

CITY OF WELLS ALMSHOUSES

Unaudited Financial Statements

For the financial year ended 31st March 2021

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TRUSTEES, PROFESSIONAL ADVISERS, MANAGEMENT and ADMINISTRATIVE DETAILS

The Board	City of Wells Almshouses CIO (Corporate Trustee)
CIO Board of Trustees	<p>Ms Stella Ainsworth</p> <p>Mr Charles Cain - Vice Chair</p> <p>Ms Carol Cox</p> <p>The Very Reverend Dr John Davies : ex-officio (Dean of Wells)</p> <p>Mr Andrew Fawcett</p> <p>Ms Claire Green</p> <p>Mr John North</p> <p>Councillor John Osman : ex-officio (Mayor of Wells)-resigned October 2020</p> <p>Mr Richard Quarry</p> <p>Mr Christopher Vigar</p> <p>Mrs Shirley Watt</p> <p>Councillor Philip Welch: ex-officio (Mayor of Wells)-appointed October 2020</p> <p>Mr Nick Wilson - Chair</p> <p>Ms Celia Wride (resigned April 2020)</p>
Chief Executive	Mrs A Howarth
Financial Controller & Secretary	Mr P M McMahon MA FCA
Scheme Manager	Mrs C Tollworthy
Principal Office	<p>4 Bubwith Almshouses</p> <p>Wells, Somerset, BA5 2QE</p> <p>Telephone : 01749 675813</p> <p>Email: info@wellsalmshouses.org.uk</p> <p>Website: www.wellsalmshouses.org.uk</p>
Charity Number	1040554
Homes England Registration Number	A4055
Bankers	<p>National Westminster Bank plc</p> <p>7 High Street</p> <p>Wells, Somerset, BA5 2AD</p> <p>The Charity Bank</p> <p>Fosse House</p> <p>182 High Street, Tonbridge, TN9 1BE</p>
Solicitors	<p>Tozers Solicitors</p> <p>Broadwalk House, Southernhay West,</p> <p>Exeter, Devon, EX1 1UA</p>
Examining Accountants	<p>MHA Monahans, Chartered Accountants,</p> <p>Fortescue House, Court Street,</p> <p>Trowbridge, Wiltshire, BA14 8FA</p>

Investment Managers

Brewin Dolphin Limited
9 Colmore Row,
Birmingham, B3 2BJ

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

Property Advisers

Carter Jonas
St. Catherine's Court
Berkeley Place,
Bristol, BS8 1BQ

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31st MARCH 2021

The Trustees of the City of Wells Almshouses (CWA) present their annual report and unaudited financial statements for the year ended 31st March, 2021.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity. This is the treatment required by the Housing SORP 2018 for registered social landlords which are also almshouses.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and 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 published in October, 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a registered provider of social housing with the Regulator of Social Housing (number A4055) and is an unincorporated charitable trust registered with the Charity Commission (number 1040554).

As a registered provider of social housing the Charity has undertaken an assessment of its compliance with the Governance and Financial Viability Standard and the Trustees certify that they were compliant with the Standard during the course of the year and up until the date these accounts have been signed.

The Charity has one corporate trustee - the City of Wells Charitable Incorporated Organisation (CIO), registered with the Charity Commission (number 1159162), which in turn has a Board of Trustees, and it is they who administer the unincorporated trust.

The CIO Board: The CIO Board may comprise of:

- * Four nominated Trustees (two from the City Council and two from the Chapter of the Cathedral)
- * Up to eight appointed Trustees (of whom two may be Resident Trustees) and
- * Two ex-officio members - the Mayor of the City of Wells and the Dean of Wells.

Trustees appointed by the Charity are recruited by a formal application and interview process. There are currently 12 Trustees compared to a maximum of 14. As part of its commitment to resident involvement at all levels the CIO constitution allows for up to two Resident Trustees to join the Board.

Management: The day to day running of the Charity is delegated to the Chief Executive and her staff, operating within the agreed policies and procedures of the CIO. Delegated authority limits are established and there is a hierarchy for delegated decisions. The Chair and Vice Chair meet regularly with the Chief Executive to review progress against targets. These targets are set out in the five year Business Plan. This, along with specific policies are reviewed by the full Board once a year. The Investment Sub-Committee and the Land Holdings & Development Committee are the only standing committees and their delegated authority has been approved by the Board. Other working parties are convened as and when required.

Staff: A small staff of four part-time employees manage the Charity on a day to day basis : the Chief Executive; the Financial Controller/Charity Secretary; the Scheme Manager and the Handyman, working from the Principal Office.

OBJECTIVES AND ACTIVITIES

The objectives of the Charity are :

- * The provision of housing accommodation for beneficiaries; and
- * Such charitable purposes for the benefit of the beneficiaries as the Trustees decide.

