WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales · Charity number 1166931

Details

Status	Registered
Legal form	CIO
Registered	2016-05-04
Register	View on the Charity Commission register

Contact

Address	Kateryn Heywood House Berkeley Court The Foregate Worcester WR1 3QG
Phone	01905317117
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Website	www.wmcharities.org.uk

Activities

Objects: THE OBJECTS OF THE CIO ARE:-(A) THE RELIEF OF PERSONS RESIDENT IN THE CITY OF WORCESTER WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS INCLUDING BY MAKING GRANTS OF MONEY TO INDIVIDUALS, OR TO ORGANISATIONS WHICH PROVIDE RELEVANT SERVICES; OR PROVIDING OR PAYING FOR ITEMS, SERVICES OR FACILITIES CALCULATED TO REDUCE THE NEED, HARDSHIP OR DISTRESS OF SUCH PERSONS;(B) TO CARRY ON FOR THE BENEFIT OF THE COMMUNITY THE BUSINESS OF THE PROVISION OF SOCIAL HOUSING IN THE FORM OF ALMSHOUSES AND AFFORDABLE SOCIAL HOUSING AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS; AND (C) THE ADVANCEMENT OF EDUCATION BY PROMOTING EDUCATION IN THE AREA OF BENEFIT BEING THE CITY OF WORCESTER, THE PARISHES OF POWICK, BRANSFORD AND RUSHWICK AND THE AREA OF THE ANCIENT PARISH OF LEIGH, ALL IN THE COUNTY OF WORCESTERSHIRE, IN SUCH WAYS AS THE TRUSTEES THINK FIT.

Activities: Helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of Education to those in need from the City of Worcester the Parishes of Powick, Bransford, Rushwick and the Ancient Parish of Leigh.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,431,303	£1,600,448	£14,460,209	5
2023-12-31	£1,424,235	£1,535,491	£14,651,791	5
2022-12-31	£1,429,147	£1,478,042	£14,773,341	5
2021-12-31	£1,488,443	£1,333,273	£14,893,637	5
2020-12-31	£1,842,939	£1,068,874	£15,442,557	5

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Trustees

Name	Role	Appointed
Richard Boorn	Chair	2016-11-02
Alan George Tidy		2025-04-01
CLIVE SKIDMORE		2024-03-27
GRAHAM HUGHES		2007-03-28
Geraint Thomas		2016-08-23
Helen Davis		2025-04-01
Jill Desayrah		2023-07-26
Kirsteen Borthwick		2025-02-26
MARGARET JONES		1996-02-28
MARGARET PANTER		2009-04-29
PAUL DENHAM JP		2005-08-26
PAUL YORKE GRIFFITH MBE		1984-06-02
RON RUST		2011-11-30
Roger Edward Berry		1987-03-25
Roger Knight		2014-09-24
SUE OSBORNE		2003-03-02
Tracey Biggs		2023-05-24

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WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales - Charity number 1166931

Accounts

AR2024

WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159

Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT
1st JANUARY – 31st DECEMBER 2024

This is the ninth Annual Report of the Charity which was created specifically by the Trustees in 2016 as the replacement Charity for Worcester Municipal Exhibitions Foundation (Education) and Worcester Consolidated Municipal Charity (Relief in Need & Almshouses), whose business, staff, assets and liabilities were vested in the new Charity on 1st July 2016, as a “Charitable Incorporated Organisation” which has very similar objects to the two unincorporated predecessor Charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months’ period ended 31st December 2024 (“The Period”). The Trustees have adopted the provisions of the Charities SORP "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) and the Housing SORP; Accounting by Registered Social Housing Providers update 2018."

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

All enquiries to the Registered Office
Worcester Municipal Charities (CIO)
Kateryn Heywood House
Berkeley Court, The Foregate
Worcester WR1 3QG
Telephone: 01905 317117
Fax: 01905 619979

Office Administration:
Maggie Inglis, Sarah Bradnick, Margaret Green
Email: admin@wmcharities.org.uk

Office Accounts:
Carlo Barentsen, Sarah Bradnick
Email: accounts@wmcharities.org.uk

Website: www.wmcharities.org.uk

Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

Providing sheltered housing for seven residents, the Charity's offices, and the redundant Chapel, now used as a meeting room for Trustees, residents and also available for other charities to use free, providing they meet certain conditions such as not holding more than 1 year’s income in reserve.

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2024 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to 1st July 2016

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Note – In 2020 the Charity published **"While the World Endureth"**, a history of the Trust since 1559. There are only a few copies left which are available to borrow or buy from the office @ cost price £27. The book can also be viewed on the website: http://www.wmcharities.org.uk

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

a) After Henry VIII dissolved the monasteries (1536 - 40) the new Church of England's behaviour inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation by Robert Youle in 1560 of the **St. Thomas's Day (or General) Charities**. They invested in properties and, from the rental income, handed out doles of two shillings per family, to a disorderly queue at the Guildhall on St. Thomas' Day December 21st, "Winter Solstice", the appointed day. The money was distributed indiscriminately, without reference to assessed need, (other than thirst!) and it was always possible to re-join the disorderly queue outside the Guildhall. This ***"very objectionable scheme"*** was discontinued in 1867.

b) The Municipal Corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly and honestly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the public charities throughout the land, and their national inquiries and discovery of widespread abuse of Trust led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.

c) In 1899 they were consolidated into one holding Charity, **the Worcester Consolidated Municipal Charity.** Of these 27 charities, the 6 primarily educational charities, were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same single body of Trustees from 1913 onwards.

d) On 4th May 2016 Worcester Municipal Charities CIO ("WMC (CIO)") was registered with the Charity Commission with registration no.1166931, and on vesting day 1st July 2016, the business, staff and all the assets and liabilities of the two predecessor charities were handed over to the new Charity, followed by the former ones being wound up.

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO, or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

The Trustees have agreed that "If 0.1% is less than £950 it will be increased to that amount.

Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

The Charity is administered by 17 Trustees.

Four are "appointed" by Worcester City Council; four are "nominated" by major beneficiary "stakeholder" charities, chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are "appointed" by the Independent Trustees and the Worcester City Council Appointed Trustees, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

Upon appointment, new Trustees receive an introductory tour of the Charity's office along with advice and information about the organisation. They are provided with copies of the Constitution and Rules, the Annual Report and Accounts, a History of the Charity, and a reference to the Charity Commission's publication CC3 "the Essential Trustee," which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

*Paul Griffith **I**, (Chairman), Geraint Thomas **Ch/I** (Vice Chairman), Roger Berry **I**, Tracy Biggs **N**, Richard Boorn **N**, Kirsteen Borthwick **Ch** (appointed 26/02/25), Helen Davis **I** (appointed 01/04/25), Paul Denham **I**, Jill Desayrah **N**, Graham Hughes **I**, Margaret Jones **I**, Mel Kirk **Ch** (until 31/01/24), Roger Knight **N**, Jonathan Newey **I** (until 31/03/25), Sue Osborne **Ch**, Margaret Panter **Ch**, Ron Rust **I**, Martyn Saunders **I** (until 31/03/25), Brenda Sheridan **I** (until 09/10/24), Clive Skidmore **Ch** (appointed 27/03/24), Alan Tidy **I** (appointed 01/04/25).*

Brenda Sheridan sadly passed away after 34 years of exemplary service. She was replaced by Geraint Thomas, leaving one vacancy for a Citizens Advice charity-nominated trustee.

***"I"* nine independent** co-opted by the Board for 5 years;

***"N"* four nominated by** the City Council for 4 years;

***"Ch"* four nominated to the Trustees** by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, MAGGS Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum). The Trustees will appoint the nominees if considered suitable with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year, with each property being visited once in every two years. The properties are all vested in the CIO as “Custodian” Charity.

A Grants Sub-Committee - meets monthly, to deal with the individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have joint delegated authority to make grants up to £1,000 in an emergency (£2,000 over Christmas).

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors Hallmark Whatley Hulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. (Full details of the Professional Advisers are on page 27).

The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester’s needy citizens. Thanks are also due to the staff pictured:

Top left to right Carlo Barentsen (Accountant), Adrian Robinson (Property Business Manager), Bottom left to right Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis.

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' “Mission” is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity’s Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**
- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN 2024

A. Major Events/Decisions by the Trustees

- ***Continued the grants to 7 organisations**, being those that the Trustees believe:-*

  *a) **provide the most help to the poorest, in greatest need in Worcester** : - Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair (Furniture Re-Cycling), who have all been provided with free/subsidised premises and grants to assist with their work; and Worcester Community Trust towards their services in community centres and its outreach work.*

  *b) **provide free education in Worcester** :- the Tudor House Museum, All Sorts of Performing Arts and DanceFest, the first two of which were also provided with rent-free accommodation.*

- *Following the Government's closure of the **Social Fund** in 2013 the Charity won a contract with the City Council to manage the purchase and distribution of white goods in Worcester worth £91,396 (net) (2023 £186,291 net), as part of the replacement **Discretionary Welfare Assistance Scheme** ("DWAS"). The Charity won the contract again in 2017, which has been rolled over four times until 2024 and is still in place. The Charity does not charge the Council for this project in recognition of the relief it brings to the Charity's own grants' budget.*

- *The Charity increased employed and self employed staff's salaries by 6.7%, regular grants to charities by 6.7% and 6.7% to carpet contractors.*

- ***Extraordinary Repairs** - The Charity owns and leases a considerable number of ancient properties with very high maintenance costs. These have included continuing the major repairs to the 18th Century Berkeley's Almshouses and refurbishment of two retirement almshouses at Nash's and Wyatt's Almshouses. All in all £286,722 (net) was spent on extra ordinary property repairs in 2024.*

- ***Cessation of Berkeley's Almshouse Repairs** - following a mischievous complaint by a former Conservation Officer to Historic England in August, they visited and gave advice to the City Council who issued an "Enforcement" letter halting all the work. Five months later the almshouses are still empty and the single lane closure of Shaw St. is still in place causing immense traffic jams. The Charity believes it has been the victim of a series of mistakes and maladministration by the City Council and intends to claim compensation for increased expenditure that we believe has resulted directly from the cessation. In addition due to cash flow problems resulting from the cessation, the Trustees decided to consider reducing the annual grants of c. £400,000 to other charities by up to 25%.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,431,303 was received, mainly rent from properties (2023 £1,424,235). Expenditure was £1,600,448 (2023 £1,535,491)

C. Summary of Property Owned

a) There are two Sheltered Housing "retirement" sites (32 almshouses) and eleven "affordable Housing sites" (68 flats) for the single homeless.

b) The Charity owns 16 Commercial Investment Properties with rental income.

c) 6" functional" properties are leased to charities on peppercorn rents as "facilities in kind" (see page 14)

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed.

E The Grants Sub-Committee met 12 times in 2024

Education, Relief in Need, Hardship or Distress Grants

(a) A constitutional grant of £1,141 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley

(b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totaling £420,535, (2023 £415,376), and helped administer the City Council's DWAS relief in need grants worth £100,877, (2023 £186,291 net), to individuals in need (details page 12).

(c) In 2012 The Charity agreed to fund a Money Management Advice Post annually, based at Citizens Advice Worcester which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2023/2024 The Money Management Adviser interviewed 131 individual clients helping them to deal with activities relating to benefits, energy/water bills, finances, employment and debt issues. In addition the Money Management Adviser assisted a further 237 individuals supporting them with multiple issues at our Worcester 'Open-Door Drop-in Advice Service' sessions. The Local Citizens Advice Debt and Money Service also advised and assisted 1275 clients, to reschedule or receive a 'write off' of debts amounting to more than £1,498,865 in total, across all their services. In addition the Debt Caseworkers obtained other financial gains for clients of £221,017 in total across all their services.

(d) In 2013 The Charity agreed to help fund a free Legal Advice Scheme annually in partnership with the Citizens Advice and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. In 2023/2024 the project assisted 172 clients and the total financial gains obtained for clients as a result of this project, were in excess of £446,745 in new financial gains and £138,156 in maintaining current entitlement during the year and. In addition, Citizens Advice Worcester assisted clients to obtain financial gains of over £3million from all Citizens Advice services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially.

(e) In 2024 the Committee awarded education grants of: £20,494 to DanceFest, £16,233 to All Sorts of Performing Arts, and £45,691, (50/50 Education and Respite for carers), to Worcester Community Trust providing educational facilities, and youth facilities in Worcester (see page12).

(f) The Committee agreed to continue leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent, together with an annual grant of £42,944 to help pay the salaries of a part-time curator and part-time assistant.

(g) The Committee awarded 2 grants of £1,000 totalling £2,000 (2023, 1 grant totalling £1,000) to individuals in need of financial assistance with their education (see page 12).

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE NON-RETIRED HOMELESS

The Charity owns two complexes of Retirement Almshouses:

(i) Berkeley Court, The Foregate - 7 flats and

(ii) Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community/meeting room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on their reserves' levels not exceeding one year's income.

The residents' accommodation charges were reviewed in The Period. All bar one of the residents received Housing Benefit. In The Period three residents left and four were appointed.

Resident Part-time Wardens: Julie Clayton, continues to provide a very high standard of first line support and care-taking at Nash's and Wyatt's. In 2022 we welcomed Darren Dodd to Berkeley Court who was appointed with his partner Gillian. They have settled in well, and contributed very positively to the new shared wardens' service for the two sites.

Applicants for sheltered housing are eligible for an Almshouse flat if they have lived in Worcester for more than 12 months, are retirement age, receive a low income and entitled to housing benefit. Special consideration will be given if their present accommodation is inadequate and in need of an on-site Warden for security, advice and support. On admission, they should be capable of living independently and should not have substantial savings or a property that could be sold, producing sufficient funds to buy somewhere suitable. If a vacancy arises and there is no one eligible on the Charity's waiting list the accommodation will be advertised in the local press under accommodation available.

Berkeley Court, Foregate Street - 7 flats

Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually.

The Trustees believed the single homeless under retirement age were by far the neediest group in Worcester, as there is no statutory priority for local authorities to rehouse the single unintentionally homeless unless they are also assessed as vulnerable.

- The Charity joined the "Almshouse Consortium Ltd" which provides access to grants available from Homes England to help with new housing projects.
- The Charity entered a partnership agreement with Citizens Advice Worcester for their "SmartLets" unit to manage all the intended new flats for the single homeless in return for 15% of the rental income. "SmartLets" already had a successful 13 years' track record of managing one bed flats for the homeless in private sector and housing association leased properties. Support for the residents was readily available from the Citizens Advice Office nearby as all the new properties were city centre based.
- Following discussions with two of the Charity's own shop tenants who were suffering financially from the High Street recession, a deal was done to reduce their rents in exchange for surrendering their leases upstairs for conversion to 6 new flats for the single homeless. Subsequently other suitable properties were purchased and converted into one bedroom flats.
- The Charity registered as a Housing Association and registered with the Charity Commission as a CIO (Charitable Incorporated Organisation).
- **In total, between 2013 – 2023, the Charity created a total of 68 new City Centre "affordable rent" almshouses for the single homeless. Commercial property worth £1,512,000 was sold to help finance the project and Homes England awarded housing grants of £1,529,633.**

2013 - 9 Sansome Place
6 studio flats

2014 - 16/17 St. Swithin's Street
6 one bedroom flats over the shops

2016 - 21 The Cross
3 one bedroom flats over the shops

2017 - 15 St. Swithin's Street 4 bedroom HMO over the shop

2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat & a shop/office

2017 - 59-60 The Tything
2 one bedroom flats over the shop

2018 - Sir Thomas White Court
conversion of offices and car park to 10 new one bedroom flats

2019 - 8 Sansome Place
2 one bedroom flats

2020/21 - "Stillingfleet House", 3-4 Shaw Street, office conversion to 25 one bedroom flats

2022/23 - Inglethorpe Court, office conversion to 4 one bedroom flats

10. GRANTS AWARDED IN 2024 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS

Grants determined by Constitution	**£**
Palmer's Educational Foundation	1,141*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

		£
Allsorts of Performing Arts	Running Costs	16,233*
Armchair furniture recycling	Running Costs, free furniture - means tested	18,998
Citizens Advice	Running Costs, advice, support, legal aid	205,865~
Dancefest	Dance lessons, (social housing areas)	20,494*
Maggs Day Centre	Running Costs, Worcester day centre, clothing project	35,211
Worcester Community Trust	Youth work schemes (social housing areas)	45,691*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	42,944*

Total £386,577

* Educational grants
# 50/50 relief in need and education.
~ Citizens Advice core support costs £123,519 - 60%; legal aid project £36,026 - 17.5%; money advisor £41,173 - 20%; ethnicity training & language (education) £5,147 - 2.5%;

INDIVIDUAL GRANTS

	£
Education grants	2,000*
Relief in Need, Carpet Grants and others under £1,000	28,406
Relief in Need Grants for white goods under £1,000	3,552
Total £33,958	

The Charity's Grand Total (excluding DWAS) £420,535

	£
"Homes for Ukraine" Carpet Grants	9,481
DWAS Relief in Need grants under £1,000 for white goods	(net) 91,396

The grants included educational grants and the following essential household and personal items: *Carpets, Washing Machines, Cookers, Fridges, Fridge Freezers, Clothing Grants, Removal Costs, DRO costs, Fencing and "other household items"*

Grand Total £521,412

WORCESTER MUNICIPAL CHARITIES (CIO) GRANTS POLICY

11. Grants for "Relief in Need" and to "Promote Education for Individuals in Need" **General Policies & Practices** - Advice for Support Workers & Applicants:

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care and family services - Worcestershire Children First www.worcestershire.gov.uk/worcestershire-children-first
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like "Sky TV" rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for "essential" items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as "essential" those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a "relief in need" grant based on family income and expenditure.

