

CITY OF WELLS ALMSHOUSES

Unaudited Financial Statements

For the financial year ended 31st March 2022

Contents	Page
Trustees, Professional Advisers, Management Personnel and Administrative Details	1
Trustees' Report	3
Independent Examiner's Report on the unaudited accounts	12
Statement of Financial Activities	13
Balance Sheet	15
Notes to the Financial Statements	16

TRUSTEES, PROFESSIONAL ADVISERS, MANAGEMENT and ADMINISTRATIVE DETAILS

The Board	City of Wells Almshouses CIO (Corporate Trustee)
CIO Board of Trustees	Ms Stella Ainsworth Mr Charles Cain - Chair Ms Carol Cox (resigned July 2021) The Very Reverend Dr John Davies : ex-officio (Dean of Wells Cathedral) Mr Andrew Fawcett (resigned July 2021) Ms Claire Green Mr John North - Vice Chair Mrs Sarah Powell - nominated January, 2022 Mr Richard Quarry Mr Tony Robbins - nominated January, 2022 Mr Mark Shelton - appointed April, 2022 Mr Christopher Vigar Mrs Shirley Watt Councillor Philip Welch: ex-officio (Mayor of the City of Wells) Mr Nick Wilson
Chief Executive Financial Controller & Secretary Scheme Manager	The Reverend Dr Martin Thomas Mr P M McMahon MA FCA Mrs C Tollworthy
Principal Office	4 Bubwith Almshouses Wells, Somerset, BA5 2QE Telephone : 01749 675813 Email: info@wellsalmshouses.org.uk Website: www.wellsalmshouses.org.uk
Charity Number Homes England Registration Number	1040554 A4055
Bankers	National Westminster Bank plc 7 High Street Wells, Somerset, BA5 2AD The Charity Bank Fosse House 182 High Street, Tonbridge, TN9 1BE
Solicitors	Tozers Solicitors Broadwalk House, Southernhay West, Exeter, Devon, EX1 1UA
Examining Accountants	Monahans, Chartered Accountants, Fortescue House, Court Street, Trowbridge, Wiltshire, BA14 8FA

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 2022

The Trustees of the City of Wells Almshouses (CWA) present their annual report and unaudited financial statements for the year ended 31st March, 2022.

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 Cathedral.

Trustees appointed by the Charity are recruited by a formal application and interview process. There are currently 13 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 his 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 of Trustees 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 Finance and Land Committee is the only standing committee and its' 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, all 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 beneficiaries, as the CIO Board of Trustees decides..

Its main activity is the ownership and management of the 33 units of accommodation located within the five almshouses (Bubwith, Willes', Still's, Bricks and Llewellyn's), which make up the Charity's housing complex located in 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 : three new bathrooms/wetrooms have been installed, secondary glazing to the Guildroom windows , new coping stones in Llewellyn's, a new boiler in Llewellyn's, complete re-paving at Llewellyn's and repointing of the Chamberlain Street wall. Also, in total, there are now only three of the Charity's properties which will need completely refurbishing when they become void.

FINANCIAL REVIEW

The Trustees' aim is that income from the Weekly Maintenance Contribution (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, 2021 in line with the Government's policy formula of CPI plus 1% - CPI being measured as of September, 2020. Service Charges are charged depending on the actual costs to the Charity.

These costs 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 the Service Charges are not increased by more than the percentage increase in the WMC.

The nature of these costs are explained in detail to residents and comprise such items as : non-structural plumbing, electrical, gas and decoration repairs and safety checks; gardens maintenance, grass cutting, tree works, hedge trimming, and waste removal; communal electricity in stairwells and entrance ways; lift repairs and maintenance; cleaning and heating of communal areas; outside window cleaning; fire safety; pest and rodent control; waste and recycling.

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

During the course of the year our investments provided a net income of approximately £70,000 comprised of interest, dividends, agricultural land rents and wayleave. In addition, the value of these investments, managed by our two fund managers, increased in value by over £90,000. However, since the start of the new financial year, the events in Ukraine, Inflation and certain other factors have resulted in a decrease in our investments' value of approximately 7.50%. However the Charity is financially resilient and is 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 2018 the Regulator of Social Housing (RSH) introduced a Value for Money (VfM) Standard which requires registered providers of social housing (such as the CWA) to publish in their financial statements a series of metrics designed to measure economy, efficiency and effectiveness on a comparable basis across the social housing sector.