Its main activity is the ownership and management of the 33 units of accommodation located within the five almshouses Bubwith, Willes', Still's, Brick's and Llewellyn's, which make up the Charity's housing complex located in the centre of the City of Wells, Somerset. The almshouses are mainly occupied by older, single people, who have been assessed as being in housing need. There have been no significant changes in the Charity's objectives since the last report.

The Trustees acknowledge the guidance issued by the Charity Commission in respect of our commitment to public benefit and we declare our commitment to it. The main activity of the Charity is the provision of accommodation to those in need in Wells and the surrounding area. In order to be considered for accommodation applicants must meet certain criteria , which allows the Charity to assess their need.

The Charity is of sufficient size that a team of staff is required to manage its day to day activities. However, there are many smaller almshouses which do not employ staff and so do not have access to the same resources. In 2014 the Charity set up the Somerset Small Almshouses Forum with the aim of disseminating and sharing information, to demonstrate good practice and to provide support, to those almshouses.

ACHIEVEMENTS AND PERFORMANCE

In order to comply with our charitable objectives, we have two prime responsibilities:

- * To ensure that our existing residents are housed in comfortable, secure and pleasant accommodation that meets current day standards and expectations; and
- * To ensure we are able to attract new residents to occupy our properties when vacancies occur.

The Charity's policy is to refurbish each property to a standard specification if it becomes void. However the Trustees have found that residents do not generally wish to have their properties upgraded whilst they are in occupation, even though this might be desirable if they had lived in their homes for a number of years. However, the following major works have been completed : a french drain installed, two wetrooms installed to enable residents to maintain their independence; two gas boilers replaced and, additionally, one property has been refurbished during a void period with a new bathroom. Also, in total, there are now only three of the Charity's properties which will need completely refurbishing when they become void.

The Charity has several plots of land which generate income through agricultural tenancies. A plot in North Wootton was sold in the financial year at a gain of over £24,000.

FINANCIAL REVIEW

The Trustees' aim is that income from the Weekly Maintenance Charge (WMC), paid by residents, covers the everyday maintenance costs associated with running the Almshouses. As a registered provider of social housing, the WMC is essentially rent although not referred to as such. Accordingly the WMC can only be increased in compliance with Government policy. The Charity increased the WMC from April, 2020 in line with the Government's policy formula of CPI plus 1% - CPI being measured as of September, 2019. Service Charges are charged depending on the actual costs to the Charity; however, since the greater part of the Service Charges are in respect of Housing and Renovation costs, these have in recent years been of a level that may have caused hardship to individual residents if they had been charged to residents in full. Consequently to avoid hardship the Charity has absorbed a certain level of these costs such that Service Charges are not increased by more than the percentage increase in the WMC.

Due to their circumstances, many of our residents are in receipt of Housing Benefit payable by the Local Authority. The Government is consulting on changes to Housing Benefit. As a result of this uncertainty the Charity has taken account of this in its Reserves Policy. We also need to be aware that some Local Authorities are under severe financial strain and are looking for Central Government support.

The total cost of maintaining, operating and improving the complex continues to be the major item of expenditure each year, especially as the historic nature of the buildings requires specialist craftsmen and materials to undertake the maintenance, improvement and upgrading of the properties. Nevertheless, the preservation of the buildings is critical to the wellbeing of our residents and is an essential aspect of our work.

The costs incurred in upgrading and improving our properties are capitalised and depreciated over a period of 15 years. These depreciated charges are allocated amongst the residents and are recovered in the service charges to their residences over the 15 year period. Since January, 2013 when the major refurbishment programme began £1,330,000 has been spent on new residential almshouses and capital improvements.

The Charity's investments are a vital component in ensuring that new almshouse residences can continue to be created or converted.

Last year the dramatic fall in the markets during February and March meant that the Charity investments went down by some £112,000 or nearly 8% of their value. During the course of this year our securities investments have increased in value by some £572,000. We transferred £314,000 from our cash resources to investments as interest rates remained very low. Our total portfolio had security gains of some £272,185 or over 20% during the course of the year making up for all last year's losses. Since 31st March, 2021 the portfolio has gained a further 5% in value.

As we anticipated last year many businesses reduced their dividend payments in order to conserve cash balances and our dividend income for the year fell by some 4%. However the Charity is financially resilient and will be in a position to meet its capital programme objectives.

The Charity has an ethical investment policy which excludes investments which generate a significant proportion of their revenue from activities which conflict with the aims of the Charity. For example, gambling, weekly-collected home credit and payday loans are excluded as these are potential causes of hardship and distress which could lead to homelessness. Also excluded are investments which could affect our supporter base such as the manufacture and supply of armaments, pornography and the manufacture and commercial distribution of tobacco. The extent of the market capitalisation excluded by the policy and therefore its potential financial detriment has been formally approved by the Trustees.