WORCESTER MUNICIPAL CHARITIES (CIO)

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2024

Since 1996 the Charity has been sponsoring subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN Estimated Capital & Rental Value p.a.	Capital	Rental Value
20	**1996** - 6B Checketts Lane Trading Estate, Leasehold. Let to: **Armchair Furniture Recycling**. 50 years' lease bought from this Charity by Armchair for a premium.	£5,000	Nil
41	**2006** - **Old Glove Factory*** 13 Lowesmoor, Freehold Let to: **Citizens Advice and Maggs Day Centre for the Homeless.**	£850,000	£50,000
44	**2008 -Tudor House Museum***, Leasehold 125 yrs Lease bought from the City Council for £100,000 Let to: **Worcester Heritage & Amenity Trust.** (Education)	£100,000	£8,000
43	**2009** - **St. Albans Chapel, Deansway,** Leasehold 150 yrs Leased from the Diocese for a Premium of £47,500 Let to: **Maggs Day Centre for the Homeless**	£50,000	£4,000
46	**2012** - **Medway Community Centre,*** Leasehold 50 yrs. Gifted free by the City Council Being let to: **The Lighthouse Pre-School Nursery (Education)**	£75,000	£6,000
53	**2017** - **Maggs Clothing Shop** 59/60 the Tything, Freehold. Offices, 2 homeless flats. Purchased 2016 £326,000. Let to: **Maggs Day Centre for the Homeless**	£250,000	£24,000
	Total facilities in kind provided in this period:		**£92,000**

***The Charity has a constitutional duty to spend 12% of its nett income on education.

THE CHARITY PROVIDES RENT FREE PROPERTIES FOR OTHER CHARITIES

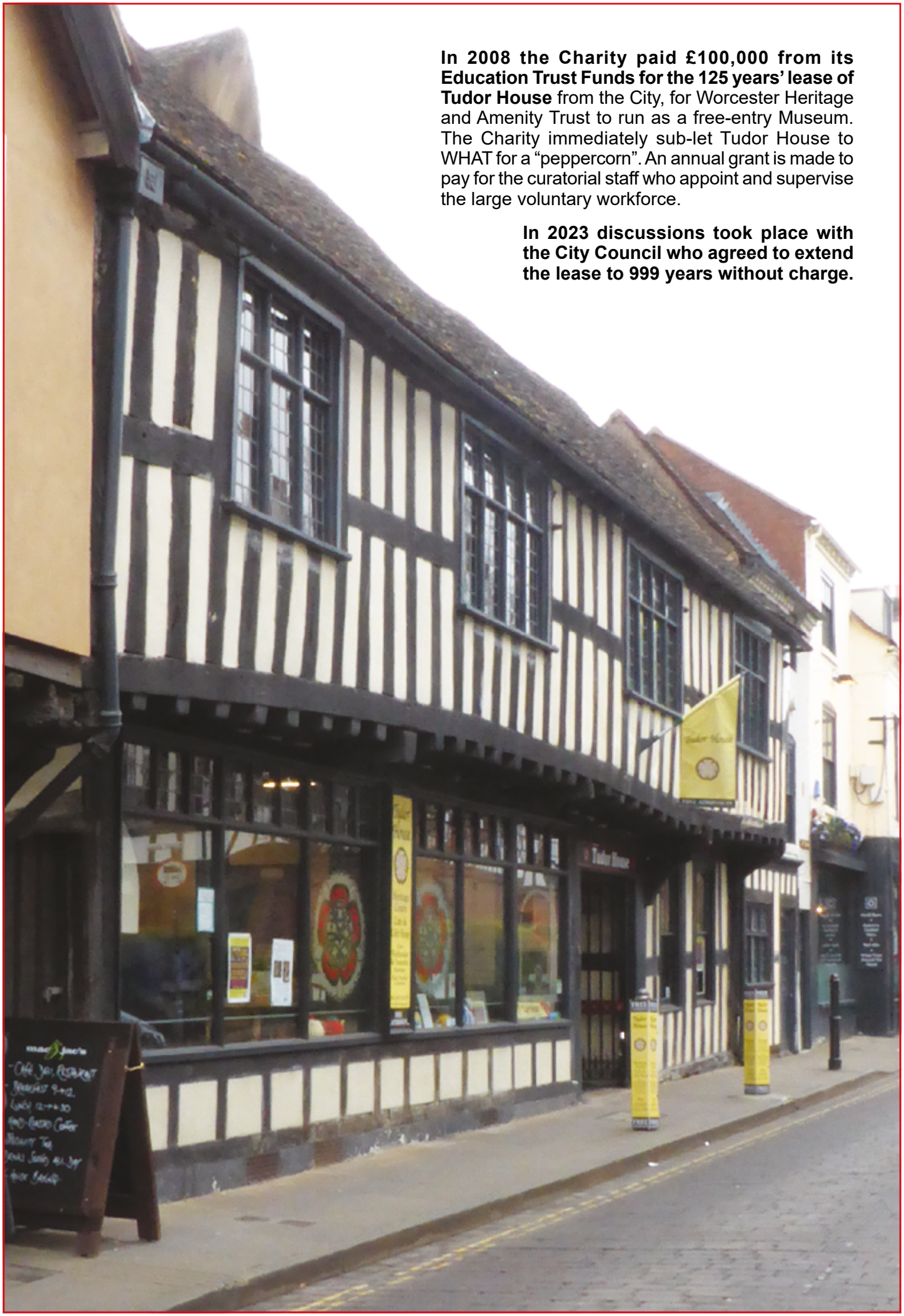
2016 - 59-60 The Tything purchased by the Charity for Maggs Clothing Project, Maggs Activity Centre and 2 Social Housing Flats

2009 - Maggs Day Centre for the Homeless
St Alban's Chapel, Grade 2 Listed Building and Ancient Monument provided rent free by the Charity

2006 - The Old Glove Factory, Grade II listed building.
The two shops at the front are occupied commercially. The Charity provides the rest of the property to Citizens Advice and Maggs Day Centre for the homeless rent free

1996 - 6B Checketts Lane Trading Estate
Armchair Furniture Recycling

2012 - Medway Community Centre
Let to All Sorts of Performing Arts on a peppercorn rent for their educational programme



In 2008 the Charity paid £100,000 from its Education Trust Funds for the 125 years' lease of Tudor House from the City, for Worcester Heritage and Amenity Trust to run as a free-entry Museum. The Charity immediately sub-let Tudor House to WHAT for a "peppercorn". An annual grant is made to pay for the curatorial staff who appoint and supervise the large voluntary workforce.

In 2023 discussions took place with the City Council who agreed to extend the lease to 999 years without charge.

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfil the registered charitable objectives for people in need, by using income from its annual funds, investments and properties to provide the income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Raising the Money to Spend on the Charitable Objectives

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is a legal requirement to review investments from time to time and to diversify investments.

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of **"affordable social housing"** - almshouses for **retired people** (32 units), and almshouses for the **non-retired homeless** (68 units).

Strategic Changes of Investment from 1985 Onwards

In the 1980s - The Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester.

The first major change was to charge a fair rent available from Social Security for the 32 retirement almshouse residents who were living rent-free. This produced additional income of £100,000+ a year.

Following an investment policy review in the late 1980s, and after a meeting with the Charity Commission in Liverpool, the Trustees began a wholesale, gradual transition from agricultural to commercial investments, including the gradual sale of all the agricultural holdings. This went smoothly with most farms being purchased by the tenants, many of the families having been in occupation for more than 100 years.

Between 1990 - 2012 building on that initial success, the Charity continued selling the farms, and also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. These two major policy changes effectively quadrupled the Charity's rental income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing grants, sponsorship and rent-free buildings for like-minded Worcester charities helping the most needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane; the bubble was bursting and new sustainable strategies were becoming urgent. As a result, when offices became vacant they were either sold, or converted into flats for the homeless. Flats were also created over the Charities' own shops where possible, with reduced rents for the shop-keepers below helping sustain their financial viability.

"Programme Related Investment"

In 2013 the Trustees decided to adopt this Charity Commission recognised definition for when a charity ***"uses assets to directly further the charity's aims, whilst also generating a financial return".***

The money to invest was raised from the sales below, and from the grants from Homes England which speeded up the whole process enormously, and also enabled the Charity to continue financial support and provide rent free offices to four other Worcester charities who were helping those in greatest need in Worcester.

- **2013 – 2018 Eight Properties Sold -** Eight commercial properties and land were sold for £2,114,100.00 and the money was invested in affordable flats for the homeless.
- **2017 – 2021 Four Properties Converted -** Four properties were converted into affordable flats for the homeless including the old Probation Offices (25 flats) and the former Home-Start offices (10 flats).
- **2017 – 2018 Social Investment Property Let** – The two shop fronts of the "The Old Glove Factory were let commercially, producing a rent gain of £15,740.
- **Grants from Homes England** totaling £1,730,000 were obtained after the Charity had registered as a private not for profit Housing Association in 2017.

In 2018 the Charity reviewed its Investment Policies and Procedures, and reported its findings to the Board at its January 2019 meeting. The Report demonstrated that the reinvestment strategy was both sustainable and diverse and, in particular, replaced the lost income of £150,000 from the 2018 vacation of the Shaw Street offices with income from the 25 new affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control.

Investment Returns Analysed

Between 1985 - 2018 the Charity recorded its income carefully, and the headline results are that the earned income from investments rose by an average compound increase of 6.35% every year compared to a UK average of 3.54%. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this policy has been put on hold following the departure of the Home Office as tenants of Shaw Street, with a subsequent loss of rental income of £150,000 annually. This required funding the refurbishment of 3-4 Shaw Street into 25 flats at a cost of £2.2 Million, towards which Homes England contributed £1 Million. However within two years the new rents had passed the previous level.

Routine Almshouse Maintenance

Between 1899 and 1985 the Charity "lost" 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Social Security/Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

In 2018/19 the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient.

Based on advice from the Almshouse Association, the routine maintenance figures for the 2024 budget were set at £1,765 for each of the 32 retirement units, and £1,383 for each of the 68 homelessness ones which have proved adequate.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Commercial Properties

The Returns on the "High Street" Commercial Properties of shops and offices are static, and do present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop in St. Swithins Street is easily the best and most popular in town, and looks set to continue its success.

The rent reviews due in 2024 were largely settled on a stand-still rent basis, apart from the retirement almshouses for which the Charity was usually entitled to CPI + 1%. The homelessness almshouses were also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed "Charity Alley". However it does have a wonderful footfall, as it provides the main pedestrian route to "The Shambles" and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens, and in the meantime, when the opportunity arises, and it's feasible, diversify into residential property for the homeless.

The Board regularly reviews its investment strategy and almshouse maintenance strategy, including consideration of where savings might be made, for example by installing solar panels and water meters both of which have been done where feasible.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of Sir Thomas White Court into 10 affordable flats for the homeless and appointed D & S, the chosen contractors as "preferred providers." It was agreed that in future the preferred provider would be used for all work under £500,000 unless they were unavailable, but their tenders would be checked regularly.

The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment Plans

There is no real shortage of retirement facilities for the elderly in Worcester.

Commercial high street shops and offices are on standstill rents. Any new capital, if it can be matched by Homes England grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2024	2023	Commentary
Reinvestment percentage	0%	0.13%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned.
Percentage of new supply delivered	0%	4%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end.
Social housing cost per unit	£6,317	£5,296	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	11.26%	16.67%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income.
Overall operating margin	-11.82%	-7.81%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	-1.16%	-0.77%	This is the overall operating margin divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a number of individual applications for assistance, there is an inbuilt unavoidable administration cost. In the Period the Charity spent £7,641 (0.53%) (2023 £6,987 0.48%) of gross income on Governance and £127,533 (8.91%) (2023 £120,753 8.47%) of gross income on Administration.

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned Quinquennial Property Valuations. The Commercial Properties were valued by Guise Jones Sawyer, and their successors GJS Dillon, and the agricultural properties by ARC Surveyors. The "Functional Properties", occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,880,000**, and 2020 **£14,532,000**. The next quinquennial valuation is due 31st December 2025.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd.

17. EXTRAORDINARY REPAIRS COMMERCIAL PROPERTY & ALMSHOUSES 2024

15,16 & 17 St Swithins - Upper Floors Windows	£ 49,271.00
15,16 & 17 St Swithins - Upper Floors External repairs	£ 98,442.00
19 Foregate Street Internal improvement works - Flat 3	£ 38,915.00
Berkeley Court - Roof and gutter repairs (roof tiles not inc £17,040 paid in 2023)	£ 45,979.00
Roof tiles accrual paid in 2023	£ 14,200.00
Berkeley Court - Scaffolding, road closure and traffic management	£ 24,867.00
Medway Community Centre - Heating Refurbishment	£ 15,047.00
TOTAL	£286,722.00 (net)

2024 has been another challenging year for major repairs with a number of unusually expensive items listed above.

The planned major roof repairs to the 18th Century Berkeley's Almshouses and refurbishment of two flats (pictured) have been halted due to an enforcement letter from the Council following a complaint about the type of wood being used on the roof. This will be the subject of a complaint against the City Council for Maladministration in 2025.

The refurbishment of two retirement almshouses at Nash's and Wyatt's Almshouses have also been halted due to cash flow problems arising from the enforced cessation at Berkeley's and the additional costs arising there-from.

18. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an “ad hoc” basis when required e.g. for a capital programme, and extraordinary repairs. Routine maintenance comes out of the annual budget. Each year until 2018 a contingency sum up to 10% was set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money was transferred to the reserves to purchase new investment properties when sufficient was available, to help the Charity at least keep pace with inflation.

Until 2018 this process brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2017 due to the need to spend £2.2 Million on creating 25 flats in 3/4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrived. In 2021 the arrival of the funds from the sale of the field at Welland was a timely and welcome addition.

However, since 2021-24 the Charity’s increases in annual income has failed significantly to keep pace with the high inflation national increases. No new property has been purchased due to insufficient capital funds available, which has resulted from the huge outgoings on refurbishing Shaw Street for residential use, the large capital payments for repairs to Castle House, the Old Glove Factory, 59/60 the Tything, 15, 16, 17 St Swithin's Street (pictured) and the retirement almshouses at Berkeley’s and Nash’s & Wyatt's New Street.

In 2022 the Government capped social housing rent increases but the actual increases allowed were acceptable and compared not unfavourably with local inflation.

The total funds of the Charity as at the year end amounted to £14,460,209 (2023 £14,651,791) consisting of endowment funds of £12,821,025 (2023 £12,844,664), restricted funds of £12,838 (2023 £nil) and designated funds, which are funds set aside by the Trustees for future projects of £251,609 (2023 £150,181), leaving unrestricted funds amounting to £1,374,737 (2023 £1,656,946).

