitable giving	-	(65,846)	(65,846)
Administration costs	-	(140,889)	(140,889)
Extra-care facility	2,904,773	(2,971,197)	(66,424)
Total	4,262,255	(4,164,203)	98,052
2017	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Income and expenditure from weekly maintenance contributions	1,201,603	(882,808)	318,795
Grant income	22,511	-	22,511
Other income / (expenditure)			
Investment property lettings	117,551	(15,664)	101,887
Charitable giving	-	(113,628)	(113,628)
Administration costs	-	(128,992)	(128,992)
Extra-care facility	2,872,196	(2,758,923)	113,273
Total	4,213,861	(3,900,015)	313,846

All income is generated within the United Kingdom.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

3 PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2018 £	2017 £
Income from social housing lettings		
Weekly maintenance contribution (WMC) receivable net of identifiable service charges	651,501	622,966
Service charges receivable	<u>501,876</u>	<u>540,501</u>
Gross WMC receivable	<u>1,153,380</u>	<u>1,163,467</u>
 Other income	 <u>38,907</u>	 <u>38,133</u>
Total income from WMC	<u><u>1,192,287</u></u>	<u><u>1,201,600</u></u>
Services	568,432	513,109
Management	72,308	61,423
Maintenance and repairs	184,818	177,548
Other costs – depreciation	<u>146,264</u>	<u>130,728</u>
Total expenditure on social housing lettings	<u><u>971,822</u></u>	<u><u>882,808</u></u>
Operating surplus on social housing lettings	<u><u>220,465</u></u>	<u><u>318,792</u></u>

During the year ended 30 September 2018, the Charity owned 135 units of social housing accommodation under its own management (2017: 135). The average weekly maintenance contribution on social housing accommodation was £77.18 (2017: £75.18).

4 EMPLOYEES

	2018	2017
Average number of employees expressed in full time equivalents	<u>121</u>	<u>121</u>
 Employees costs during the year		
Wages and salaries	2,309,318	2,170,758
Social security costs	154,165	142,726
Other pension costs	<u>33,307</u>	<u>24,823</u>
	<u><u>2,496,790</u></u>	<u><u>2,338,307</u></u>
 Emoluments to Executive Officer	 <u>82,905</u>	 <u>84,658</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 5% 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 £80,000 and £90,000 in the year and nil paid between £70,000 and £80,000 (2017 – One paid between £80,000 and £90,000, nil paid between £70,000 and £80,000).

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

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

5 AUDITOR'S REMUNERATION

	2018 £	2017 £
Remuneration payable to the auditor including Value Added Tax was as follows:		
For audit services	<u>10,020</u>	<u>11,100</u>

6 INTEREST RECEIVABLE AND OTHER INCOME

	2018 £	2017 £
Investment income		
Dividend income	157,280	159,580
Interest	<u>5,553</u>	<u>3,086</u>
	<u>162,833</u>	<u>162,666</u>

7 INTEREST PAYABLE

	2018 £	2017 £
Interest payable and similar charges		
Housing corporation loans (see note 13)	43,745	44,014
Bank charges payable	<u>7,246</u>	<u>1,416</u>
	<u>50,991</u>	<u>45,430</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

8 TANGIBLE FIXED ASSETS

	Housing properties £	Extra-care facility and head office £	Investment properties £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 October 2017	3,740,514	4,912,424	5,389,533	2,470,501	117,475	16,630,447
Additions	73,493	98,753	88,545	129,443	28,305	418,538
Revaluation						
Disposals	(6,856)	(106,966)	(54,000)	(297,610)	(32,074)	(497,506)
At 30 September 2018	<u>3,807,151</u>	<u>4,904,211</u>	<u>5,424,078</u>	<u>2,302,334</u>	<u>113,706</u>	<u>16,551,480</u>
Depreciation						
At 1 October 2017	1,588,629	1,756,424	-	1,834,108	82,461	5,261,621
Charge for the year	47,381	91,400	-	161,487	22,485	322,933
Disposals	(4,644)	(106,966)	-	(297,609)	(32,074)	(441,293)
At 30 September 2018	<u>1,631,366</u>	<u>1,740,858</u>	<u>-</u>	<u>1,697,986</u>	<u>72,872</u>	<u>5,143,082</u>
NET BOOK VALUE						
At 30 September 2018	<u>2,175,785</u>	<u>3,163,353</u>	<u>5,424,078</u>	<u>604,348</u>	<u>40,834</u>	<u>11,408,398</u>
At 30 September 2017	<u>2,151,885</u>	<u>3,156,000</u>	<u>5,389,533</u>	<u>636,393</u>	<u>35,015</u>	<u>11,368,826</u>

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 2014 by the Trustees following consultations with McCartneys LLP, Chartered Surveyors. The historical cost of the investment properties at 30 September 2018 is £1,506,581 (2017 - £1,506,581).