VALUE FOR MONEY (VfM)

In April 2018, the Regulator of Social Housing (RSH) introduced a new Value for Money (VfM) Standard which introduced a requirement for providers, such as the CWA, to publish performance against their own VfM targets, and a series of common metrics set by the Regulator - the metrics are designed to measure economy, efficiency and effectiveness. In April 2020, the Regulator stated that where problems arising from the coronavirus outbreak meant providers were unable to fully comply with the reporting requirements, the Regulator would take a proportionate response but that it was still the expectation that providers would publish their VfM metrics.

The Trustees intend to fully comply with the requirements of the Regulator but have found that the logistical difficulties arising from the coronavirus outbreak have severely limited their ability to fully develop and refine their own VfM targets. Consequently, in setting out the VfM metrics stipulated by the Regulator, the Trustees will, this year, compare each metric to the result as achieved in the previous financial year. In future years the metric will be compared to the Trustees own VfM targets once these have been finalised.

Metric name	2021	2020	
Reinvestment. This metric looks at the investment in properties as a % of all properties held.	1.47%	1.49%	Over the last five years CWA has re-invested some £750,000 in its housing stock and is constantly seeking to upgrade the fabric of its' existing residential units.
New supply delivered	0.00%	0.00%	This metric sets out the number of new social housing units acquired or developed in the year. There was no new supply of units in either year.
Gearing	2.68%	-1.80%	This metric assesses how much of the property assets are made up of debt and the degree of dependence on debt finance. CWA has low gearing and has adequate cash resources to meet all prospective needs.
EBITDA Interest Cover	15.21%	2.30%	This metric is a key indicator for liquidity and investment capacity i.e. what level of surplus does CWA generate compared to interest payable?
Social Housing Cost	£5,539	£6,695	This metric assesses the social housing cost of the 33 units. Refer to Note 9 for the details of the Social Housing costs.
Operating Margin on Social Housing Units	13.40%	24.20%	This metric demonstrates the profitability of the social housing units.
Operating Margin on all activities	31.40%	4.50%	This Operating Margin demonstrates the overall profitability of the CWA. In 2019/20 non-recurring costs relating to land for sale and the Sedilia together with a revision of estimated depreciable lives increased costs.
Return on Capital Employed	1.18%	0.20%	This metric compares the operating surplus to total net assets and indicates the efficient use of resources.

RESERVES POLICY

The Trustees reviewed the Charity's reserve policy in 2018 as a result of the decennial survey of the properties. The Trustees have decided that reserves in the range of £265,000 to £305,000 are required by the Charity. The reserves range has been set to allow the Charity to manage fluctuations in the value of investments held, unexpected property repairs, a future requirement to upgrade our careline system from analogue to digital and uncertainty about the Government's sheltered housing policy. This Policy is reviewed annually by the Board of Trustees.

Total Reserves as at 31st March 2021 were £7,781,985 of which £591,606 are endowments and £17,960 are Restricted Reserves. The Trustees have Unrestricted Reserves of £7,172,419 for several purposes in line with the Reserves Policy. Principally these are £6,010,483 of non-investment fixed assets and land which are not readily transferable into liquid assets and are needed to enable the Charity to fulfil its Charitable objectives.

The Trustees have several other potential uses for their remaining Unrestricted Reserves including completion of its planned capital programme, acquisition of additional properties and development of adjacent land. The remaining funds are the Charity's free reserves and their amount falls within the reserves policy range set by the Trustees. The Trustees continue to monitor the level of Unrestricted Reserves at its regular meetings and in view of the current uncertain times the Trustees have determined not to specifically designate any of its Unrestricted Reserves.

FINANCIAL CONTROLS

The Board considers that the Charity's governance structure, financial controls and procedures and the work of the Investment Sub - Committee are sufficient to enable the Charity to comply with all necessary standards set by Homes England, its official regulator.

The Investment Sub-Committee, comprising three Trustees, the Chief Executive and the Financial Controller undertakes the following duties:

- * Monitors and oversees the performance of the Investment Managers and portfolios
- * Monitors and oversees the contracts let for major works
- * Monitors overall expenditure against budgets
- * Monitors the Reserves Policy
- * Monitors the cash flow and assesses the need to move funds between accounts
- * Reviews and updates the Investment Strategy
- * Maintains and updates the Risk Register, and
- * Reports to the main Board on these matters

The Board agrees on an annual basis the income and expenditure and capital programmes for the next financial year. These are reviewed by the Investment Sub-Committee throughout the year. At each Board meeting key performance indicators (KPI's) are reported including progress against budgets along with non-financial measures such as the number of residents attending meetings, whether repairs have been carried out on time, our social media targets and trustee involvement in the quarter. This combination of measures are reported to ensure that the Charity not only meets its financial targets but are also compliant and act responsibly.

The Charity's procedures for procurement, its financial controls and functions of the Investment Sub-Committee ensure that value for money (VfM) is achieved in delivering our objectives. The Board has agreed and reviews the threshold levels for quotations, for formal tendering and for delegations. All but the smallest amounts are subject to competition. However, when awarding contracts, the Charity also takes into account:

- * The quality of workmanship
- * Relationships with contractors and their performance
- * The approach to working in residents' homes: and
- * Residents feedback.