Free reserves after making allowances for tangible fixed assets, investment properties and long term borrowings amounted to £224,104 (2023 £528,832). "New Risks" form the first agenda item for all Board meetings.

19. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups after considering UK CPIH inflation. In 2024 the staff and self-employed staff were awarded an increase of 6.7%

20. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2024 there were no “serious incidents” to report.

21. THE CHARITY'S PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	ACQUIRED	ACQUIRING CHARITY~	TENANT/OCCUPANT
1.**	**2 St Swithin's Street**	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	**3 St Swithin's Street**	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	**15 St Within's St, Ground Floor**	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	**15 St Swithin's Street**	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	**1 The Cross**	Bank	1618	Inglethorpe's	National Westminster
5.	**16 St Within's St, Ground Floor**	Shop	1618	Inglethorpe's	Headway
6.	**17 St Within's St, Ground Floor**	Shop	1618	Inglethorpe's	Scope
6A.	**16/17 St Swithin's St, Upper Floors**	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	**Nash's & Wyatt's Court**	25 Social Housing Units	1661	Nash's	25 Residents
8.	**25 Nash's & Wyatt's Court**	1 Flat	1661	Nash's	Warden's Flat
9.	**13 Nash's & Wyatt's Court**	Community Room	1661	Nash's	Residents
10.*	**Berkeley Court**	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	**Kateryn Heywood House**	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	**Berkeley's Chapel**	Community Room	1692	Berkeley's	Residents & charities
13.*	**The Gatehouse, Berkeley Court**	Warden's House	1692	Berkeley's	Warden's House
14.*	**The Cellar, Berkeley Court**	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	**22 The Cross, Ground** 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	**3 - 4 Shaw Street**	25 Social Housing Units	1994	WCMC/WMEF	Citizens Advice 25 Residents
19.#	**6A Checkett's Lane Ind. Est.**	Offices	1996	WCMC	Ocean Blue
20.#	**6B Checkett's Lane Ind. Est.**	Furniture Store	1996	WCMC	Armchair
21.	**Castle House, Castle Street**	Offices & Car Park	1997	WCMC	Cranstoun
22.	**20 Church St, Evesham**	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	**Sir Thomas White Court**	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	**1 & 2 Inglethorpe Court**	4 Social Housing Units	2000	WCMC	Citizens Advice 4 Residents
32.	**Crown Lane Wychbold 1**	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	**Crown Lane Wychbold 2**	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	**8 Sansome Place**	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	**Old Glove Factory** (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	**Old Glove Factory** (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	**Old Glove Factory** (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	**St Albans, Deansway**	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	**Tudor House, Friar Street**	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	**Medway Road Community Centre**	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	**9 Sansome Place**	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
51.**#	**21 The Cross**	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	**19 Foregate Street**	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	**19 Foregate Street**	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	**59/60 The Tything**	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	**59/60 The Tything**	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

*** = Grade I Listed ** = Grade II Listed **S = Grade II* Listed AM = Ancient Monument**
 # Leasehold - All other properties are freehold

22. CONCLUSION AND COMMENT

a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.

b) **A brief ancient history** of the Charity and the Chapel is published. Please visit the web site.

c) **"While the World Endureth" a major history** of the Charity since 1559 was published in 2020 and can be viewed on our website, at the Hive Library, or purchased from the office for £27.

d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services, often in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.

g) **In 2013** the Government "Social Fund" which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2024 bought white goods to the value of £91,396(net) and carpets to the value of £9,481 for Worcester City's, Homes for Ukraine scheme, thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until 2022 which has since been rolled over.

h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.

j) The **Country** does seem to be on a retrograde journey, back to the old Victorian welfare values of "help yourself or go without, try the food banks or charities". The pace of this process has been accelerated by the recession, "the cost of living crisis", welfare cuts, the introduction of Universal Credit and the Government's reductions in grant aid to Local Authorities who, in turn, have cut grants to charities.

k) **The Coronavirus from 2020 onwards** has deprived many charities of earned income and some have been forced out of business.

l) **On paper** this principle of "self help and find a job" may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.

m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and way beyond the resources of charities on their own.

n) **As well as offering help to individuals in need** the Charity is also empowered to help organisations that provide help to them.

Page 12 provides details of the grants made to organisations for The Period.

Page 14 sets out the "Facility Gifts in Kind" to a number of charities for The Period.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

23. LEGISLATION, POLICIES, PROCEDURES AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE
The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register reviewed monthly
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS
FRS 102 applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES
Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for extraordinary repairs and capital projects - 10% revenue contingency

REVIEWS
A review of all policies, procedures, practices and compliance is completed annually

24. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS
Hallmark Whatley Hulme
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS
Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS
Lett + Sweetland Architects
PO Box 1008
Worcester
WR1 9EJ Tel. 01905 353768

COMMERCIAL VALUERS
GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd
Adrian Robinson, MRICS
The Cedar Office
5 Thackholme
Worcester WR4 0RZ Tel. 01684 576077

AUDITORS
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 27, was approved and signed on behalf of the Board of Trustees together with the audited Accounts pages 28 - 58 and presented to their meeting on 25th June 2025.

Paul Griffith

PAUL GRIFFITH, MBE (Chairman)

Geraint Thomas

GERAINT THOMAS (Vice-Chairman)

25. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 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 operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained.

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made.

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity.

Audit response to risks identfiied

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same.

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Morley BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

Sarah Morley
.....

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Current financial year

	Notes	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
Income and endowments from:							
Donations and legacies	**3**	2,081	-	136,548	-	138,629	256,430
Charitable activities	**4**	1,212,651	-	-	-	1,212,651	1,140,985
Investments	**5**	14,083	-	-	-	14,083	16,975
Other income	**6**	26,592	39,348	-	-	65,940	9,845
Total income		1,255,407	39,348	136,548	-	1,431,303	1,424,235
Expenditure on:							
Charitable activities							
Grant making	**7**	437,333	-	123,710	-	561,043	651,329
Sheltered housing	**7**	343,547	-	-	-	343,547	298,630
Social housing	**7**	288,198	-	-	-	288,198	230,962
Commercial property	**7**	387,332	20,328	-	-	407,660	354,570
Total expenditure		1,456,410	20,328	123,710	-	1,600,448	1,535,491
Net gains/(losses) on investments	**13**	1,202	-	-	-	1,202	(1,311)
Net (expenditure)/income before transfers		(199,801)	19,020	12,838	-	(167,943)	(112,567)
Gross transfers between funds	**14**	(82,408)	82,408	-	-	-	-
Net (expenditure)/income		(282,209)	101,428	12,838	-	(167,943)	(112,567)
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(23,639)	(23,639)	(8,983)
Net movement in funds		(282,209)	101,428	12,838	(23,639)	(191,582)	(121,550)
Fund balances at 1 January 2024		1,656,946	150,181	-	12,844,664	14,651,791	14,773,341
Fund balances at 31 December 2024		1,374,737	251,609	12,838	12,821,025	14,460,209	14,651,791

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

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Prior financial year

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income and endowments from:						
Donations and legacies	**3**	139	-	256,291	-	256,430
Charitable activities	**4**	1,140,985	-	-	-	1,140,985
Investments	**5**	16,975	-	-	-	16,975
Other income	**6**	8,845	1,000	-	-	9,845
Total income		1,166,944	1,000	256,291	-	1,424,235
Expenditure on:						
Charitable activities						
Grant making	**7**	435,266	-	216,063	-	651,329
Sheltered housing	**7**	298,630	-	-	-	298,630
Social housing	**7**	230,962	-	-	-	230,962
Commercial property	**7**	354,570	-	-	-	354,570
Total expenditure		1,319,428	-	216,063	-	1,535,491
Net gains/(losses) on investments	**13**	(1,311)	-	-	-	(1,311)
Net (expenditure)/income before transfers		(153,795)	1,000	40,228	-	(112,567)
Gross transfers between funds	**14**	(19,040)	69,040	(50,000)	-	-
Net (expenditure)/income		(172,835)	70,040	(9,772)	-	(112,567)
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	-	(8,983)	(8,983)
Net movement in funds		(172,835)	70,040	(9,772)	(8,983)	(121,550)
Fund balances at 1 January 2023		1,829,781	80,141	9,772	12,853,647	14,773,341
Fund balances at 31 December 2023		1,656,946	150,181	-	12,844,664	14,651,791

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

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**16**		6,907,694		6,906,976
Investment property	**17**		7,564,192		7,562,831
Investments	**18**		33,859		32,657
			14,505,745		14,502,464
Current assets					
Debtors	**20**	249,440		221,846	
Cash at bank and in hand		457,050		734,507	
		706,490		956,353	
Creditors: amounts falling due within one year	**21**	(410,856)		(445,416)	
Net current assets			295,634		510,937
Total assets less current liabilities			14,801,379		15,013,401
Creditors: amounts falling due after more than one year	**23**		(341,170)		(361,610)
Net assets			14,460,209		14,651,791
The funds of the charity					
Endowment funds	**26**		12,821,025		12,844,664
Restricted income funds	**27**		12,838		-
Unrestricted funds - general			1,374,737		1,656,946
Unrestricted funds - designated	**28**		251,609		150,181
			14,460,209		14,651,791

The financial statements were approved by the Trustees on .....

Paul Griffith

Paul Griffith MBE

Geraint Thomas

Geraint Thomas

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash absorbed by operations	**32**		(245,352)		(113,403)
Investing activities					
Purchase of tangible fixed assets		(25,078)		(9,089)	
Purchase of investment property		(1,361)		(7,202)	
Interest received		14,083		16,975	
Net cash (used in)/generated from investing activities			(12,356)		684
Financing activities					
Repayment of borrowings		(19,749)		(15,670)	
Net cash used in financing activities			(19,749)		(15,670)
Net decrease in cash and cash equivalents			(277,457)		(128,389)
Cash and cash equivalents at beginning of year			734,507		862,896
Cash and cash equivalents at end of year			457,050		734,507

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) registered in England and Wales (number 1166931) and a non-profit private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The Parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). Having regard to the disclosure of additional information in connection with the charitable activities undertaken in respect of housing.The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about its ability to continue. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

1 Accounting policies **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts due under tenancy agreements net of VAT where applicable.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal value for sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of property

As described at note 1.6, the charity carries certain of the properties held at valuation. A full valuation is performed by professional surveyors every five years, at intervening reporting dates the Trustees review the portfolio and assess if there has been any material change in that valuation.

Fixed asset investments

The fair value of investments as referred to in note 1.8 is determined by reference to the valuation report prepared by the fund managers, which is based on market value at the reporting date, being the best estimate of fair value.

3 Donations and grants received

	Unrestricted funds general 2024 £	**Restricted funds 2024 £**	**Total 2024 £**	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	2,081	-	2,081	139	-	139
Grants received	-	136,548	136,548	-	256,291	256,291
	2,081	136,548	138,629	139	256,291	256,430

4 Rental income

	Sheltered housing 2024	Social housing 2024	Investment properties 2024	Total 2024	Sheltered housing 2023	Social housing 2023	Investment properties 2023	Total 2023
	£	£	£	£	£	£	£	£
Charitable rental income	273,148	432,680	482,845	1,188,673	234,047	397,007	487,494	1,118,548
Service charges	6,069	-	17,909	23,978	4,481	-	17,956	22,437
	279,217	432,680	500,754	1,212,651	238,528	397,007	505,450	1,140,985

5 Investments

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Income from listed investments	1,699	1,737
Interest receivable	12,384	15,238
	14,083	16,975

6 Other income

	Unrestricted funds general 2024 £	**Unrestricted funds designated 2024 £**	**Total 2024 £**	**Unrestricted funds general 2023 £**	**Unrestricted funds designated 2023 £**	**Total 2023 £**
Other income	26,592	39,348	65,940	8,845	1,000	9,845

Other income includes an amount of £58,635 received from an insurance claim.

7 Charitable activities

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2024	Total 2023
	2024	2024	2024	2024		
	£	£	£	£	£	£
Staff costs	6,945	46,421	7,338	-	60,704	56,201
Welfare costs	-	13,218	-	-	13,218	12,041
Routine maintenance	-	65,488	115,493	83,560	264,541	209,114
Heat and power	-	39,183	-	-	39,183	31,028
Rates	-	13,798	-	-	13,798	12,626
Management costs	-	-	62,708	-	62,708	59,202
Unreimbursed costs	-	-	-	3,792	3,792	4,773
Cleaning and hygiene	-	6,657	-	-	6,657	2,039
Refurbishment costs	-	85,047	-	201,675	286,722	287,899
Rent and service charge	-	7,487	-	-	7,487	9,062
	6,945	277,299	185,539	289,027	758,810	683,985
Grant funding of activities (see note 8)	521,412	-	-	-	521,412	601,667
Share of support costs (see note 10)	32,088	64,628	100,149	115,720	312,585	242,852
Share of governance costs (see note 10)	598	1,620	2,510	2,913	7,641	6,987
	561,043	343,547	288,198	407,660	1,600,448	1,535,491
Analysis by fund						
Unrestricted funds - general	437,333	343,547	288,198	387,332	1,456,410	1,319,428
Unrestricted funds - designated	-	-	-	20,328	20,328	-
Restricted funds	123,710	-	-	-	123,710	216,063
	561,043	343,547	288,198	407,660	1,600,448	1,535,491

7 Charitable activities **(Continued)**

For the year ended 31 December 2023

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2023
	£	£	£	£	£
Staff costs	6,674	49,527	-	-	56,201
Welfare costs	-	12,041	-	-	12,041
Routine maintenance	-	60,039	99,786	49,289	209,114
Heat and power	-	31,028	-	-	31,028
Rates	-	12,626	-	-	12,626
Management costs	-	-	59,202	-	59,202
Unreimbursed costs	-	-	-	4,773	4,773
Cleaning and hygiene	-	2,039	-	-	2,039
Refurbishment costs	-	79,025	-	208,874	287,899
Rent and service charge	-	9,062	-	-	9,062
	6,674	255,387	158,988	262,936	683,985
Grant funding of activities (see note 8)	601,667	-	-	-	601,667
Share of support costs (see note 10)	41,789	42,033	69,960	89,070	242,852
Share of governance costs (see note 10)	1,199	1,210	2,014	2,564	6,987
	651,329	298,630	230,962	354,570	1,535,491
Analysis by fund					
Unrestricted funds - general	435,266	298,630	230,962	354,570	1,319,428
Restricted funds	216,063	-	-	-	216,063
	651,329	298,630	230,962	354,570	1,535,491

8 Grants awarded

	Grant making 2024 £	Grant making 2023 £
Grants to institutions:		
Maggs Day Centre	35,211	33,000
Citizens Advice Worcester	205,865	192,938
Armchair	18,998	17,805
Shopmobility	-	7,000
Worcester Community Trust	45,691	42,822
WHAT	42,944	40,248
Dancefest	20,494	19,207
All Sorts of Performing Arts	16,233	15,214
John Palmer	1,141	1,080
	386,577	369,314
Grants to individuals (100 (2023 -142) grants)		
Relief in need and carpets	28,406	40,913
Educational	2,000	1,000
White goods	3,552	4,149
DWAS	100,877	186,291
	521,412	601,667

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and none of the trustees were re-imbursed expenses (2023 none of the trustees were re-imbursed).

10 Support costs

	Support costs	Governance costs	2024	2023	Basis of allocation
	£	£	£	£	
Staff costs	66,024	-	66,024	67,124	*Charitable activities*
Depreciation	721	-	721	846	*Charitable activities*
Office running costs	7,017	-	7,017	4,779	*Charitable activities*
Accountancy	3,495	-	3,495	3,913	*Charitable activities*
Bank charges and subscriptions	2,330	-	2,330	1,720	*Charitable activities*
IT and software	3,778	-	3,778	3,975	*Charitable activities*
Sundries	307	-	307	4,422	*Charitable activities*
Irrecoverable VAT	79,019	-	79,019	44,594	*Charitable activities*
Telephone	150	-	150	784	*Charitable activities*
Insurance	51,871	-	51,871	53,742	*Charitable activities*
Business manager fees	12,376	-	12,376	6,362	*Charitable activities*
Surveyor fees	51,515	-	51,515	19,341	*Charitable activities*
Legal & professional	2,320	-	2,320	-	*Charitable activities*
Bank loan interest	31,662	-	31,662	31,250	*Charitable activities*
Audit fees	-	6,800	6,800	5,850	*Governance*
Meeting expenses	-	841	841	1,137	*Governance*
	312,585	7,641	320,226	249,839	
Analysed between					
Charitable activities	312,585	7,641	320,226	249,839	

11 Auditor's remuneration

Governance costs includes payment to the auditors of £6,050 (2023: £5,100) for audit fees together with £750 (2023 - £750) for other services provided.