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

9 INVESTMENTS

	Total £
At 1 October 2017	5,204,482
Additions	800,017
Disposals	(911,962)
Change in market value	254,444
At 30 September 2018	<u>5,346,981</u>
Cost:	
30 September 2018	<u>3,649,582</u>
<i>30 September 2017</i>	<i><u>3,521,096</u></i>

All investments are quoted.

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

10 DEBTORS

	2018 £	2017 £
Arrears of WMC and contributions		
- Housing activities	52,802	44,610
- Extra-care facility	69,942	35,732
Other debtors and prepayments	43,928	44,948
	<u>166,672</u>	<u>125,290</u>

11 CREDITORS – due within one year

	2018 £	2017 £
Bank loan (note 13)	-	4,164
Trade creditors	169,226	94,205
Other creditors and accruals	221,292	243,079
Deferred income – Social Housing grants	23,618	23,619
Housing loans (note 13)	2,340	2,608
	<u>416,476</u>	<u>367,675</u>

Creditors include £16,856 (2017 - £11,584) relating solely to housing activities.

12 CREDITORS – due after more than one year

	2018 £	2017 £
Deferred income – Social Housing grants	1,576,803	1,600,418
Housing loans (note 13)	390,615	392,955
	<u>1,967,418</u>	<u>1,993,373</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 HOUSING LOANS

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

	2018 £	2017 £	
Loan secured by mortgage over Guild House Residential Home repayable by equal annual instalments over 15 years at an interest rate of 1.5% over base rate, repayments commenced in October 2002	-	4,164	
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	41,015	41,346	
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	81,080	81,691	
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	75,401	75,989	
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	195,458	196,269	
Total secured borrowings	<u>392,954</u>	<u>399,459</u>	
Loans are repayable as follows:			
Due within one year	Note 11	2,340	6,772
Due after more than one year:			
Between one and two years		2,908	2,908
Between two and five years		10,899	10,899
After more than 5 years		<u>376,807</u>	<u>378,880</u>
	Note 12	<u>390,615</u>	<u>392,955</u>
	Note 11 & 12	<u>392,954</u>	<u>399,459</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

14 RESTRICTED RESERVES

	Relief in Need branch £	Gloucester District Nursing Charity £	Total £
At 1 October 2017	429,635	480,280	909,915
Transfer (to) / from profit and loss reserve	27,245	31,573	58,818
Transfer from revaluation reserve	11,579	4,922	16,501
At 30 September 2018	468,459	516,775	985,234

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

	As at 1 October 2017 £	As at 30 September 2018 £
Expendable Endowment		
Gloucester Relief in Sickness Endowment	436,163	458,431
Permanent Endowment		
Gloucester Relief in Sickness Endowment Fund	179,110	188,411
Nurses Welfare Fund	70,496	74,207
Wheeler Rest Home Repair Fund	179,256	188,646
Endowed Land	1,184,000	1,184,000
	2,049,025	2,093,695

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 2018

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

	Investment Revaluation £	Property Revaluation £	Other £	Total 2018 £	Total 2017 £
As at 1 October	814,281	3,584,372	9,792,158	14,190,811	13,217,687
Surplus for the year	-	-	290,927	290,927	681,156
Revaluation of investments	186,237	-	-	186,237	399,151
Release of investment revaluation reserve on disposals	(184,579)	-	184,579	-	-
Net transfer to endowed funds	(51,706)	-	7,035	(44,670)	(23,460)
Net transfer to restricted funds	(16,501)	-	(58,817)	(75,319)	(83,723)
At 30 September	747,732	3,584,372	10,215,882	14,547,986	14,190,811

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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:

	Cash Invested and Realised Gains £	Unrealised Gains £	Total Value £
1984 and 1992 Recoupment	130,804	70,845	201,649

19 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	23,700	29,999
Later than one year and not later than five years	13,273	25,071
	36,973	55,070

The amount of non-cancellable operating lease payments recognised as an expense during the year was £18,559 (2017 - £19,292).

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.