This means that we do not necessarily always accept the lowest tender figure, but the one we feel will provide us with best value for money and quality workmanship. In addition, market testing exercises are periodically undertaken for those companies who provide professional services to the Charity.

RISKS AND UNCERTAINTIES

The Charity operates a Risk Register in order to identify risks and what can be done to manage these. The three main risks, after taking into account actions taken to reduce risk, are as follows:

- * A major disaster, e.g fire, flood
- * A failure to respond to emergency calls from residents and
- * A collapsed/injured resident not found for some time

The Trustees are continuing to find ways of reducing risk so that the Charity is managed efficiently and its charitable objectives are met.

PLANS FOR THE FUTURE

During the year the Trustee Board continued to develop its activities and plans for the future. The Project Group consisting of the Chief Executive and three Trustees have continued to consider how to make the Charity sustainable and financially resilient in the long term.

As the almshouse properties are all listed the cost of maintenance is one of the main sources of expenditure for the Charity. A decennial survey was commissioned in 2017 which projected that costs in the region of £660,000 would be required in order to maintain all of the Charity's buildings over the upcoming ten years.

Of the non-accommodation costs reported in the decennial survey some £110,000 relate to the Chapel. There are services held in the Chapel every Thursday which are open to the residents and the general public. In addition the Chapel has been a venue for meetings, talks and concerts.

The Trustees have an obligation to preserve the Chapel as a Grade II* listed building and an asset of the City of Wells. The Trustees have now appointed an architect to help the Charity to create a programme of works which will make the Chapel more comfortable and easier to use, for example, by improving the heating system, the lighting and a possible reconfiguring of the layout. It is hoped that by doing so the local community will use the Chapel more frequently. The Charity hopes to obtain external funding for the majority of these costs.

The Charity owns a building, the former mortuary, which is currently used as a storage shed. This Trustees are investigating whether this building can be converted into an additional residential property.

The Trustees are continuing to consider potential uses of the land held by the Charity to determine whether letting is the best use of this asset. A Land Management Group consisting of the Chair, Vice-Chair, two Trustees, 1 co-opted member and the Chief Executive continue to take this review forward.

The Trustees were aware that the Almshouses have not been well known by the local people of Wells. However over the last few years, the profile of the Almshouses has been raised within the community with talks, concerts and additional services being held. Normally a series of "open days" would be held during the summer such that the general public could visit the properties and gardens and learn about their history. This year, unfortunately, this has not been possible as a result of the pandemic and the covid restrictions that have been in place nationally. Hopefully the pattern of opening up will resume in the future once the pandemic is under control.

Groups can visit the Almshouses for a tour by booking in advance. Additional opportunities for the community to come are planned with more concerts, talks and services, as well as the opening up of the historic chapel more regularly for the public to view.

In conjunction with the Charity's website the Charity uses its Facebook and Twitter pages to promote upcoming events and inform the general public about what the Almshouses have been doing. A regular newsletter is now being produced and sent to the Charity's supporters. A leaflet about the Almshouses is sited in prominent places around Wells. The Trustees hope that such actions will increase awareness of the Almshouses which may help to attract future beneficiaries, volunteers and additional sources of income.

The Trustees are keen to ensure that all residents are consulted and involved in the decisions that are made concerning their homes and surroundings. Regular residents' meetings are held to form a basis for developing a structure of involvement for those who wish to participate and the places on the Board for Trustees further demonstrate our commitment to include residents in everything we do. Please note that many of these meetings have been cancelled by the covid restrictions. Our residents will also be involved in the redesign of the Chapel referred to above.

A resident survey has been conducted to understand more fully how the Charity can improve the housing facilities it provides to residents. Extremely high levels of satisfaction were recorded overall and of particular note is the appreciation expressed over the standards of residents' accommodation. The outcomes of the survey are being utilised to understand more fully the residents' priorities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity and Registered Social Housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity, of the incoming resources and application of resources, including the income and expenditure for that period.

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

- * Select suitable accounting policies and then apply them consistently
- * Observe the methods and principles in the Charities SORP
- * Make judgements and estimates that are reasonable and prudent
- * State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in 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 enable them to ensure that the financial statements comply with Charities Acts, Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. They also have general responsibility for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

The success of 2020/21 would not have been possible without the commitment and hard work of those involved with the Almshouses. The Trustees would like to thank Staff, Residents, Volunteers and members of the public who have provided such support.

On behalf of the Trustees

Nick Wilson (Chair)



Date: 21-07-21

Independent Examiner's Report to the Trustees of City of Wells Almshouses

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 12 to 25

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act")

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in Section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and contents of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Gare FCA DChA
MHA Monahans
Chartered Accountants
Fortescue House
Trowbridge
BA14 8FA

Date: 28/07/21.