In this context : Economy means minimising the cost of resources while having regard to quality; Efficiency is the relationship between the output from goods or services and the resources to produce them; Effectiveness is the extent to which objectives are achieved and the relationship between intended and actual impacts.

The CWA needs to ensure that it has sought to optimise the financial return from its' assets and activities in so far as this is consistent with achievement of the Charity's wider organisational purposes. Social housing businesses generally receive a lower-than-market return on social housing assets, as renting properties below the market rate is an integral part of their social purpose.

Further, the CWA may at times opt not to receive maximum return from an asset, instead taking the decision to accept a lower return in furtherance of its' social objectives; where this is the case our aim is to see that the rationale for this is clearly articulated and justified, for example where historical covenants are in place, which restrict the sale or development of properties even when there are high maintenance costs.

These VfM metrics provide a tool for registered providers to demonstrate to the RSH, residents and any other stakeholders, that they are making the best use of their assets and resources. The social housing sector is very diverse and no single set of metrics can capture all of the measures that matter to each individual provider.

The standard metrics defined by the RSH are intended to achieve the different, but complementary, objective of providing measures with wide applicability which permit comparison across the social housing sector. Importantly, the suite of VfM metrics, is restricted to data derived from the registered providers' Annual Accounts.

The Standard requires providers not only to publish their own VfM metrics but also to set their own VfM targets and analyse their performance alongside that of their peers on a comparable basis. The RSH has published a Technical note guidance (May 2022) setting out in detail how the metrics are to be calculated and in setting out the required metrics (below) we have followed this guidance. The metric targets were approved by the Board of Trustees at their meeting in July, 2022. In order to provide comparable data from other providers we have taken data from a report issued by the RSH (Value for Money Metrics Report - Annex to Global Accounts 2021); this data provides metrics from (i) smaller providers which own less than 2,500 units (ii) providers with at least 30% supported housing stock and (iii) providers with at least 30% housing for older people stock.

Metric 1. Reinvestment and upgrading of existing units of accommodation

This metric looks at the current year investment in units as a percentage of the value of all properties held.

CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
1.34%	1.47%	1.25%	4.60%	4.10%	5.90%

The amount of capital works undertaken during the year (£70,600) is very comparable to that done last year (£77,800) and reflects our commitment to provide safe and affordable accommodation to our residents. Our capital works programme of maintenance and, where appropriate, modernisation of existing stock incorporates all works prescribed in our 2017 Decennial report. The quantum of work that has been able to be undertaken has been impacted by the coronavirus pandemic which has limited access to our site by contractors. Comparison with other providers needs to take into account that our properties are all independently valued as being Grade 2 or Grade2* listed thereby understating the percentage impact of our capital works.

Metric 2a. New supply of social housing units

Metric 2b. New supply of non-social housing units

These metrics set out the percentage number of housing units acquired or developed in the year.

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
Social	0.00%	0.00%	0.00%	0.80%	1.50%	1.10%
Non-Social	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

There has been no new supply of units for several years. There are plans to develop several new units in the next few years but these plans have encountered considerable problems in obtaining planning consent.

Metric 3. Gearing

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

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
	2.60%	2.68%	3.00%	33.70%	11.60%	34.80%

Our overall dependency on loan finance is very low compared with the peer groups. The CWA has very little in borrowings and has adequate cash resources to meet all prospective needs.

Metric 4. EBITDA MRI (Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included)

The EBITDA MRI interest cover measure is a KEY INDICATOR for liquidity and investment capacity. It seeks to measure the level of surplus that a provider generates compared to interest charges payable; the measure avoids any distortions stemming from the depreciation charge.

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
	1113.00%	1521.00%	1000.00%	205.00%	309.00%	133.00%

The CWA interest charges are very small and indicate ample opportunity for additional borrowing.

Metric 5. Headline Social Housing costs per unit

This metric quantifies all the expenditure costs associated with social housing. The costs include management costs, service costs, routine maintenance costs, major repairs expenditure, capitalised major repairs expenditure and community services.

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
	£5,842	£5,539	£5,750	£4,790	£9,680	£5,550

Metric 6a. Operating Margin of social housing lettings only

Metric 6b. Operating Margin overall

This metric demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. In assessing this ratio, it is important to consider the registered providers' purposes and objectives (including their social objectives).