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Support	3	3
Warden	2	2
	5	5

Employment costs	2024 £	2023 £
Wages and salaries	116,986	111,961
Social security costs	3,139	5,047
Other pension costs	6,603	6,317
	126,728	123,325

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Revaluation of investments	1,202	(1,311)

14 Transfers

During both the current and preceding year transfers were effected from the unrestricted and designated funds to reflect the contributions made towards the WHAT and provision of future repair sinking funds.

15 Accommodation owned, managed and in development

	Number of units 1 January 2024	Number of units 31 December 2024
Social housing		
General needs housing:		
Let at social rent	-	-
Affordable rent	68	68
Supported housing	32	32
Total owned and managed	100	100
Accommodation in development	-	-

Net surplus from social and sheltered housing

	2024		2023	
	Social	Sheltered	Social	Sheltered
Rental income	432,680	273,148	397,007	234,047
Service charges	-	6,069	-	4,481
	432,680	279,217	397,007	238,528
Operating costs				
Staff costs	(7,338)	(46,421)	-	(49,527)
Routine maintenance	(115,493)	(65,488)	(99,786)	(60,039)
Welfare	-	(13,218)	-	(12,041)
Heat and light	-	(39,183)	-	(31,028)
Rent and service charge	-	(7,487)	-	(9,062)
Rates	-	(13,798)	-	(12,626)
Cleaning and hygiene	-	(6,657)	-	(2,039)
Management cost	(62,708)	-	(59,202)	-
Refurbishment costs	-	(85,047)	-	(79,025)
Administrative expenditure				
Share of support costs	(100,149)	(64,628)	(69,960)	(42,033)
Share of governance costs	(2,510)	(1,620)	(2,014)	(1,210)
Net surplus / (deficit)	144,482	(64,330)	166,045	(60,102)

16 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2024	4,378,983	2,533,082	4,531	8,863	6,925,459
Additions	23,639	-	-	1,439	25,078
At 31 December 2024	4,402,622	2,533,082	4,531	10,302	6,950,537
Depreciation and impairment					
At 1 January 2024	8,983	-	2,576	6,924	18,483
Depreciation charged in the year	-	-	196	525	721
Impairment losses	23,639	-	-	-	23,639
At 31 December 2024	32,622	-	2,772	7,449	42,843
Carrying amount					
At 31 December 2024	4,370,000	2,533,082	1,759	2,853	6,907,694
At 31 December 2023	4,370,000	2,533,082	1,955	1,939	6,906,976

The carrying value of land and buildings comprises:

	2024	2023
	£	£
Freehold	4,370,000	4,370,000
Long leasehold	2,533,082	2,533,082
	6,903,082	6,903,082

17 Investment property

	Commercial properties	Social investment properties	Social investment properties	2024
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2024	6,077,000	850,000	635,831	7,562,831
Additions	-	-	1,361	1,361
At 31 December 2024	6,077,000	850,000	637,192	7,564,192

17 Investment property **(Continued)**

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	32,657
Valuation changes	1,202
At 31 December 2024	33,859
Carrying amount	
At 31 December 2024	33,859
At 31 December 2023	32,657

19 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	33,859	32,657

20 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	206,993	162,164
Other debtors	235	235
Prepayments and accrued income	41,703	53,578
	248,931	215,977

20 Debtors (Continued)

	2024	2023
Amounts falling due after more than one year:	**£**	**£**
Other debtors	509	5,869
Total debtors	249,440	221,846

21 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	**£**
Bank loans	**24**	33,391	32,700
Other taxation and social security		16,367	16,033
Deferred income	**22**	96,302	101,042
Grants payable		140,258	132,684
Other creditors		91,306	142,599
Accruals and deferred income		33,232	20,358
		410,856	445,416

22 Deferred income

	2024	2023
	£	**£**
Arising from rents paid in advance	96,302	101,042

All the above relate to the following period and are released in full.

23 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	**£**
Bank loans	**24**	341,170	361,610

24 Loans and overdrafts

	2024	2023
	£	£
Bank loans	374,561	394,310
Payable within one year	33,391	32,700
Payable after one year	341,170	361,610
Amounts included above which fall due after five years:		
Payable by instalments	176,340	216,444

The long-term loan is secured by a fixed charge over the freehold property situated at 1 The Cross, Worcester.

25 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	6,603	6,317

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

26 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated						Movement in funds				
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2024
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	12,853,647	-	-	-	(8,983)	12,844,664	-	-	-	(23,639)	12,821,025
	12,853,647	-	-	-	(8,983)	12,844,664	-	-	-	(23,639)	12,821,025

27 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

		Movement in funds				Movement in funds		
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£	£	£	£	£
DWAS	-	186,291	(186,291)	-	-	100,878	(100,878)	-
Homes England	-	50,000	-	(50,000)	-	-	-	-
Platform and WCC carpet grant	9,772	20,000	(29,772)	-	-	35,670	(22,832)	12,838
	9,772	256,291	(216,063)	(50,000)	-	136,548	(123,710)	12,838

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant in respect to the development of 1+2 Inglethorpe Court

28 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Tudor House	38,589	1,000	(1,606)	(1,000)	36,983
Sinking fund	111,592	-	-	83,408	195,000
Insurance	-	38,348	(18,722)	-	19,626
	150,181	39,348	(20,328)	82,408	251,609

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Tudor House	28,589	1,000	-	9,000	38,589
Sinking fund for future repairs	51,552	-	-	60,040	111,592
	80,141	1,000	-	69,040	150,181

The insurance fund is in relation to repair work on 17 St Swithin's street due to flood damage

29 Analysis of net assets between funds

	Unrestricted 2024	**Designated 2024**	**Restricted 2024**	**Endowment 2024**	**Total 2024**	Unrestricted 2023	Designated 2023	Restricted 2023	Endowment 2023	Total 2023
	£	**£**	**£**	**£**	**£**	£	£	£	£	£
Fund balances at 31 December 2024 are represented by:										
Tangible assets	4,611	-	-	6,903,083	6,907,694	3,893	-	-	6,903,083	6,906,976
Investment properties	1,487,192	-	-	6,077,000	7,564,192	1,485,831	-	-	6,077,000	7,562,831
Investments	-	-	-	33,859	33,859	-	-	-	32,657	32,657
Current assets/(liabilities)	224,104	251,609	12,838	(192,917)	295,634	528,832	150,181	-	(168,076)	510,937
Long term liabilities	(341,170)	-	-	-	(341,170)	(361,610)	-	-	-	(361,610)
	1,374,737	251,609	12,838	12,821,025	14,460,209	1,656,946	150,181	-	12,844,664	14,651,791

30 Capital commitments

At the year end £24,406 had been committed for non routine repair work.

31 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £50,000 (2023 - £46,240) to Citizens Advice Worcester and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £205,865 (2023 - £192,938) to Citizens Advice Worcester towards its running costs. Paul Griffith, is a trustee of this charity and of Citizens Advice Worcester. Geraint Thomas is a trustee of this Charity and employee of Citizens Advice Worcester.

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2023 - £24,000) and also made a grant of £35,211(2023 - £33,000) to Maggs Day Centre. Sue Osborne and Clive Skidmore were Trustees of this charity and of Maggs Day Centre during the year.

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 was paid to the WCMC predecessor charity for a 50 year lease in 1996. A grant of £18,998 (2023 - £17,805) was made to Armchair. Margaret Jones, Mel Kirk and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2023 - £8,000) and also made a grant over two years of £42,944 (2023 - £40,247) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

A grant of £1,141 (2023 - £1,080) was made to the John Palmer Educational Foundation. Margaret Jones was a Trustee of this charity and of the John Palmer Educational Foundation during the year.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	126,727	123,325

32 Cash generated from operations

	2024	2023
	£	£
Deficit for the year	(186,457)	(121,400)
Adjustments for:		
Investment income recognised in statement of financial activities	(14,083)	(16,975)
Fair value gains and losses on investments	(1,202)	1,311
Depreciation and impairment of tangible fixed assets	24,360	9,828
Movements in working capital:		
(Increase)/decrease in debtors	(32,719)	6,412
(Decrease)/increase in creditors	(30,511)	7,421
(Decrease) in deferred income	(4,740)	-
Cash absorbed by operations	(245,352)	(113,403)

33 Analysis of changes in net funds

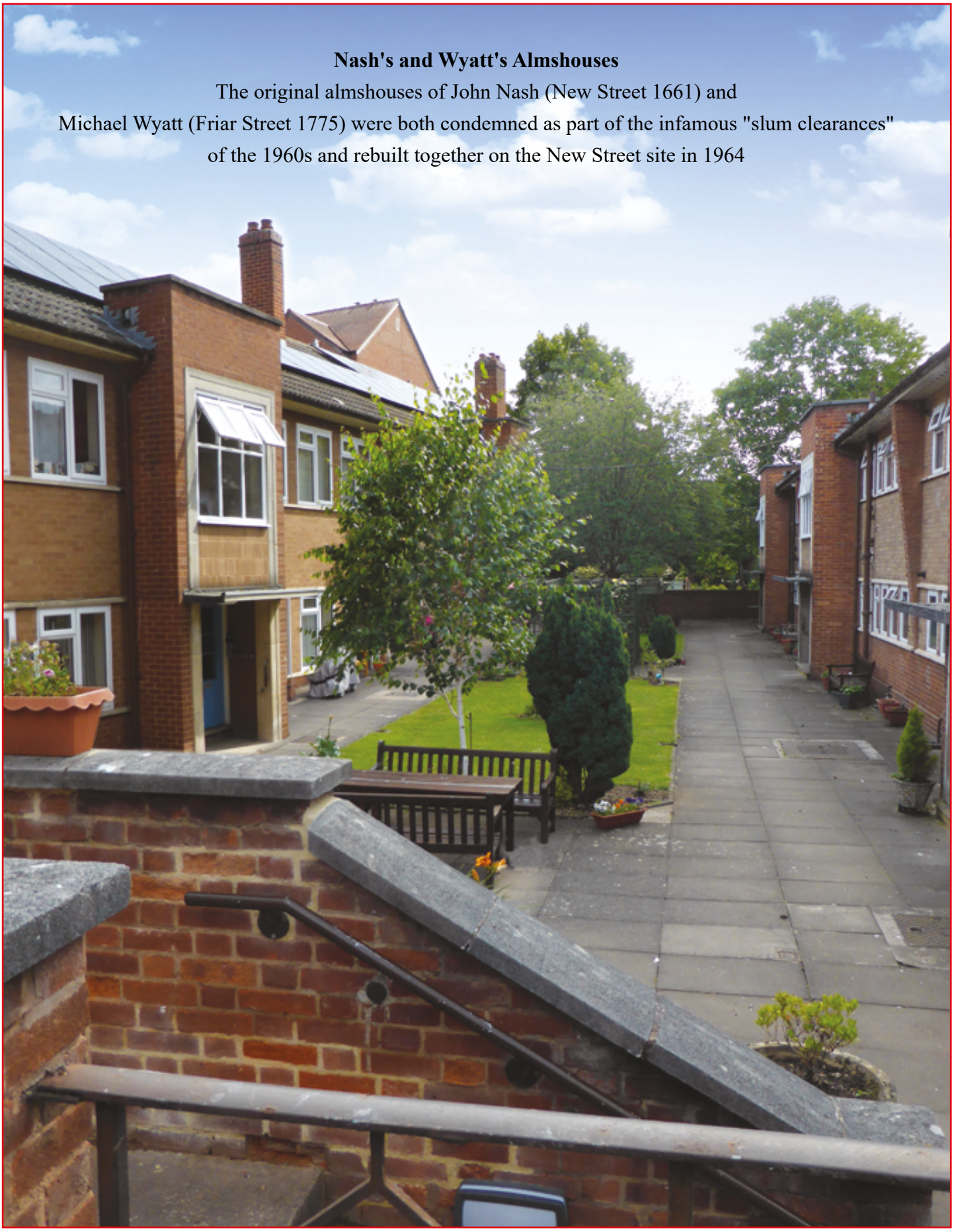
	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	734,507	(277,457)	457,050
Loans falling due within one year	(32,700)	(691)	(33,391)
Loans falling due after more than one year	(361,610)	20,440	(341,170)
	340,197	(257,708)	82,489

These restored plaques commemorate the site of the original John Nash Almshouses, located within the rebuilt Nash's and Wyatt's Almshouses in New Street, which were reconstructed in 1964.

AR2024

Nash's and Wyatt's Almshouses

The original almshouses of John Nash (New Street 1661) and
Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances"
of the 1960s and rebuilt together on the New Street site in 1964



The full history of the Charity is published in a 512 page book which can be viewed at The Hive, Worcester WR1 3PD on our website or purchased from our office at the address below.

Worcester Municipal Charities (CIO)
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WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales - Charity number 1166931

Accounts

AR 2023

WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159

Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT
1st JANUARY – 31st DECEMBER 2023

This is the eighth Annual Report of the Charity which was created specifically by the Trustees in 2016 as the replacement Charity for Worcester Municipal Exhibitions Foundation (Education) and Worcester Consolidated Municipal Charity (Relief in Need & Almshouses), whose business, staff, assets and liabilities were vested in the new Charity on 1st July 2016, as a “Charitable Incorporated Organisation” which has very similar objects to the two unincorporated predecessor Charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months’ period ended 31st December 2023 (“The Period”). The Trustees have adopted the provisions of the Charities SORP "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 (CFRS 102) and the Housing SORP; Accounting by Registered Social Housing Providers update 2018."

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

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Website: www.wmcharities.org.uk

Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

Providing sheltered housing for seven residents, the Charity's offices, and the redundant Chapel, now used as a meeting room for Trustees, residents and also available for other charities to use free, providing they meet certain conditions such as not holding more than 1 year’s income in reserve.

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2023 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to 1st July 2016

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Note – In 2020 the Charity published **"While the World Endureth"**, a history of the Trust since 1559. Copies are available from the office @ cost price £27, or can be viewed on the website: http://www.wmcharities.org.uk

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

a) After Henry VIII dissolved the monasteries (1536 - 40) the new Church of England's behaviour inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation by Robert Youle in 1560 of the **St. Thomas's Day (or General) Charities**. They invested in properties and, from the rental income, handed out doles of two shillings per family, to a disorderly queue at the Guildhall on St. Thomas' Day December 21st, "Winter Solstice", the appointed day. The money was distributed indiscriminately, without reference to assessed need, (other than thirst!) and it was always possible to re-join the disorderly queue outside the Guildhall. This ***"very objectionable scheme"*** was discontinued in 1867.

b) The Municipal Corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly and honestly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the public charities throughout the land, and their national inquiries and discovery of widespread abuse of Trust led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.

c) In 1899 they were consolidated into one holding Charity, **the Worcester Consolidated Municipal Charity.** Of these 27 charities, the 6 primarily educational charities, were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same single body of Trustees from 1913 onwards.

d) On 4th May 2016 Worcester Municipal Charities CIO ("WMC (CIO)") was registered with the Charity Commission with registration no.1166931, and on vesting day 1st July 2016, the business, staff and all the assets and liabilities of the two predecessor charities were handed over to the new Charity, followed by the former ones being wound up.

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO, or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

The Trustees have agreed that "If 0.1% is less than £950 it will be increased to that amount.

Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

The Charity is administered by 17 Trustees.