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME:						
Income from residents	2	202,834	-	-	202,834	200,998
Investment income	3	63,323	-	-	63,323	66,177
Grants & Donations	4	3,052	-	6,000	9,052	19,793
Gain on sale of land	6	24,098	-	-	24,098	-
Total income		293,307	-	6,000	299,307	286,968
EXPENDITURE:						
Charitable activities	5	196,941	-	-	196,941	265,826
Investment management costs	8	8,476	-	-	8,476	8,147
Total expenditure		205,417	-	-	205,417	273,973
Net income before investment & land gains/(losses)		87,890	-	6,000	93,890	12,995
Net gains/(losses) on investments	11	172,268	100,034	(117)	272,185	(111,718)
Net income/(expenditure)		260,158	100,034	5,883	366,075	(98,723)
Transfers between funds	15	(6,376)	4,200	2,176	-	-
Net movement in funds		253,782	104,234	8,059	366,075	(98,723)
Reconciliation of funds:	15					
Total funds brought forward		6,920,841	487,372	9,901	7,418,114	7,516,837
Total funds carried forward		7,174,623	591,606	17,960	7,784,189	7,418,114

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing operations.

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total Funds 2020 £
INCOME:					
Income from residents	2	200,998	-	-	200,998
Investment income	3	66,177	-	-	66,177
Grants & Donations	4	-	-	19,793	19,793
Gain on sale of land	6	-	-	-	-
Total income		267,175	-	19,793	286,968
EXPENDITURE:					
Charitable activities	5	246,626	-	19,200	265,826
Investment management costs	8	8,147	-	-	8,147
Total expenditure		254,773	-	19,200	273,973
Net income before investment & land gains		12,402	-	593	12,995
Net losses on investments	11	(95,799)	(15,919)	-	(111,718)
Net income		(83,397)	(15,919)	593	(98,723)
Transfers between funds	15	(4,745)	4,200	545	-
Net movement in funds		(88,142)	(11,719)	1,138	(98,723)
Reconciliation of funds:	15				
Total funds brought forward		7,008,983	499,091	8,763	7,516,837
Total funds carried forward		6,920,841	487,372	9,901	7,418,114

BALANCE SHEET

			2021		2020
	Notes	£	£	£	£
FIXED ASSETS					
Property	10		5,279,687		5,268,474
Equipment	10		6,495		9,416
Investments	11		1,872,309		1,300,209
Investment land			733,000		733,000
Total fixed assets			7,891,491		7,311,099
CURRENT ASSETS					
Debtors	12	15,868		17,174	
Brewin Dolphin cash accounts		28,299		20,596	
CCLA Cash account		9,399		9,387	
Cash at bank and in hand		25,985		260,298	
Investment land held for resale		-		20,000	
		79,551		327,455	
CREDITORS: amounts falling due within one year	13	(25,545)		(52,865)	
NET CURRENT ASSETS			54,006		274,590
TOTAL ASSETS LESS CURRENT LIABILITIES			7,945,497		7,585,689
CREDITORS: amounts falling due after more than one year	14		(161,308)		(167,575)
NET ASSETS			7,784,189		7,418,114
THE FUNDS OF THE CHARITY					
Endowment reserves	15		591,606		487,372
Restricted reserves	15		17,960		9,901
Unrestricted reserves	15		7,174,623		6,920,841
TOTAL CHARITY FUNDS			7,784,189		7,418,114

The financial statements were approved by the Board of Trustees on 21st July, 2021 and were signed on its behalf by :

N WILSON

C CAIN

N Wilson

[Signature]

C Cain

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Basis of accounting

The City of Wells Almshouses is an unincorporated Charity registered in England and Wales. The address of the principal offices is given in the Officers and Professional Advisers information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed within the Trustees' Annual Report.

The financial statements have been prepared in accordance with 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 issued in October, 2019 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) , the Charities Act 2011, the Accounting Direction for private registered providers of social housing 2019 and UK Generally Accepted Accounting Practice.

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

The Charity meets the definition of a public benefit entity under FRS 102.

The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

In November 2014 the City of Wells Charitable Incorporated Organisation (CIO) was created, registered charity number 1159162. As sole trustee of the Trust it exercises control as so is effectively its parent. Consolidated accounts have not been prepared as group income is less than the threshold required to do so. Financial statements for the CIO can be obtained from 4 Bubwith Almshouse, Wells, BA5 2QE.

b) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The trustees have considered the potential ongoing impact of the Covid - 19 pandemic and have concluded that this will not affect the going concern status of the charity.

c) Income

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

Income represents letting income and other service charges receivable from social housing lettings included at their invoice value net of voids.

Donations or Grants are recognised when there is evidence of entitlement to the gift, receipt is probable and the amount can be measured reliably. All income is considered unrestricted unless specifically restricted by the donor, or raised in an appeal for a specific purpose.