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
Social	25.10%	13.40%	20.00%	25.10%	13.40%	18.10%
Overall	21.00%	31.40%	20.00%	22.10%	7.40%	16.70%

Metric 7. Return on Capital Employed (ROCE) %

The ROCE compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

	CWA 2022	CWA 2021	CWA Target	Under 2,500 units	30% Supported	30% Older People
	0.73%	1.18%	1.00%	2.90%	3.30%	3.20%

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 2022 were £7,932,413 of which £646,486 are endowments and £25,812 are Restricted Reserves. The Trustees have Unrestricted Reserves of £7,260,115 for several purposes in line with the Reserves Policy. Principally these are £5,887,195 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.

FINANCIAL CONTROLS

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

The Finance and Land Committee, comprising four Trustees, the Chief Executive and the Financial Controller undertakes the following duties:

- * Monitors and oversees the performance of the Investment Managers and portfolios
- * Reviews the agricultural land holdings in line with the Business Plan 2022 - 2027
- * 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 Finance and Land Committee throughout the year. At each Board meeting key performance indicators (KPI's) are reported including progress against budget 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 the functions of the Finance and Land Committee ensure that value for money (VfM) is achieved in delivering its' 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

The Trustees have adopted a new Business Plan for the period 2022 - 2027. As part of this Plan we have conducted a full review of our land holdings and we are now actively seeking to dispose of some of these where appropriate. We are also looking to develop new residential units on land contiguous to our own.

The Trustees are actively exploring various environmental developments concerning the provision of light and heating for our residents. This is a very large and complex project for which we have commissioned a report into the provision of air and ground source heat pumps and solar panels over our entire site.

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.

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

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.

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 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 coming year.

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 demonstrates 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, the 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 2021/22 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 particularly during the worst times of the Covid 19 pandemic..

On behalf of the Trustees



Charles Cain (Chair of Trustees)

Date: 20th July, 2022

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 2022 which are set out on pages 13 to 26

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
Monahans
Chartered Accountants
Fortescue House
Trowbridge
BA14 8FA

Date : 27/7/22

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME:						
Income from residents	2	205,564	-	-	205,564	202,834
Investment income	3	69,306	-	-	69,306	63,323
Grants & Donations	4	-	-	7,022	7,022	9,052
Gain on sale of land	6	-	-	-	-	24,098
Total income		274,870	-	7,022	281,892	299,307
EXPENDITURE:						
Charitable activities	5	213,309	-	-	213,309	196,941
Investment management costs	8	9,472	-	-	9,472	8,476
Total expenditure		222,781	-	-	222,781	205,417
Net income before investment & land gains		52,089	-	7,022	59,111	93,890
Net gains on investments	11	37,604	50,680	829	89,113	272,185
Net income/(expenditure)		89,693	50,680	7,851	148,224	366,075
Transfers between funds	15	(4,200)	4,200	-	-	-
Net movement in funds		85,493	54,880	7,851	148,224	366,075
Reconciliation of funds:	15					
Total funds brought forward		7,174,623	591,606	17,960	7,784,189	7,418,114
Total funds carried forward		7,260,116	646,486	25,811	7,932,413	7,784,189

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

BALANCE SHEET

			2022		Restated 2021
	Notes	£	£	£	£
FIXED ASSETS					
Property	10		5,282,584		5,279,687
Equipment	10		6,611		6,495
Investments	11		2,085,092		1,910,007
Investment land			598,000		733,000
Total fixed assets			<u>7,972,287</u>		<u>7,929,189</u>
CURRENT ASSETS					
Debtors	12	14,133		15,868	
Cash at bank and in hand		24,180		25,985	
Investment land held for resale		<u>135,000</u>		-	
		173,313		<u>41,853</u>	
CREDITORS: amounts falling due within one year	13	<u>(58,022)</u>		<u>(25,545)</u>	
NET CURRENT ASSETS			115,291		16,308
TOTAL ASSETS LESS CURRENT LIABILITIES			8,087,578		7,945,497
CREDITORS: amounts falling due after more than one year	14		(155,165)		(161,308)
NET ASSETS			<u><u>7,932,413</u></u>		<u><u>7,784,189</u></u>
THE FUNDS OF THE CHARITY					
Endowment reserves	15		646,486		591,606
Restricted reserves	15		25,812		17,960
Unrestricted reserves	15		7,260,115		7,174,623
TOTAL CHARITY FUNDS			<u><u>7,932,413</u></u>		<u><u>7,784,189</u></u>

The financial statements were approved by the Board of Trustees on 20th July, 2022 and were signed on its behalf by:


C CAIN


J NORTH

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 in October 2019 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.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

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 rental 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).