Four are "appointed" by Worcester City Council; four are "nominated" by major beneficiary "stakeholder" charities, chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are "appointed" by the Independent Trustees and the Worcester City Council Appointed Trustees, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

Upon appointment, new Trustees receive an introductory tour of the Charity's office along with advice and information about the organisation. They are provided with copies of the Constitution and Rules, the Annual Report and Accounts, a History of the Charity, and a reference to the Charity Commission's publication CC3 "the Essential Trustee," which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

*Paul Griffith **I**, (Chairman), Geraint Thomas **Ch** (Vice Chairman), Roger Berry **I**, Tracy Biggs **N** Richard Boorn **N**, Paul Denham **I**, Jill Desayrah **N**, Graham Hughes **I**, Margaret Jones **I**, Mel Kirk **Ch**, Roger Knight **N**, Jonathan Newey **I**, Sue Osborne **Ch**, Margaret Panter **Ch**, Ron Rust **I**, Martyn Saunders **I**, Brenda Sheridan **I**.*

*(Two Trusteeships expired in the period, Jenny Barnes and Alan Tidy and they were replaced by Tracy Biggs **N** and Jill Desayrah **N**)*

***"I"* nine independent** co-opted by the Board for 5 years;

***"N"* four nominated by** the City Council for 4 years;

***"Ch"* four nominated to the Trustees** by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, MAGGS Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum). The Trustees will appoint the nominees if considered suitable with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year, with each property being visited once in every two years. The properties are all vested in the CIO as “Custodian” Charity.

A Grants Sub-Committee - meets monthly, to deal with the individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have joint delegated authority to make grants up to £1,000 in an emergency (£2,000 over Christmas).

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors Hallmark Whatley Hulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. (Full details of the Professional Advisers are on page 28).

The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester’s needy citizens. Thanks are also due to the staff pictured:

Top left to right Carlo Barentsen (Accountant), Adrian Robinson (Property Business Manager), Bottom left to right Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis.

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' “Mission” is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity’s Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**
- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN 2023

A. Major Events/Decisions by the Trustees

- ***Inglethorpe Court -*** *4 new flats for the single homeless, created in partnership with the Hopmarket Trust, opened formally by Robin Walker MP and Adrian Gregson the Mayor of Worcester on January 13th 2023. (Pictured on page12)*

- ***Tudor House Museum*** *- Secured a free grant of a 999 years lease from the City Council.*

- ***Continued the grants to 7 organisations****, being those that the Trustees believe:-*

  a) ***provide the most help to the poorest, in greatest need in Worcester*** *: - Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair (Furniture Re-Cycling), who have all been provided with free/subsidised premises and grants to assist with their work; and Worcester Community Trust towards their services in community centres and its outreach work.*

  b) ***provide free education in Worcester*** *:- the Tudor House Museum, All Sorts of Performing Arts and DanceFest, the first two of which were also provided with rent-free accommodation.*

- *Following the Government's closure of the* ***Social Fund*** *in 2013 the Charity won a contract with the City Council to manage the purchase and distribution of white goods in Worcester worth £186,291(net) (2022 £146,892 net), as part of the replacement* ***Discretionary Welfare Assistance Scheme*** *("DWAS"). The Charity won the contract again in 2017, which has been rolled over four times until 2023. The Charity does not charge the Council for this project in recognition of the relief it brings to the Charity's own grants' budget.*

- *The Charity increased staff salaries by 7% and regular grants to charities by 7%.*

- ***Extraordinary Repairs*** *- The Charity owns and leases a considerable number of ancient properties with very high maintenance costs. These have included continuing the major repairs to the 18th Century Berkeley's Almshouses and refurbishment of two retirement almshouses at Nash's and Wyatt's Almshouses. In addition the roof at Castle House needed completely replacing due to serious water ingress. All in all £287,899 (net) was spent on property repairs in 2023.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,424,235 was received, mainly rent from properties (2022 £1,429,147). Expenditure was £1,535,491 (2022 £1,478,042)

C. Summary of Property Owned

a) There are two Sheltered Housing "retirement" sites (32 almshouses) and eleven "affordable Housing sites" (68 flats) for the single homeless.

b) The Charity owns 16 Commercial Investment Properties with rental income.

c) 6" functional" properties are leased to charities on peppercorn rents as "facilities in kind" (see page 15)

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed.

E The Grants Sub-Committee met 12 times in 2023

Education, Relief in Need, Hardship or Distress Grants

(a) A constitutional grant of £1,080 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley

(b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totaling £415,376, (2022 £373,995), and helped administer the City Council's DWAS relief in need grants worth £186,291, (2022 £146,892 net), to individuals in need (details page 13).

(c) In 2012 The Charity agreed to fund a Money Management Advice Post annually, based at Citizens Advice Worcester which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2022/2023 The Money Management Adviser interviewed 93 individual clients helping them to deal with 307 activities relating to benefits, energy/water bills, finances, employment and debt issues. In addition the Money Mangement Adviser assisted a further 131 individuals supporting them with multiple issues at our Worcester 'Open-Door Drop-in Advice Service' sessions. The Local Citizens Advice Debt and Money Service also advised and assisted 1494 clients, to reschedule or receive a 'write off' of debts amounting to more than £875,636 in total, across all their services. In addition the Debt Caseworkers obtained other financial gains for clients of £357,696 in total across all their services.

(d) In 2013 The Charity agreed to help fund a free Legal Advice Scheme annually in partnership with the Citizens Advice and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. In 2022/2023 the project assisted 197clients and the total financial gains obtained for clients as a result of this project, were in excess of £461,664, during the year. In addition, Citizens Advice Worcester assisted clients to obtain financial gains of £2.5 million from all Citizens Advice services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially.

(e) In 2023 the Committee awarded education grants of: £19,207 to DanceFest, £15,214 to All Sorts of Performing Arts, and £42,822, (50/50 Education and Respite for carers), to Worcester Community Trust providing educational facilities, and youth facilities in Worcester (see page 13).

(f) The Committee agreed to continue leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent, together with an annual grant of £40,248 to help pay the salaries of a part-time curator and part-time assistant.

(g) The Committee awarded 1 grant of £1,000 (2022, 2 grants totalling £1,671) to individuals in need of financial assistance with their education (see page 13).

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE NON-RETIRED HOMELESS

The Charity owns two complexes of Retirement Almshouses:

(i) Berkeley Court, The Foregate - 7 flats and

(ii) Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community/meeting room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on their reserves' levels not exceeding one year's income.

The residents' accommodation charges were reviewed in The Period. All bar one of the residents received Housing Benefit. In The Period two residents left and three were appointed.

Resident Part-time Wardens: Julie Clayton, continues to provide a very high standard of first line support and care-taking at Nash's and Wyatt's. In 2022 we welcomed Darren Dodd to Berkeley Court who was appointed with his partner Gillian. They have settled in well, and contributed very positively to the new shared wardens' service for the two sites.

Applicants for sheltered housing are eligible for an Almshouse flat if they have lived in Worcester for more than 12 months, are retirement age, receive a low income and entitled to housing benefit. Special consideration will be given if their present accommodation is inadequate and in need of an on-site Warden for security, advice and support. On admission, they should be capable of living independently and should not have substantial savings or a property that could be sold, producing sufficient funds to buy somewhere suitable. If a vacancy arises and there is no one eligible on the Charity's waiting list the accommodation will be advertised in the local press under accommodation available.

Berkeley Court, Foregate Street - 7 flats

Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually.

The Trustees believed the single homeless under retirement age were by far the neediest group in Worcester, as there is no statutory priority for local authorities to rehouse the single unintentionally homeless unless they are also assessed as vulnerable.

- The Charity joined the "Almshouse Consortium Ltd" which provides access to grants available from Homes England to help with new housing projects.
- The Charity entered a partnership agreement with Citizens Advice Worcester for their "SmartLets" unit to manage all the intended new flats for the single homeless in return for 15% of the rental income. "SmartLets" already had a successful 13 years' track record of managing one bed flats for the homeless in private sector and housing association leased properties. Support for the residents was readily available from the Citizens Advice Office nearby as all the new properties were city centre based.
- Following discussions with two of the Charity's own shop tenants who were suffering financially from the High Street recession, a deal was done to reduce their rents in exchange for surrendering their leases upstairs for conversion to 6 new flats for the single homeless. Subsequently other suitable properties were purchased and converted into one bedroom flats.
- The Charity registered as a Housing Association and registered with the Charity Commission as a CIO (Charitable Incorporated Organisation).
- **In total, between 2013 – 2023, the Charity created a total of 68 new City Centre "affordable rent" almshouses for the single homeless. Commercial property worth £1,512,000 was sold to help finance the project and Homes England awarded housing grants of £1,529,633.**

2013 - 9 Sansome Place
6 studio flats

2014 - 16/17 St. Swithin's Street
6 one bedroom flats over the shops

2016 - 21 The Cross
3 one bedroom flats over the shops

2017 - 15 St. Swithin's Street 4 bedroom HMO over the shop

2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat & a shop/office

2017 - 59-60 The Tything
2 one bedroom flats over the shop

2018 - Sir Thomas White Court
conversion of offices and car park to 10 new one bedroom flats

2019 - 8 Sansome Place
2 one bedroom flats

2020/21 - "Stillingfleet House", 3-4 Shaw Street, office conversion to 25 one bedroom flats

2022/23 - Inglethorpe Court, office conversion to 4 one bedroom flats

The Grand Opening 13th January 2023 of 4 new flats at Inglethorpe Court, The Hopmarket, in memory of Richard Inglethorpe (Will of 1618)

Plaque outside the entrance. Richard Inglethorpe, in whose memory the 4 flats have been named, was a wealthy benevolent brewer, who originally donated six almshouses to the Charity, now long since gone.

Pictured from left to right: Robin Walker MP. Paul Griffith MBE, Chairman of Trustees. Adrian Gregson, Mayor of Worcester.

The appointed architects for the building works were Lett and Sweetland, with builders D & S Contractors. The very high quality of the conversion and fitting out was generally the subject of much admiration on the day.

The 4 flats were created from two ancient former warehouse annexes for the old Anderson and Virgo's Chemists shop at 12 Foregate Street. When it closed down and became the Good News Shop, the warehouses became surplus to requirements and deteriorated over the years. They were landlocked, so repairs were problematic and they were taken over by pigeons. For a short time they were used as offices by Citizens' Advice but were no longer needed after the Pandemic.

10. GRANTS AWARDED IN 2023 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS

Grants determined by Constitution	**£**
Palmer's Educational Foundation	1,080*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

		£
Allsorts of Performing Arts	Running Costs	15,214*
Armchair furniture recycling	Running Costs, free furniture - means tested	17,805
Citizens Advice	Running Costs, advice, support, legal aid	192,938~
Dancefest	Dance lessons, (social housing areas)	19,207*
Maggs Day Centre	Running Costs, Worcester day centre, clothing project	33,000
Shopmobility	Running costs, (frozen, as not means tested)	7,000
Worcester Community Trust	Youth work schemes (social housing areas)	42,822*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	40,248*
	Total	**£369,314**

* Educational grants
# 50/50 relief in need and education.
~ Citizens Advice core support costs £115,763 - 60%; legal aid project £33,764 - 17.5%; money advisor £38,588 - 20%; ethnicity training & language (education) £4,823 - 2.5%;

INDIVIDUAL GRANTS

	£
Education grants	1000*
Relief in Need, Carpet Grants and other under £1000	40,913
Relief in Need Grants for white goods under £1,000	4,149
Total	**£46,062**

The Charity's Grand Total (excluding DWAS)	**£415,376**
DWAS Relief in Need grants under £1,000 for white goods	(net) £186,291

The grants included educational grants and the following essential household and personal items: *Carpets, Washing Machines, Cookers, Fridges, Fridge Freezers, Clothing Grants, Removal Costs, DRO costs, Fencing and "other household items"*

Grand Total	**£601,667**

WORCESTER MUNICIPAL CHARITIES (CIO) GRANTS POLICY

11. Grants for "Relief in Need" and to "Promote Education for Individuals in Need" **General Policies & Practices** - Advice for Support Workers & Applicants:

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care and family services - Worcestershire Children First www.worcestershire.gov.uk/worcestershire-children-first
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like "Sky TV" rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for "essential" items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as "essential" those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a "relief in need" grant based on family income and expenditure.

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2023

Since 1996 the Charity has been sponsoring subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN TO:	Capital	Rental Value
20	**Armchair 6B Checketts Lane Trading Estate** 50 years lease from 1996 bought on premium	Leasehold	Paid up front
40/41/42	**Old Glove Factory**, 13 & 15 Lowesmoor **totals**	[£850,000]	[£68,000]
	Old Glove Factory, 13 & 15 Lowesmoor **Citizens Advice** (68% of £68,000 total)		£46,240
43	**St. Albans, Deansway** (150 years' leasehold 2008) **Maggs Day Centre**	£50,000	£4,000
44	**Tudor House**, Friar Street (999 years' leasehold agreed 2023) **WHAT**. Lease £1.00; £1,000 p.a. insurance paid.	£100,000	£8,000
46	**Medway Youth & Community Centre** All Sorts of Performing Arts (50 years leasehold from the City 2012)	£75,000	£6,000
53	**Maggs Clothing Store, Activity Centre** Offices and Shop 59/60 the Tything	£250,000	£20,000
	Total facilities in kind provided in this period:		**£84,240**

THE CHARITY PROVIDES RENT FREE PROPERTIES FOR OTHER CHARITIES

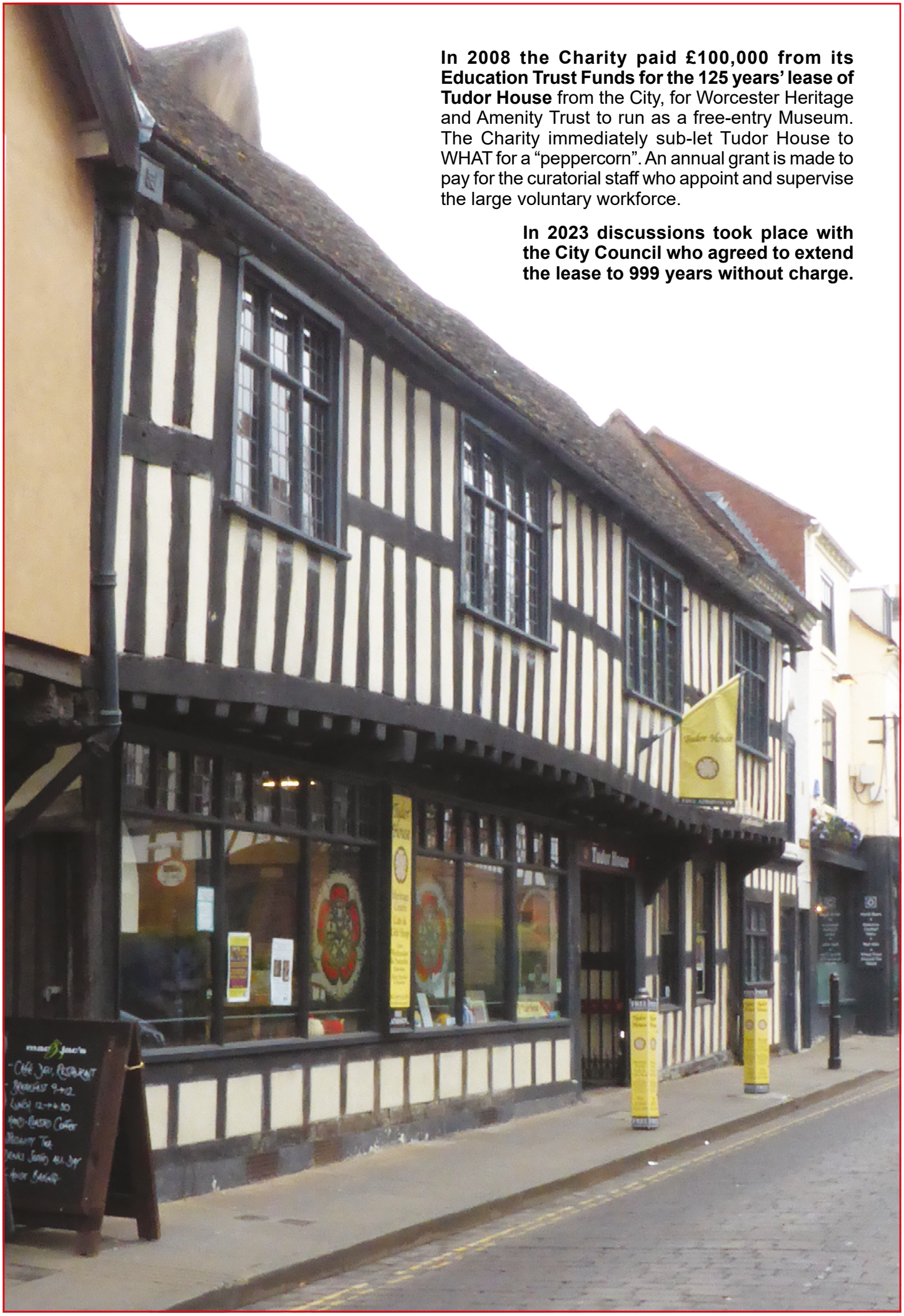
2016 - 59-60 The Tything purchased by the Charity for Maggs Clothing Project, Maggs Activity Centre and 2 Social Housing Flats

2009 - Maggs Day Centre for the Homeless
St Alban's Chapel, Grade 2 Listed Building and Ancient Monument provided rent free by the Charity

2006 - The Old Glove Factory, Grade II listed building.
The two shops at the front are now occupied commercially. The Charity provides the rest of the property to Citizens Advice and Maggs Day Centre for the homeless rent free

1996 - 6B Checketts Lane Trading Estate
Armchair Furniture Recycling

2012 - Medway Community Centre
Let to All Sorts of Performing Arts on a peppercorn rent for their educational programme



In 2008 the Charity paid £100,000 from its Education Trust Funds for the 125 years' lease of Tudor House from the City, for Worcester Heritage and Amenity Trust to run as a free-entry Museum. The Charity immediately sub-let Tudor House to WHAT for a "peppercorn". An annual grant is made to pay for the curatorial staff who appoint and supervise the large voluntary workforce.