Investment income is earned through holding assets for investment purposes such as shares and land. It includes dividends, interest and agricultural rents. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest, dividend and rent income are recognised once the Charity's right to receive payment is established.

No amount is included in the financial statements for volunteer time in line with SORP FRS (102)

d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The City of Wells Almshouses is not registered for Value Added Tax (VAT). In these financial statements, where applicable, expenditure is shown inclusive of VAT.

e) Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. All office costs, staff costs associated with the supporting element of the roles of Financial Controller/ Charity Secretary and Chief Executive and governance costs are considered to be support costs.

f) Freehold property

Housing properties are principally properties available for occupation by the beneficiaries of the Charity and are initially stated at cost. Cost includes the cost of acquiring land and buildings and development costs.

Freehold property was revalued in 2015. The revalued amount has been used as the deemed cost of the property as at the 1 April 2014, this being the date of transition to the SORP (FRS 102).

Freehold property is depreciated on a straight line basis over 200 years.

Assets in the course of construction are capitalised at cost and not depreciated until they are ready for use.

g) Upgrades to properties

Works are capitalised if they result in an increase in the net rental income, a reduction in future maintenance costs or a significant extension to the life of the property. The net book value of these costs are depreciated over a 15 year period.

h) Impairment of freehold property

Reviews for impairment are carried out annually at the reporting date. Impairment is recognised when the carrying value of an asset exceeds its recoverable amount. Examples of indicators of impairment are a significant decrease in the market value of the property or significant physical damage.

i) Other Fixed Assets

Other fixed assets costing £200 or more are capitalised at cost. Other fixed assets include fixtures and fittings, equipment and IT equipment which are depreciated on a straight line basis between 3 to 5 years.

j) Land investments

The land owned by the Charity is let to agricultural businesses. Land is held in the balance sheet on a valuation basis.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Investments

Investments are stated at market value at the balance sheet date. Net gains and losses arising on revaluation of unrestricted investments are shown in the Unrestricted Reserves. Investments are held within fixed assets on the basis that they are held to generate income in the longer term.

m) Cash

Cash at bank and in hand includes cash held in deposit accounts.

n) Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured reliably.

o) Contingent Liabilities

A contingent liability will be disclosed if :

- * A possible obligation arising from a past event whose existence will be confirmed only by some uncertain future event that is not wholly in control of the CWA
- * A present obligation arising from a past event but where the transfer of funds is not probable or the amount of the obligation cannot be measured reliably.

p) Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are cash, creditors, and debtors other than prepayments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement rate. There are two exceptions to this, the bank loan which is subsequently measured at amortised cost using the effective interest method and investments which are subsequently measured at fair value.

q) Reserves

Unrestricted Reserves are funds available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted Reserves are funds for which the donor has specifically restricted the purpose for which they can be used. The amounts in the funds represent the monies still remaining for future expenditure

Endowment Reserves are a type of restricted fund and represent those assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objectives of the Charity. Any capital gain or loss arising on the endowments form part of the Endowment Reserves.

r) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 INCOME FROM RESIDENTS

	Unrestricted Reserves 2021 £	Unrestricted Reserves 2020 £
Weekly Maintenance Contributions (WMC)	140,461	134,737
Property related Service Charges	62,373	65,891
Use of the guest room and other income	-	370
	<u>202,834</u>	<u>200,998</u>

WMC receivable is net of void losses of £1,085 (2020 : £Nil). The Charity provided 33 units of housing for older people during the year (2020 : 33).

3 INVESTMENT INCOME

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Interest and Dividends	47,999	53,310
Agricultural Rents	15,324	12,867
	63,323	66,177

4 GRANTS & DONATIONS

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Restricted Funds 2020 £	Total Funds 2020 £
Chapel Restoration Grants	-	2,500	2,500	5,000	5,000
Chapel Restoration Donations	-	3,500	3,500	4,293	4,293
Sedilia Restoration Grants	-	-	-	10,500	10,500
Government Furlough Grants	3,052	-	3,052	-	-
	3,052	6,000	9,052	19,793	19,793

5 CHARITABLE ACTIVITIES

	Direct Costs 2021 £	Support Costs 2021 £	Total Costs 2021 £	Direct Costs 2020 £	Support Costs 2020 £	Total Costs 2020 £
Depreciation	71,392	-	71,392	75,147	-	75,147
Salaries & Pensions	26,456	30,281	56,737	25,938	35,237	61,175
Communal amenities	17,369	-	17,369	35,045	-	35,045
Professional Fees	9,007	-	9,007	33,246	-	33,246
Property running	10,358	-	10,358	13,705	-	13,705
Loan Fees	6,156	-	6,156	7,740	-	7,740
Insurance	6,155	-	6,155	7,236	-	7,236
Governance	-	2,600	2,600	-	3,272	3,272
Property maintenance	8,425	-	8,425	22,433	-	22,433
Other	8,743	-	8,743	6,827	-	6,827
	164,060	32,881	196,941	227,317	38,509	265,826

Governance costs include independent examination fees of £2,600 (2020 : £2,600)

6 GAIN ON SALE OF LAND

During the year the Charity sold a plot of land in North Wootton for a gain of £24,098

7 EMPLOYEES

	2021	2020
	£	£
Salaries	54,793	59,712
Social Security Costs	455	-
Pension Contributions	1,489	1,463
Staff Salaries & Pensions	56,737	61,175
Training, Welfare & Travel	89	627
Total employee related costs	56,826	61,802

The average number of employees during the year was 4 (2020 : 4)

The number of full time equivalents was 2 (2020 : 2)

Key management personnel received remuneration of £17,588 (2020 : £21,022)

They are not a member of a pension scheme.