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	Unrestricted Reserves
	2022	2021
	£	£
Weekly Maintenance Contributions (WMC)	142,443	140,461
Property related Service Charges	63,032	62,373
Use of the guest room and other income	89	-
	205,564	202,834

WMC receivable is net of void losses of £1,066 (2021 : £1,085). The Charity provided 33 units of housing for older people during the year (2021 : 33).

3 INVESTMENT INCOME

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Interest and Dividends	55,168	47,999
Agricultural Rents	14,138	15,324
	69,306	63,323

4 GRANTS & DONATIONS

	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Chapel Restoration Donations	7,022	7,022	-	3,500	3,500
Chapel Restoration Grants	-	-	-	2,500	2,500
Government Furlough Grants	-	-	3,052	-	3,052
	7,022	7,022	3,052	6,000	9,052

5 CHARITABLE ACTIVITIES

	Direct Costs 2022 £	Support Costs 2022 £	Total Costs 2022 £	Direct Costs 2021 £	Support Costs 2021 £	Total Costs 2021 £
Depreciation	72,735	-	72,735	71,392	-	71,392
Salaries & Pensions	28,822	34,513	63,335	26,456	30,281	56,737
Communal amenities	20,318	-	20,318	17,369	-	17,369
Professional Fees	7,722	-	7,722	9,007	-	9,007
Property running	9,595	-	9,595	10,358	-	10,358
Loan Fees	6,047	-	6,047	6,156	-	6,156
Insurance	7,126	-	7,126	6,155	-	6,155
Governance	-	2,500	2,500	-	2,600	2,600
Property maintenance	12,982	-	12,982	8,425	-	8,425
Other	10,949	-	10,949	8,743	-	8,743
	176,296	37,013	213,309	164,060	32,881	196,941

Governance costs include independent examination fees of £2,500 (2021 : £2,600)

6 GAIN ON SALE OF LAND

During the year the Charity did not sell any land. (2021 : gain of £24,098)

7 **EMPLOYEES**

	2022	2021
	£	£
Salaries	58,256	54,793
National Insurance Costs	-	455
Pension Contributions	1,669	1,489
Former CEO consultancy	3,410	-
Staff Salaries & Pensions	63,335	56,737
Training, Welfare & Travel	2,326	89
Total employee related costs	65,661	56,826

The average number of employees during the year was 4 (2021 : 4)

The number of full time equivalents was 2 (2021 : 2)

Key management personnel received remuneration of £17,160 (2021 : £17,588)

They are not a member of a pension scheme.

No employee received total benefits in excess of £60,000 (2021 : Nil).

The Trustees did not receive any remuneration from the Charity during the year (2021 : £Nil), neither were they reimbursed expenses during the year (2021 :£ Nil)

8 **PROFESSIONAL MANAGER COSTS**

	2022	2021
	£	£
Investment Manager Fees	7,428	6,581
Agricultural Land Manager Fees	2,044	1,895
	9,472	8,476

9 **SOCIAL HOUSING OPERATING RESULT**

	2022	2022	2021	2021
	£	£	£	£
Income from Residents (Note 2)		205,564		202,834
Total activities costs (Note 5)	213,309		196,941	
Less : Non-social housing costs:				
Professional Fees (Note 5)	(7,722)		(9,007)	
Depreciation (Note 5)	(72,735)		(71,392)	
Loan Fees (Note 5)	(6,047)		(6,156)	
Chapel Fundraising costs	(2,144)		(2,828)	
Governance costs (Note 5)	(2,500)		(2,600)	
Total Social Housing Costs		122,162		104,958
Social Housing Operating Result		83,402		97,876

10 TANGIBLE ASSETS

	Freehold Property £	Property Upgrades £	Property Sub-total £	Equipment £	Total £
COST					
At 1st April 2021	4,757,914	829,398	5,587,312	59,513	5,646,825
Disposals	-	-	-	(42,694)	(42,694)
Additions	-	70,620	70,620	5,127	75,748
At 31st March 2022	4,757,914	900,018	5,657,932	21,946	5,679,878
DEPRECIATION					
At 1st April 2021	142,446	165,179	307,625	53,018	360,643
Disposals	-	-	-	(42,694)	(42,694)
Charge for year	23,741	43,983	67,724	5,011	72,735
At 31st March 2022	166,187	209,162	375,349	15,335	390,684
NET BOOK VALUE					
At 31st March 2022	4,591,727	690,856	5,282,584	6,611	5,289,195
At 31st March 2021	4,615,468	664,219	5,279,687	6,495	5,286,182