In 2023 discussions took place with the City Council who agreed to extend the lease to 999 years without charge.

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfil the registered charitable objectives for people in need, by using income from its annual funds, investments and properties to provide the income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Raising the Money to Spend on the Charitable Objectives

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is a legal requirement to review investments from time to time and to diversify investments.

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of **"affordable social housing"** - almshouses for **retired people** (32 units), and almshouses for the **non-retired homeless** (68 units).

Strategic Changes of Investment from 1985 Onwards

In the 1980s - The Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester.

The first major change was to charge a fair rent available from Social Security for the 32 retirement almshouse residents who were living rent-free. This produced additional income of £100,000+ a year.

Following an investment policy review in the late 1980s, and after a meeting with the Charity Commission in Liverpool, the Trustees began a wholesale, gradual transition from agricultural to commercial investments, including the gradual sale of all the agricultural holdings. This went smoothly with most farms being purchased by the tenants, many of the families having been in occupation for more than 100 years.

Between 1990 - 2012 building on that initial success, the Charity continued selling the farms, and also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. These two major policy changes effectively quadrupled the Charity's rental income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing grants, sponsorship and rent-free buildings for like-minded Worcester charities helping the most needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane; the bubble was bursting and new sustainable strategies were becoming urgent. As a result, when offices became vacant they were either sold, or converted into flats for the homeless. Flats were also created over the Charities' own shops where possible, with reduced rents for the shop-keepers below helping sustain their financial viability.

"Programme Related Investment"

In 2013 the Trustees decided to adopt this Charity Commission recognised definition for when a charity ***"uses assets to directly further the charity's aims, whilst also generating a financial return".***

The money to invest was raised from the sales below, and from the grants from Homes England which speeded up the whole process enormously, and also enabled the Charity to continue financial support and provide rent free offices to four other Worcester charities who were helping those in greatest need in Worcester.

- **2013 – 2018 Eight Properties Sold -** Eight commercial properties and land were sold for £2,114,100.00 and the money was invested in affordable flats for the homeless.
- **2017 – 2021 Four Properties Converted -** Four properties were converted into affordable flats for the homeless including the old Probation Offices (25 flats) and the former Home-Start offices (10 flats).
- **2017 – 2018 Social Investment Property Let** – The two shop fronts of the "The Old Glove Factory were let commercially, producing a rent gain of £15,740.
- **Grants from Homes England** totaling £1,730,000 were obtained after the Charity had registered as a private not for profit Housing Association in 2017.

In 2018 the Charity reviewed its Investment Policies and Procedures, and reported its findings to the Board at its January 2019 meeting. The Report demonstrated that the reinvestment strategy was both sustainable and diverse and, in particular, replaced the lost income of £150,000 from the 2018 vacation of the Shaw Street offices with income from the 25 new affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control.

Investment Returns Analysed

Between 1985 - 2018 the Charity recorded its income carefully, and the headline results are that the earned income from investments rose by an average compound increase of 6.35% every year compared to a UK average of 3.54%. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this policy has been put on hold following the departure of the Home Office as tenants of Shaw Street, with a subsequent loss of rental income of £150,000 annually. This required funding the refurbishment of 3-4 Shaw Street into 25 flats at a cost of £2.2 Million, towards which Homes England contributed £1 Million. However within two years the new rents had passed the previous level.

Routine Almshouse Maintenance

Between 1899 and 1985 the Charity "lost" 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Social Security/Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

In 2018/19 the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient.

Based on advice from the Almshouse Association, the routine maintenance figures for the 2023 budget were set at £1,697 for each of the 32 retirement units, and £1,330 for each of the 68 homelessness ones which have proved adequate.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Commercial Properties

The Returns on the "High Street" Commercial Properties of shops and offices are static, and do present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop in St. Swithins Street is easily the best and most popular in town, and looks set to continue its success.

The rent reviews due in 2023 were largely settled on a stand-still rent basis, apart from the retirement almshouses for which the Charity was usually entitled to CPI + 1%. The homelessness almshouses were also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed "Charity Alley". However it does have a wonderful footfall, as it provides the main pedestrian route to "The Shambles" and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens, and in the meantime, when the opportunity arises, and it's feasible, diversify into residential property for the homeless.

The Board regularly reviews its investment strategy and almshouse maintenance strategy, including consideration of where savings might be made, for example by installing solar panels and water meters both of which have been done where feasible.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of Sir Thomas White Court into 10 affordable flats for the homeless and appointed D & S, the chosen contractors as "preferred providers." It was agreed that in future the preferred provider would be used for all work under £500,000 unless they were unavailable, but their tenders would be checked regularly.

The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment Plans

There is no real shortage of retirement facilities for the elderly in Worcester.

Commercial high street shops and offices are on standstill rents. Any new capital, if it can be matched by Homes England grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2023	2022	Commentary
Reinvestment percentage	0%	4.82%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned.
Percentage of new supply delivered	0%	4.17%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end.
Social housing cost per unit	£5,296	£6,379	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	16.67%	-7.70%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income.
Overall operating margin	-7.81%	-3.42%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	-0.77%	-0.37%	This is the overall operating margin divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a number of individual applications for assistance, there is an inbuilt unavoidable administration cost. In the Period the Charity spent £6,987 (0.48%) (2022 £6,904) (0.46%) of gross income on Governance and £120,753 (8.47%) (2022 105,698) (7.15%) of gross income on Administration.

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned Quinquennial Property Valuations. The Commercial Properties were valued by Guise Jones Sawyer, and their successors GJS Dillon, and the agricultural properties by ARC Surveyors. The “Functional Properties”, occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,880,000**, and 2020 **£14,532,000**. The next quinquennial valuation is due 2025.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd.

17. EXTRAORDINARY REPAIRS COMMERCIAL PROPERTY & ALMSHOUSES

2023 has been another challenging year for major repairs with a number of unusually expensive items. These have included continuing the major repairs to the 18th Century Berkeley’s Almshouses and refurbishment of two retirement almshouses at Nash’s and Wyatt’s Almshouses. In addition the roof at Castle House needed completely replacing due to serious water ingress. All in all £287,899 (net) was spent on property repairs in 2023.

Replacement roofs and refurbishment of Flats 4 and 5 Berkeley Court are planned for 2024.

All of this work has been, or with scheduling, can be, contained within the Reserves Budget.

New roof completed at Castle House - July 2023

18. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an “ad hoc” basis when required e.g. for a capital programme, and extraordinary repairs. Routine maintenance comes out of the annual budget. Each year until 2018 a contingency sum up to 10% was set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money was transferred to the reserves to purchase new investment properties when sufficient was available, to help the Charity at least keep pace with inflation.

Until 2018 this process brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2017 due to the need to spend £2.2 Million on creating 25 flats in 3/4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrived. In 2021 the arrival of the funds from the sale of the field at Welland was a timely and welcome addition.

However, since 2021 the Charity’s increases in annual income has failed significantly to keep pace with the high inflation national increases. No new property has been purchased due to insufficient capital funds available, which has resulted from the huge outgoings on refurbishing Shaw Street for residential use, the large capital payments for repairs to Castle House, the Old Glove Factory, 59/60 the Tything, and the retirement almshouses at Berkeley’s and Nash’s & Wyatt's New Street.

In 2022 the Government capped social housing rent increases but the actual increases allowed were acceptable and compared not unfavourably with local inflation.

The total funds of the Charity as at the year-end amounted to £14,651,791 (2022 £14,773,341) consisting of endowment funds of £12,844,664 (2022 £12,853,647) and designated funds, which are funds set aside by the Trustees for future projects amounted to £150,181 (2022 £80,141), leaving unrestricted funds amounting to £1,656,946 (2022 £1,829,781).

Free reserves after making allowances for tangible fixed assets and investment properties amounted to £171,115 (2022 £351,152). “New Risks” form the first agenda item for all Board meetings.

19. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups after considering UK CPIH inflation. In 2023 the staff and self-employed staff were awarded an increase of 7%

20. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2023 there were no “serious incidents” to report.

21. THE CHARITY'S PROPERTY PORTFOLIO FOR THE PERIOD

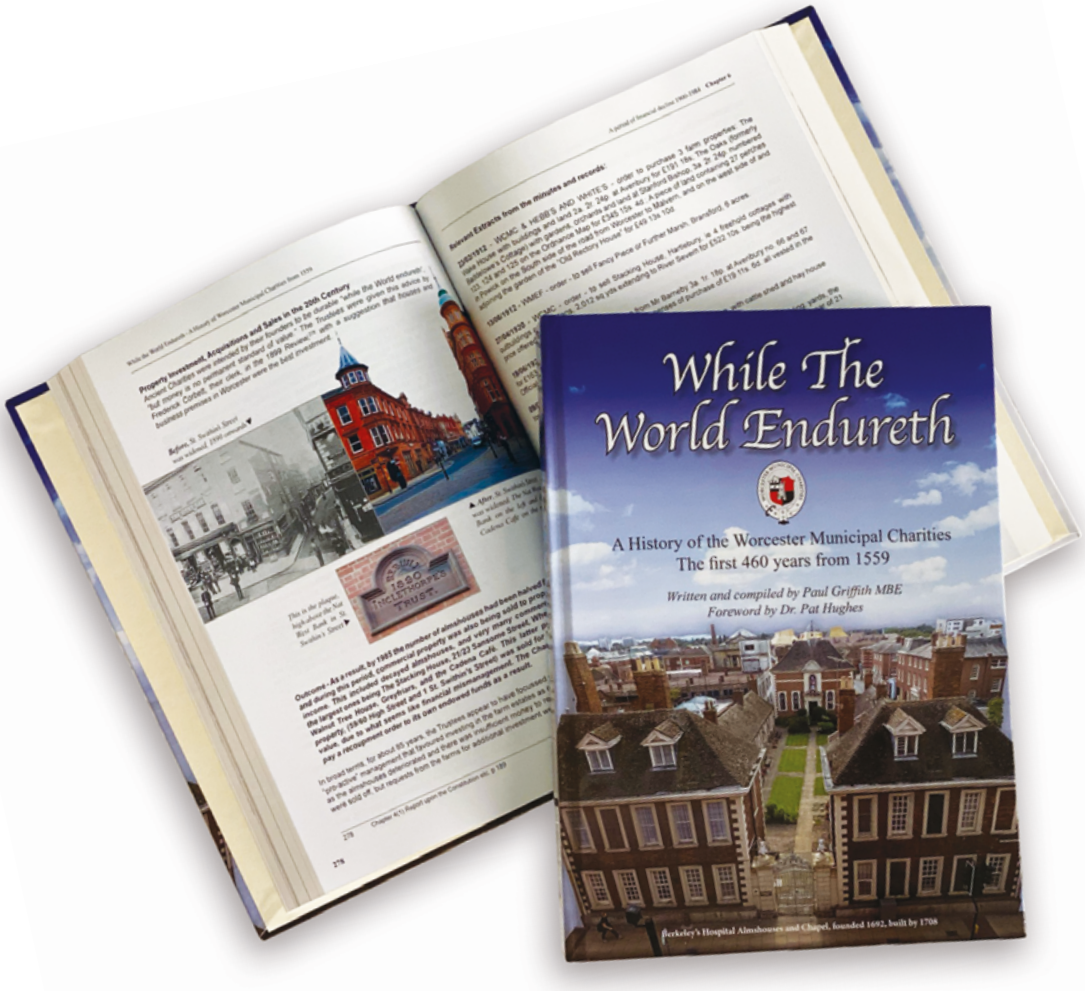
	ADDRESS	PROPERTY	ACQUIRED	ACQUIRING CHARITY~	TENANT/OCCUPANT
1.**	**2 St Swithin's Street**	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	**3 St Swithin's Street**	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	**15 St Swithin's St, Ground Floor**	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	**15 St Swithin's Street**	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	**1 The Cross**	Bank	1618	Inglethorpe's	National Westminster
5.	**16 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	Headway
6.	**17 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	Hang Nguyen
6A.	**16/17 St Swithin's St, Upper Floors**	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	**Nash's & Wyatt's Court**	25 Social Housing Units	1661	Nash's	25 Residents
8.	**25 Nash's & Wyatt's Court**	1 Flat	1661	Nash's	Warden's Flat
9.	**13 Nash's & Wyatt's Court**	Community Room	1661	Nash's	Residents
10.*	**Berkeley Court**	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	**Kateryn Heywood House**	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	**Berkeley's Chapel**	Community Room	1692	Berkeley's	Residents & charities
13.*	**The Gatehouse, Berkeley Court**	Warden's House	1692	Berkeley's	Warden's House
14.*	**The Cellar, Berkeley Court**	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	**22 The Cross, Ground** 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	**3 - 4 Shaw Street**	25 Social Housing Units	1994	WCMC/WMEF	Citizens Advice 25 Residents
19.#	**6A Checkett's Lane Ind. Est.**	Offices	1996	WCMC	Ocean Blue
20.#	**6B Checkett's Lane Ind. Est.**	Furniture Store	1996	WCMC	Armchair
21.	**Castle House, Castle Street**	Offices & Car Park	1997	WCMC	Cranstoun
22.	**20 Church St, Evesham**	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	**Sir Thomas White Court**	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	**1 & 2 Inglethorpe Court**	4 Social Housing Units	2000	WCMC	Citizens Advice 4 Residents
32.	**Crown Lane Wychbold 1**	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	**Crown Lane Wychbold 2**	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	**8 Sansome Place**	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	**Old Glove Factory** (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	**Old Glove Factory** (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	**Old Glove Factory** (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	**St Albans, Deansway**	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	**Tudor House, Friar Street**	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	**Medway Road Community Centre**	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	**9 Sansome Place**	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
51.**#	**21 The Cross**	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	**19 Foregate Street**	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	**19 Foregate Street**	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	**59/60 The Tything**	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	**59/60 The Tything**	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

*** = Grade I Listed ** = Grade II Listed **S = Grade II* Listed AM = Ancient Monument**
 # Leasehold - All other properties are freehold

22. CONCLUSION AND COMMENT

a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.

b) **A brief ancient history** of the Charity and the Chapel is published. Please visit the web site.



c) **"While the World Endureth" a major history** of the Charity since 1559 was published in 2020 and can be viewed on our website, at the Hive Library, or purchased from the office for £27.

d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services, often in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.

g) **In 2013** the Government "Social Fund" which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2023 bought white goods to the value of £186,291 (net) thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until 2022 which has since been rolled over.

h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.

j) The **Country** does seem to be on a retrograde journey, back to the old Victorian welfare values of "help yourself or go without, try the food banks or charities". The pace of this process has been accelerated by the recession, "the cost of living crisis", welfare cuts, the introduction of Universal Credit and the Government's reductions in grant aid to Local Authorities who, in turn, have cut grants to charities.

k) **The Corona Virus from 2020 onwards** has deprived many charities of earned income and is forcing some of them out of business.

l) **On paper** this principle of "self help and find a job" may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.

m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and way beyond the resources of charities on their own.

n) **As well as offering help to individuals in need** the Charity is also empowered to help organisations that provide help to them.