No employee received total benefits in excess of £60,000 (2020 : Nil).

The Trustees did not receive any remuneration from the Charity during the year 2020 : £Nil), neither were they reimbursed expenses during the year (2020 :£ Nil)

8 PROFESSIONAL MANAGER COSTS

	2021	2020
	£	£
Investment Manager Fees	6,581	6,740
Agricultural Manager Fees	1,895	1,407
Sub-total - investment management	8,476	8,147
Agricultural Survey	-	2,400
Land Clearance Costs	-	30,390
	8,476	40,937

9 SOCIAL HOUSING OPERATING RESULT

	2021	2021	2020	2020
	£	£	£	£
Income from Residents (Note 2)		202,834		200,998
Total activities costs (Note 5)	196,941		265,826	
Less : Non-social housing costs:				
Professional Fees (Note 5)	(9,007)		(33,246)	
Depreciation (Note 5)	(71,392)		(75,147)	
Loan Fees (Note 5)	(6,156)		(7,740)	
Repairs to the Sedillia (Note 15)	-		(17,025)	
Chapel Fundraising costs	(2,828)		(2,176)	
Governance costs (Note 5)	(2,600)		(3,272)	
Total Social Housing Costs		104,958		127,220
Social Housing Operating Result		97,879		73,778

10 TANGIBLE ASSETS

	Freehold Property £	Property Upgrades £	Property Sub-total £	Equipment £	Total £
COST					
At 1st April 2020	4,752,696	756,795	5,509,491	57,650	5,567,141
Additions	5,218	72,603	77,821	1,863	79,684
At 31st March 2021	<u>4,757,914</u>	<u>829,398</u>	<u>5,587,312</u>	<u>59,513</u>	<u>5,646,825</u>
DEPRECIATION					
At 1st April 2020	118,705	122,312	241,017	48,234	289,251
Charge for year	23,741	42,867	66,608	4,784	71,392
At 31st March 2021	<u>142,446</u>	<u>165,179</u>	<u>307,625</u>	<u>53,018</u>	<u>360,643</u>
NET BOOK VALUE					
At 31st March 2021	<u>4,615,468</u>	<u>664,219</u>	<u>5,279,687</u>	<u>6,495</u>	<u>5,286,182</u>
At 31st March 2020	<u>4,633,991</u>	<u>634,483</u>	<u>5,268,474</u>	<u>9,416</u>	<u>5,277,890</u>

11 INVESTMENTS

	2021 £	2020 £
Market value as at 1st April, 2020	1,300,209	1,423,777
Additional investment at cost	314,200	4,200
Gains/(losses) on sale or revaluation	272,185	(111,718)
Sale proceeds in year	(161,312)	(123,902)
Acquisition & other costs in year	<u>147,027</u>	<u>107,852</u>
Market value as at 31st March, 2021	<u>1,872,309</u>	<u>1,300,209</u>

Represented by:

	2021 £	2020 £
Listed investments with Brewin Dolphin	967,712	817,037
CCLA Charities Investment Funds	<u>904,597</u>	<u>483,172</u>
	<u>1,872,309</u>	<u>1,300,209</u>

12 DEBTORS

	2021	2020
	£	£
Trade Debtors	1,590	2,136
Prepayments	4,043	5,962
Dividends receivable	2,468	3,076
Land rents receivable	7,000	6,000
Other receivables	767	-
	<u>15,868</u>	<u>17,174</u>

Social Housing Rent Arrears at 31/03/21 were £1,590 (31/03/20 : £2,136)

13 CREDITORS : Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	12,669	33,894
Accruals	3,560	7,509
Bank loan	6,268	6,075
Sundry creditors	3,048	5,387
	<u>25,545</u>	<u>52,865</u>

14 CREDITORS : Amounts falling due after one year

The Bank loan is secured on a fixed legal charge on 1-16 Llewellyn's Almshouses and is due to be repaid as follows:

	2021	2020
	£	£
Due 1 to 2 years	6,548	6,300
Due 2 to 5 years	21,062	20,303
Due after 5 years	133,698	140,972
	<u>161,308</u>	<u>167,575</u>