11 INVESTMENTS

	2022 £	Restated 2021 £
Market value as at 1st April, 2021	1,910,007	1,300,209
Additional investment at cost	89,200	314,200
Gains on revaluation	89,113	272,185
Net sales/purchases & transaction costs	(6,023)	(14,285)
Cash account re-classification	-	37,698
Market value as at 31st March, 2022	2,082,297	1,910,007
Represented by:		
	2022 £	Restated 2021 £
Listed investments with Brewin Dolphin	1,012,099	996,011
CCLA Charities Investment Funds	1,072,099	913,996
	2,084,198	1,910,007

In the prior year the Brewin Dolphin Cash Account (£28,299) and the CCLA Cash Account (£9,399) were classified separately as current assets. In the current year the equivalent amounts (Brewin Dolphin £23,149 : CCLA £9,402) have been more appropriately classified as Investment assets. The prior year figures have been adjusted to reflect this change.

12 DEBTORS

	2022	2021
	£	£
Trade Debtors	638	1,590
Prepayments	4,451	4,043
Dividends receivable	2,044	2,468
Land rents receivable	7,000	7,000
Other receivables	-	767
	<u>14,133</u>	<u>15,868</u>

Social Housing Rent Arrears at 31/03/22 were £523 (31/03/21 : £1,590)

13 CREDITORS : Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	39,218	12,669
Accruals	5,950	3,560
Bank loan	6,165	6,268
Sundry creditors	4,394	3,048
	<u>55,727</u>	<u>25,545</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:

	2022	2021
	£	£
Between 1 to 2 years	6,410	6,548
Between 2 to 5 years	20,939	21,062
Due after 5 years	127,816	133,698
	<u>155,165</u>	<u>161,308</u>

15

RESERVES**As at 1st April, 2021**

Total income for 2021/22 per SOFA

Total expenditure for 2021/22 per SOFA

Investment gains for 2021/22 per SOFA

Transfer from Revenue Reserves

As at 31st March, 2022**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

As at 31st March, 2021

	Recoupment Endowment Reserves	Harpers Endowment Reserves	Chapel Restricted Reserves	Revenue Unrestricted Reserves	Total Reserves
As at 1st April, 2021	128,638	462,968	17,960	7,174,623	7,784,189
Total income for 2021/22 per SOFA	-	-	7,022	274,870	281,893
Total expenditure for 2021/22 per SOFA	-	-	-	(222,782)	(222,782)
Investment gains for 2021/22 per SOFA	10,724	39,956	829	37,604	89,113
Transfer from Revenue Reserves	4,200	-	-	(4,200)	-
As at 31st March, 2022	143,562	502,924	25,811	7,260,115	7,932,413
As at 1st April, 2020	103,690	383,682	9,901	6,920,841	7,418,114
Total income for 2020/21 per SOFA	-	-	6,000	293,307	299,307
Total expenditure for 2020/21 per SOFA	-	-	-	(205,417)	(205,417)
Investment gains/(losses) for 2020/21 per SOFA	20,748	79,286	(117)	172,268	272,185
Transfer from Revenue Reserves	4,200	-	-	(4,200)	-
Transfer from Revenue Reserves	-	-	2,176	(2,176)	-
As at 31st March, 2021	128,638	462,968	17,960	7,174,623	7,784,189

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 of new almshouses.

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

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Recoupment Endowment Reserves	Harpers Endowment Reserves	Chapel Restricted Reserves	Revenue Unrestricted Reserves	Total Reserves
Tangible assets & equipment	-	9,760	-	5,279,435	5,289,195
Investments	139,362	502,924	10,713	1,429,798	2,082,797
Investment land	-	-	-	598,000	598,000
Cash at bank and in hand	4,200	(9,760)	15,099	14,661	24,180
Other current assets	-	-	-	149,133	149,133
Other current liabilities	-	-	-	(55,727)	(55,727)
Creditors over one year	-	-	-	(155,165)	(155,165)
As at 31st March, 2022	143,562	502,924	25,812	7,260,115	7,932,413
Tangible assets & equipment	-	9,759	-	5,276,424	5,286,182
Investments	124,438	462,968	9,883	1,275,020	1,910,007
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	15,868
Other current liabilities	-	-	-	(25,545)	(25,545)
Creditors over one year	-	-	-	(161,308)	(161,308)
Restated as at 31st March, 2021	128,638	462,968	17,960	7,174,623	7,784,189

17 CAPITAL COMMITMENTS

	2022 £	2021 £
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 (2021:£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.