Page 13 provides details of the grants made to organisations for The Period.

Page 15 sets out the "Facility Gifts in Kind" to a number of charities for The Period.

23. LEGISLATION, POLICIES, PROCEDURES AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE
The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register reviewed monthly
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS
FRS 102 applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES
Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for extraordinary repairs and capital projects - 10% revenue contingency

REVIEWS
A review of all policies, procedures, practices and compliance is completed annually

24. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS
Hallmark Whatley Hulme
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS
Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS
Lett + Sweetland Architects
PO Box 1008
Worcester
WR1 9EJ Tel. 01905 353768

COMMERCIAL VALUERS
GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd
Adrian Robinson, MRICS
The Cedar Office
5 Thackholme
Worcester WR4 0RZ Tel. 01684 576077

AUDITORS
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 28, was approved and signed on behalf of the Board of Trustees together with the audited Accounts pages 29 - 58 and presented to their meeting on 26th June 2024.

Paul Griffith

PAUL GRIFFITH, MBE (Chairman)

Geraint Thomas

GERAINT THOMAS (Vice-Chairman)

25. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

Audit response to risks identfiied

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

Sarah Morley
26 June 2024

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Income and endowments from:							
Donations and legacies	**3**	139	-	256,291	-	256,430	331,901
Charitable activities	**4**	1,140,985	-	-	-	1,140,985	1,080,137
Investments	**5**	16,975	-	-	-	16,975	6,912
Other income	**6**	8,845	1,000	-	-	9,845	10,197
Total income		1,166,944	1,000	256,291	-	1,424,235	1,429,147
Expenditure on:							
Charitable activities							
Grant making	**7**	435,266	-	216,063	-	651,329	576,287
Sheltered housing	**7**	298,630	-	-	-	298,630	394,790
Social housing	**7**	230,962	-	-	-	230,962	217,628
Commercial property	**7**	354,570	-	-	-	354,570	289,337
Total charitable expenditure		1,319,428	-	216,063	-	1,535,491	1,478,042
Net gains/(losses) on investments	**13**	(1,311)	-	-	-	(1,311)	(6,136)
Net (outgoing)/incoming resources before transfers		(153,795)	1,000	40,228	-	(112,567)	(55,031)
Gross transfers between funds	**14**	(19,040)	69,040	(50,000)	-	-	-
Net outgoing resources		(172,835)	70,040	(9,772)	-	(112,567)	(55,031)
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(8,983)	(8,983)	(65,265)
Net movement in funds		(172,835)	70,040	(9,772)	(8,983)	(121,550)	(120,296)
Fund balances at 1 January 2023		1,829,781	80,141	9,772	12,853,647	14,773,341	14,893,637
Fund balances at 31 December 2023		1,656,946	150,181	-	12,844,664	14,651,791	14,773,341

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

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income and endowments from:						
Donations and legacies	**3**	50	-	331,851	-	331,901
Charitable activities	**4**	1,080,137	-	-	-	1,080,137
Investments	**5**	6,912	-	-	-	6,912
Other income	**6**	9,197	1,000	-	-	10,197
Total income		1,096,296	1,000	331,851	-	1,429,147
Expenditure on:						
Charitable activities						
Grant making	**7**	404,167	-	172,120	-	576,287
Sheltered housing	**7**	394,790	-	-	-	394,790
Social housing	**7**	217,628	-	-	-	217,628
Commercial property	**7**	288,302	1,035	-	-	289,337
Total charitable expenditure		1,304,887	1,035	172,120	-	1,478,042
Net gains/(losses) on investments	**13**	(6,136)	-	-	-	(6,136)
Net (outgoing)/incoming resources before transfers		(214,727)	(35)	159,731	-	(55,031)
Gross transfers between funds	**14**	97,171	55,552	(152,723)	-	-
Net outgoing resources		(117,556)	55,517	7,008	-	(55,031)
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	-	(65,265)	(65,265)
Net movement in funds		(117,556)	55,517	7,008	(65,265)	(120,296)
Fund balances at 1 January 2022		1,947,337	24,624	2,764	12,918,912	14,893,637
Fund balances at 31 December 2022		1,829,781	80,141	9,772	12,853,647	14,773,341

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

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**16**		6,906,976		6,907,714
Investment properties	**17**		7,562,831		7,555,629
Investments	**19**		32,657		33,968
			14,502,464		14,497,311
Current assets					
Debtors	**20**	221,846		228,258	
Cash at bank and in hand		734,507		862,896	
		956,353		1,091,154	
Creditors: amounts falling due within one year	**21**	(445,416)		(432,822)	
Net current assets			510,937		658,332
Total assets less current liabilities			15,013,401		15,155,643
Creditors: amounts falling due after more than one year	**22**		(361,610)		(382,302)
Net assets			14,651,791		14,773,341
Capital funds					
Endowment funds	**25**		12,844,664		12,853,647
Income funds					
Restricted funds	**26**		-		9,772
Unrestricted funds - general					
Designated funds	**27**	150,181		80,141	
General unrestricted funds		1,656,946		1,829,781	
			1,807,127		1,909,922
			14,651,791		14,773,341

The financial statements were approved by the Trustees on 26 June 2024

Paul Griffith

Paul Griffith MBE, Trustee

Geraint Thomas

Geraint Thomas, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**30**		(113,403)		26,320
Investing activities					
Purchase of tangible fixed assets		(9,089)		(66,130)	
Purchase of investment property		(7,202)		(267,203)	
Interest received		16,975		6,915	
Net cash generated from/(used in) investing activities			684		(326,418)
Financing activities					
Repayment of borrowings		(15,670)		(70,462)	
Net cash used in financing activities			(15,670)		(70,462)
Net decrease in cash and cash equivalents			(128,389)		(370,560)
Cash and cash equivalents at beginning of year			862,896		1,233,456
Cash and cash equivalents at end of year			734,507		862,896

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a non-profit private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). Having regard to the disclosure of additional information in connection with the charitable activities undertaken in respect of housing.The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

1 Accounting policies **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts due under tenancy agreements net of VAT where applicable.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal value for sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of property

As described at note 1.6, the charity carries certain of the properties held at valuation. A full valuation is performed by professional surveyors every five years, at intervening reporting dates the Trustees review the portfolio and assess if there has been any material change in that valuation.

Fixed asset investments

The fair value of investments as referred to in note 1.8 is determined by reference to the valuation report prepared by the fund managers, which is based on market value at the reporting date, being the best estimate of fair value.

3 Donations and grants received

	Unrestricted funds general 2023 £	**Restricted funds 2023 £**	**Total 2023 £**	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	139	-	139	50	-	50
Grants received	-	256,291	256,291	-	331,851	331,851
	139	256,291	256,430	50	331,851	331,901

4 Rental income

	Sheltered housing 2023	Social housing 2023	Investment properties 2023	Total 2023	Sheltered housing 2022	Social housing 2022	Investment properties 2022	Total 2022
	£	£	£	£	£	£	£	£
Charitable rental income	234,047	397,007	487,494	1,118,548	227,649	335,916	498,732	1,062,297
Service charges	4,481	-	17,956	22,437	5,054	-	12,786	17,840
	238,528	397,007	505,450	1,140,985	232,703	335,916	511,518	1,080,137

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Income from listed investments	1,737	2,121
Interest receivable	15,238	4,791
	16,975	6,912

6 Other income

	Unrestricted funds general 2023 £	**Unrestricted funds designated 2023 £**	**Total 2023 £**	**Unrestricted funds general 2022 £**	**Unrestricted funds designated 2022 £**	**Total 2022 £**
Other income	8,845	1,000	9,845	9,197	1,000	10,197

7 Charitable activities

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2023	Total 2022
	2023	2023	2023	2023		
	£	£	£	£	£	£
Staff costs	6,674	49,527	-	-	56,201	48,578
Bad debt provision	-	-	-	-	-	(2,474)
Welfare costs	-	12,041	-	-	12,041	12,196
Routine maintenance	-	60,039	99,786	49,289	209,114	185,767
Heat and power	-	31,028	-	-	31,028	28,091
Rates	-	12,626	-	-	12,626	12,767
Management costs	-	-	59,202	-	59,202	50,361
Unreimbursed costs	-	-	-	4,773	4,773	7,691
Cleaning and hygiene	-	2,039	-	-	2,039	2,009
Refurbishment costs	-	79,025	-	208,874	287,899	405,124
Rent and service charge	-	9,062	-	-	9,062	-
	6,674	255,387	158,988	262,936	683,985	750,110
Grant funding of activities (see note 8)	601,667	-	-	-	601,667	520,887
Share of support costs (see note 9)	41,789	42,033	69,960	89,070	242,852	200,141
Share of governance costs (see note 9)	1,199	1,210	2,014	2,564	6,987	6,904
	651,329	298,630	230,962	354,570	1,535,491	1,478,042
Analysis by fund						
Unrestricted funds - general	435,266	298,630	230,962	354,570	1,319,428	1,304,887
Unrestricted funds - designated	-	-	-	-	-	1,035
Restricted funds	216,063	-	-	-	216,063	172,120
	651,329	298,630	230,962	354,570	1,535,491	1,478,042

7 Charitable activities **(Continued)**

For the year ended 31 December 2022

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2022
	£	£	£	£	£
Staff costs	6,740	41,838	-	-	48,578
Bad debt provision	-	-	-	(2,474)	(2,474)
Welfare costs	-	12,196	-	-	12,196
Routine maintenance	-	82,199	79,199	24,369	185,767
Heat and power	-	28,091	-	-	28,091
Rates	-	12,767	-	-	12,767
Management costs	-	-	50,361	-	50,361
Unreimbursed costs	-	-	-	7,691	7,691
Cleaning and hygiene	-	2,009	-	-	2,009
Refurbishment costs	-	181,567	38,812	184,745	405,124
	6,740	360,667	168,372	214,331	750,110
Grant funding of activities (see note 8)	520,887	-	-	-	520,887
Share of support costs (see note 9)	47,038	32,985	47,613	72,505	200,141
Share of governance costs (see note 9)	1,622	1,138	1,643	2,501	6,904
	576,287	394,790	217,628	289,337	1,478,042
Analysis by fund					
Unrestricted funds - general	404,167	394,790	217,628	288,302	1,304,887
Unrestricted funds - designated	-	-	-	1,035	1,035
Restricted funds	172,120	-	-	-	172,120
	576,287	394,790	217,628	289,337	1,478,042

8 Grants awarded

	Grant making 2023 £	Grant making 2022 £
Grants to institutions:		
Maggs Day Centre	33,000	30,830
Citizens Advice Worcester	192,938	180,316
Armchair	17,805	16,640
Shopmobility	7,000	7,000
Worcester Community Trust	42,822	40,019
WHAT	40,248	37,615
Dancefest	19,207	17,951
All Sorts of Performing Arts	15,214	14,219
John Palmer	1,080	954
	369,314	345,544
Grants to individuals (142 (2022 -87) grants)		
Relief in need and carpets	40,913	26,271
Educational	1,000	1,671
White goods	4,149	509
DWAS	186,291	146,892
	601,667	520,887

9 Support costs

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	67,124	-	67,124	61,646	*Charitable activities*
Depreciation	846	-	846	1,032	*Charitable activities*
Office running costs	4,779	-	4,779	6,144	*Charitable activities*
Accountancy	3,913	-	3,913	4,509	*Charitable activities*
Bank charges and subscriptions	1,720	-	1,720	1,226	*Charitable activities*
IT and software	3,975	-	3,975	4,347	*Charitable activities*
Sundries	4,422	-	4,422	574	*Charitable activities*
Irrecoverable VAT	44,594	-	44,594	31,345	*Charitable activities*
Telephone	784	-	784	925	*Charitable activities*
Insurance	53,742	-	53,742	45,364	*Charitable activities*
Business manager fees	6,362	-	6,362	5,900	*Charitable activities*
Surveyor fees	19,341	-	19,341	15,262	*Charitable activities*
Legal & professional	-	-	-	2,472	*Charitable activities*
Bank loan interest	31,250	-	31,250	19,395	*Charitable activities*
Audit fees	-	5,850	5,850	6,220	*Governance*
Meeting expenses	-	1,137	1,137	684	*Governance*
	242,852	6,987	249,839	207,045	
Analysed between					
Charitable activities	242,852	6,987	249,839	207,045	

10 Auditor's remuneration

Governance costs includes payment to the auditors of £5,100 (2022 £4,950) for audit fees together with £750 (2022 - £1,270) for other services provided.

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and none of the trustees were re-imbursed expenses (2022 none of the trustees were re-imbursed).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Support	3	3
Warden	2	2
	5	5

Employment costs	2023 £	2022 £
Wages and salaries	111,961	100,975
Social security costs	5,047	3,593
Other pension costs	6,317	5,656
	123,325	110,224

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Revaluation of investments	(1,311)	(6,136)

14 Transfers

During both the current and preceding year transfers were effected from the unrestricted and designated funds to reflect the contributions made towards the WHAT and provision of future repair sinking funds.

During both the current and preceding year transfers made between the unrestricted and restricted funds were to reflect the refurbishment of 1+2 Inglethorpe.

15 Accommodation owned, managed and in development

	Number of units 1 January 2023	Number of units 31 December 2023
Social housing		
General needs housing:		
Let at social rent	-	-
Affordable rent	68	68
Supported housing	32	32
Total owned and managed	100	100
Accommodation in development	-	-

Net surplus from social and sheltered housing

	2023		2022	
	Social	Sheltered	Social	Sheltered
Rental income	397,007	234,047	335,916	227,649
Service charges	-	4,481	-	5,054
	397,007	238,528	335,916	232,703
Operating costs				
Staff costs	-	(49,527)	-	(41,838)
Routine maintenance	(99,786)	(60,039)	(79,199)	(82,199)
Welfare	-	(12,041)	-	(12,196)
Heat and light	-	(31,028)	-	(28,091)
Rent and service charge	-	(9,062)	-	-
Rates	-	(12,626)	-	(12,767)
Cleaning and hygiene	-	(2,039)	-	(2,009)
Management cost	(59,202)	-	(50,361)	-
Refurbishment costs	-	(79,025)	(38,812)	(181,567)
Administrative expenditure				
Share of support costs	(69,960)	(42,033)	(47,613)	(32,985)
Share of governance costs	(2,014)	(1,210)	(1,643)	(1,138)
Net surplus / (deficit)	166,045	(60,102)	118,288	(162,087)

16 Tangible fixed assets

	Social housing	Sheltered housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	4,370,000	2,533,082	4,531	8,757	6,916,370
Additions	8,983	-	-	106	9,089
At 31 December 2023	4,378,983	2,533,082	4,531	8,863	6,925,459
Depreciation and impairment					
At 1 January 2023	-	-	2,359	6,296	8,655
Depreciation charged in the year	-	-	217	628	845
Impairment losses	8,983	-	-	-	8,983
At 31 December 2023	8,983	-	2,576	6,924	18,483
Carrying amount					
At 31 December 2023	4,370,000	2,533,082	1,955	1,939	6,906,976
At 31 December 2022	4,370,000	2,533,082	2,171	2,461	6,907,714

16 Tangible fixed assets **(Continued)**

The carrying value of land and buildings comprises:

	2023 £	2022 £
Freehold	4,370,000	4,370,000
Long leasehold	2,533,082	2,533,082
	6,903,082	6,903,082

17 Investment property

	Commercial properties	Social investment properties	Social investment properties	2023
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2023	6,077,000	850,000	628,629	7,555,629
Additions	-	-	7,202	7,202
At 31 December 2023	6,077,000	850,000	635,831	7,562,831

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

18 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	32,657	33,968

19 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2023	33,968
Valuation changes	(1,311)
At 31 December 2023	32,657
Carrying amount	
At 31 December 2023	32,657
At 31 December 2022	33,968

20 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	162,164	185,111
Other debtors	235	235
Prepayments and accrued income	53,578	36,808
	215,977	222,154

Amounts falling due after more than one year:	2023 £	2022 £
Other debtors	5,869	6,104
Total debtors	221,846	228,258

21 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	23	32,700	27,678
Other taxation and social security		16,033	4,615
Deferred income	24	101,042	103,232
Grants payable		132,684	125,214
Other creditors		142,599	153,292
Accruals and deferred income		20,358	18,791
		445,416	432,822

22 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	23	361,610	382,302

23 Loans and overdrafts

	2023 £	2022 £
Bank loans	394,310	409,980
Payable within one year	32,700	27,678
Payable after one year	361,610	382,302
Amounts included above which fall due after five years:		
Payable by instalments	216,444	242,121

The long-term loan is secured by a fixed charge over the freehold property situated at 1 The Cross, Worcester.