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RESERVES

As at 1st April, 2020

Total income for 2020/21 per SOFA
Total expenditure for 2020/21 per SOFA
Investment gains/(losses) for 2020/21 per SOFA
Transfer from Revenue Reserves
Transfer from Revenue Reserves

	Recoupment Endowment Reserves	Harpers Endowment Reserves	Sedilia Restricted Reserves	Chapel Restricted Reserves	Revenue Unrestricted Reserves	Total Reserves
	103,690	383,682	-	9,901	6,920,841	7,418,114
	-	-	-	6,000	293,307	299,307
	-	-	-	-	(205,417)	(205,417)
	20,748	79,286	-	(117)	172,268	272,185
	4,200	-	-	-	(4,200)	-
	-	-	-	2,176	(2,176)	-
As at 31st March, 2021	128,638	462,968	-	17,960	7,174,623	7,784,189

As at 1st April, 2019

Total income for 2019/20 per SOFA
Total expenditure for 2019/20 per SOFA
Investment losses for 2019/20 per SOFA
Transfer from Revenue Reserves
Transfer from Revenue Reserves

	102,862	396,229	5,980	2,783	7,008,983	7,516,837
	-	-	10,500	9,293	267,175	286,968
	-	-	(17,025)	(2,176)	(254,773)	(273,973)
	(3,372)	(12,547)	-	-	(95,799)	(111,718)
	4,200	-	-	-	(4,200)	-
	-	-	545	-	(545)	-
As at 31st March, 2020	103,690	383,682	-	9,901	6,920,841	7,418,114

Recoupment Endowment Reserves represent annual repayments of £4,200 to replace expenditure funded from permanent endowments as required by the Charity Commission. Total repayment of £210,000 is to be made over 50 years.

Harpers Endowment Reserves represent the proceeds of £354,695 from the sale of the Harpers Almshouse, which proceeds can only be expended on the construction new almshouses.

The Sedilia Restricted Reserves represented grants for the restoration of the stone sedilia outside the frontage to Bricks Almshouses.

The Chapel Restricted Reserves represent donations and grants to restore the Chapel located within the Bubwith buildings.

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16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Recoupment Endowment Reserves	Harpers Endowment Reserves	Sedilia Restricted Reserves	Chapel Restricted Reserves	Revenue Unrestricted Reserves	Total Reserves
Tangible assets & equipment	-	9,759	-	-	5,276,424	5,286,183
Investments	124,438	462,968	-	9,883	1,275,020	1,872,309
Investment land	-	-	-	-	733,000	733,000
Cash at bank and in hand	4,200	(9,759)	-	8,077	23,467	25,985
Other current assets	-	-	-	-	53,565	53,565
Other current liabilities	-	-	-	-	(25,545)	(25,545)
Creditors over one year	-	-	-	-	(161,308)	(161,308)
As at 31st March, 2021	128,638	462,968	-	17,960	7,174,623	7,784,189
Tangible assets & equipment	-	4,542	-	-	5,273,348	5,277,890
Investments	99,490	383,682	-	-	817,037	1,300,209
Investment land	-	-	-	-	733,000	733,000
Cash at bank and in hand	4,200	(4,542)	-	9,901	260,126	269,685
Other current assets	-	-	-	-	57,767	57,767
Other current liabilities	-	-	-	-	(52,865)	(52,865)
Creditors over one year	-	-	-	-	(167,575)	(167,575)
As at 31st March, 2020	103,690	383,682	-	9,901	6,920,841	7,418,114

17 CAPITAL COMMITMENTS

	2021 £	2020 £
Authorised and contracted for	-	-

18 CONTINGENT LIABILITIES

In previous years two grant creditors totalling of £355,016 were released from long term creditors as there was no existing obligation to repay these. A grant of £322,000 had been received from the Housing Corporation, now known as Homes England, in 1995/96 for work to the Bubwith, Willes and Stills Almshouses. A further grant of £33,016 had been received from the Housing Corporation between 1999 and 2001 for works to the Bricks Almshouse. Both of these grants are only repayable if a relevant event occurs. A relevant event includes deregistration from Homes England or if the Almshouses are sold. As a relevant event has not occurred there is no present obligation to repay these grants. As a relevant event may occur in the future they have been disclosed as contingent liabilities.

19 RELATED PARTIES

During the year no related party transactions (2020:£ Nil) were made.

20 POST BALANCE SHEET EVENTS

In early 2020, a new coronavirus, COVID - 19, impacted a significant number of countries globally. COVID - 19 has caused disruption to economic activity which has been reflected in recent fluctuations in global stock markets and, in turn, in the valuation of investments held by the charity. The Trustees consider the emergence and spread of COVID - 19 to be a non-adjusting post balance sheet event. The Trustees have designated and implemented the charity's investment strategy taking a long term view and have built in resilience to withstand short term fluctuations. Given the inherent uncertainties and volatility of the markets, it is not practicable at this time to provide a quantitative estimate of the medium term impact of the virus.