24 Deferred income

	2023 £	2022 £
Arising from rents paid in advance	101,042	103,232

All the above relate to the following period and are released in full.

25 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated						Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	12,918,912	-	-	-	(65,265)	12,853,647	-	-	-	(8,983)	12,844,664
	12,918,912	-	-	-	(65,265)	12,853,647	-	-	-	(8,983)	12,844,664

26 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£
DWAS	2,764	146,851	(146,892)	(2,723)	-	186,291	(186,291)	-	-
Homes England	-	150,000	-	(150,000)	-	50,000	-	(50,000)	-
Platform and WCC carpet grant	-	35,000	(25,228)	-	9,772	20,000	(29,772)	-	-
	2,764	331,851	(172,120)	(152,723)	9,772	256,291	(216,063)	(50,000)	-

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant in respect to the development of 1+2 Inglethorpe Court

27 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

		Movement in funds				Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 1 January 2023	Incoming resources	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£	£	£
Tudor House	24,624	1,000	(1,035)	4,000	28,589	1,000	9,000	38,589
Sinking fund for future repairs	-	-	-	51,552	51,552	-	60,040	111,592
	24,624	1,000	(1,035)	55,552	80,141	1,000	69,040	150,181

Trustees have decided to hold sinking funds as a general provision for future repair work

28 Analysis of net assets between funds

	Unrestricted 2023	Designated 2023	Restricted 2023	Endowment 2023	Total 2023	Unrestricted 2022	Designated 2022	Restricted 2022	Endowment 2022	Total 2022
	£	£	£	£	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:										
Tangible assets	-	-	-	6,906,976	6,906,976	-	-	-	6,907,714	6,907,714
Investment properties	1,485,831	-	-	6,077,000	7,562,831	1,478,629	-	-	6,077,000	7,555,629
Investments	-	-	-	32,657	32,657	-	-	-	33,968	33,968
Current assets/(liabilities)	532,725	150,181	-	(171,969)	510,937	733,454	80,141	9,772	(165,035)	658,332
Long term liabilities	(361,610)	-	-	-	(361,610)	(382,302)	-	-	-	(382,302)
	1,656,946	150,181	-	12,844,664	14,651,791	1,829,781	80,141	9,772	12,853,647	14,773,341

29 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £46,240 (2022 - £46,240) to Citizens Advice Worcester and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £192,938 (2022 - £180,406) to Citizens Advice Worcester towards its running costs. Paul Griffith, is a trustee of this charity and of Citizens Advice Worcester. Geraint Thomas is a trustee of this Charity and employee of Citizens Advice Worcester.

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2022 - £24,000) and also made a grant of £33,000 (2022 - £30,830) to Maggs Day Centre. Sue Osborne is a Trustee of this charity and of Maggs Day Centre. Mel Kirk is a trustee of this charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2022 - £8,000) and also made a grant over two years of £40,247 (2022 - £37,614) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	123,325	110,224

30 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(121,400)	(120,296)
Adjustments for:		
Investment income recognised in statement of financial activities	(16,975)	(6,912)
Fair value gains and losses on investments	1,311	6,136
Depreciation and impairment of tangible fixed assets	9,828	65,265
Movements in working capital:		
Decrease/(increase) in debtors	6,412	(39,793)
Increase in creditors	7,421	121,920
Cash (absorbed by)/generated from operations	(113,403)	26,320

31 Analysis of changes in net funds

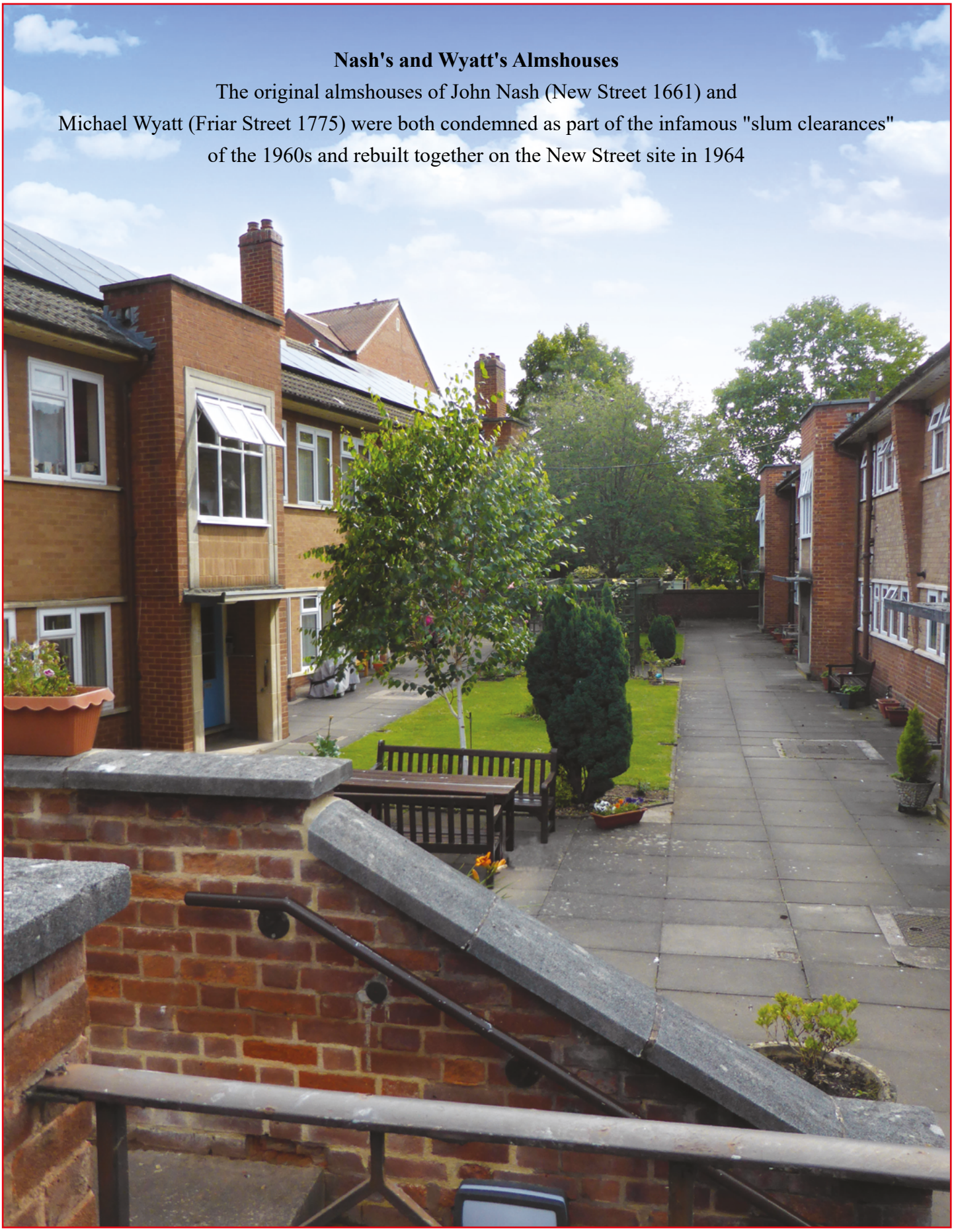
	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	862,896	(128,389)	734,507
Loans falling due within one year	(27,678)	(5,022)	(32,700)
Loans falling due after more than one year	(382,302)	20,692	(361,610)
	452,916	(112,719)	340,197

Berkeley Court May 2023 - Celebrating the King's Coronation

AR2023

Nash's and Wyatt's Almshouses

The original almshouses of John Nash (New Street 1661) and
Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances"
of the 1960s and rebuilt together on the New Street site in 1964



The full history of the Charity is published in a 512 page book which can be viewed at The Hive, Worcester WR1 3PD on our website or purchased from our office at the address below.

Worcester Municipal Charities (CIO)
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WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales - Charity number 1166931

Accounts

AR 2022

WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159

Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT
1st JANUARY – 31st DECEMBER 2022

This is the seventh Annual Report of the Charity which was created specifically by the Trustees in 2016 as the replacement Charity for Worcester Municipal Exhibitions Foundation (Education) and Worcester Consolidated Municipal Charity (Relief in Need & Almshouses), whose business, staff, assets and liabilities were vested in the new Charity on 1st July 2016, as a “Charitable Incorporated Organisation” which has very similar objects to the two unincorporated predecessor Charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months’ period ended 31st December 2022 (“The Period”). The Trustees have adopted the provisions of the Charities SORP "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 (CFRS 102) and the Housing SORP; Accounting by Registered Social Housing Providers update 2018."

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

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Office Accounts:
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Website: www.wmcharities.org.uk

Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

Providing sheltered housing for seven residents, the Charity's offices, and the redundant Chapel, now used as a meeting room for Trustees, residents and also available for other charities to use free, providing they meet certain conditions such as not holding more than 1 year’s income in reserve.

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2022 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to 1st July 2016

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Note – In 2020 the Charity published **"While the World Endureth"**, a history of the Trust since 1559. Copies are available from the office @ cost price £27, or can be viewed on the website: http://www.wmcharities.org.uk

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

a) After Henry VIII dissolved the monasteries (1536 - 40) the new Church of England's behaviour inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation by Robert Youle in 1560 of the **St. Thomas's Day (or General) Charities**. They invested in properties and, from the rental income, handed out doles of two shillings per family, to a disorderly queue at the Guildhall on St, Thomas' Day December 21st, "Winter Solstice", the appointed day. The money was distributed indiscriminately, without reference to assessed need, (other than thirst!) and it was always possible to re-join the disorderly queue outside the Guildhall. This ***"very objectionable scheme"*** was discontinued in 1867.

b) The Municipal Corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly and honestly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the public charities throughout the land, and their national inquiries and discovery of widespread abuse of Trust led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.

c) In 1899 they were consolidated into one holding Charity, **the Worcester Consolidated Municipal Charity.** Of these 27 charities, the 6 primarily educational charities, were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same single body of Trustees from 1913 onwards.

d) On 4th May 2016 Worcester Municipal Charities CIO ("WMC (CIO)") was registered with the Charity Commission with registration no.1166931, and on vesting day 1st July 2016, the business, staff and all the assets and liabilities of the two predecessor charities were handed over to the new Charity, followed by the former ones being wound up.

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO, or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

The Trustees have agreed that "If 0.1% is less than £950 it will be increased to that amount. There will be a review of the "top up" to £950 in 2023."

Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

The Charity is administered by 17 Trustees.

Four are nominated by Worcester City Council; four are nominated by major beneficiary "stakeholder" charities, chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are co-opted by the Trustee body, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

On appointment, new Trustees are provided with induction training, given copies of the Constitution and Rules, the Annual Report and Accounts, a History of the Charity and a copy of the Charity Commission's publication CC3 "the Essential Trustee" which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

*Paul Griffith **I**, (Chairman), Geraint Thomas **Ch** (Vice Chairman), Jenny Barnes **N**, Roger Berry **I**, Richard Boorn **N**, Paul Denham **I**, Graham Hughes **I**, Margaret Jones **I**, Mel Kirk **Ch**, Roger Knight **N**, Jonathan Newey **I**, Sue Osborne **Ch**, Margaret Panter **Ch**, Ron Rust **I**, Martyn Saunders **I**, Brenda Sheridan **I**, Alan Tidy **N**.*

*(Two Trustees resigned in the period, Ruth Heywood **I** and Mike Johnson **N**, and they were replaced by Jonathan Newey **I** and Alan Tidy **N**)*

***"I"* nine independent** co-opted by the Board for 5 years;
***"N"* four nominated by** the City Council for 4 years;
***"Ch"* four nominated to the Trustees** by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, MAGGS Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum).

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year, with each property being visited once in every two years. The properties are all vested in the CIO as “Custodian” Charity.

A Grants Sub-Committee - meets monthly, to deal with the individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have joint delegated authority to make grants up to £1,000 in an emergency (£2,000 over Christmas).

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors Hallmark Whatley Hulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. (Full details of the Professional Advisers are on page 30).

The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester’s needy citizens. Thanks are also due to the staff pictured:

Top left to right Carlo Barentsen (Accountant), Adrian Robinson (Property Business Manager), Bottom left to right Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis.

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' “Mission” is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity’s Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**
- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN 2022

A. Major Events/Decisions by the Trustees

- *During the year building work was completed on creating **4 "affordable" flats for the homeless at** "Inglethorpe Court" in the Hopmarket, the former Citizens Advice Offices. The Official Opening Ceremony was performed jointly by **Robin Walker MP** and the **Mayor, Adrian Gregson.** (See page 12)*

  ***Homes England** committed a generous grant of £200,000 towards the total cost.*

  *This development took the total of new "affordable" flats for the homeless to **68 since 2013 making a grand total of 100 Almshouses.***

  *The project is in memory of **Richard Inglethorpe** who left considerable property in his will of 1618 to build and endow the Charity's first 6 almshouses.*

  *The **Hopmarket Charity** kindly provided a new 125 years' lease of the two buildings which they own, in return for a 25% share of the nett rental profits.*

- ***Continuing the grants to 7 organisations**, being those that the Trustees believe :-*

  a) provide the most help to the poorest, in greatest need in Worcester : - Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair (Furniture Re-Cycling), who have all been provided with free/subsidised premises and grants to assist with their work; and Worcester Community Trust towards their community centres and outreach work.

  b) provide free education in Worcester :- the Tudor House Museum, All Sorts of Performing Arts and DanceFest, the first two of which were also provided with rent-free accommodation.

- *The Charity fulfilled a contract with the City Council to manage the purchase and distribution of white goods in Worcester worth £146,892 (2021 £152,813 net), as part of the **Discretionary Welfare Assistance Scheme** ("DWAS"). The Charity originally won the contract in 2013 and again in 2017, which has been rolled over three times until 2022. The Charity does not charge the Council for this project in recognition of the relief it brings to the Charity's own grants' budget.*

- *The Charity was advised by Platform Housing Association that they had decided to withdraw the use of their "Well-Being" fund for carpets which they handed back to the Charity with a £10,000 grant to assist.*

- *The Charity increased staff salaries by 3.5% and regular grants to charities by 4%.*

- ***Extraordinary Repairs** - The Charity owns and leases a considerable number of ancient properties with very high maintenance costs and in 2022 spent £376,018 on repairs to the two sites of retirement almshouses and to "The Old Glove Factory" and 59/60 the Tything.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,429,147 was received, mainly rent from properties, (2021 £1,488,443). Expenditure was £1,478,042 (2021 £1,333,273)

C. Summary of Property Owned

a) There are two Sheltered Housing “retirement” sites (32 almshouses) and ten “affordable Housing sites” (68 flats) for the single homeless.

b) The Charity owns 16 Commercial Investment Properties with rental income.

c) 6 "functional" properties are leased to charities on peppercorn rents as "facilities in kind" (see page 16)

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed.

E. The Grants Sub-Committee met 12 times in 2022

Education, Relief in Need, Hardship or Distress Grants

(a) A constitutional grant of £954 was awarded by the Charity to the John Palmer’s Educational Foundation in Suckley.

(b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totalling £373,995 (2021 £364,441), and helped administer the City Council’s DWAS relief in need grants worth £146,892, (2021 £152,813 net), to individuals in need (details page 14).

(c) In 2012 The Charity agreed to fund a **Money Management Advice Post** annually, based at the Citizens Advice Bureau which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2021/2022 The Money Management Adviser interviewed 70 individual clients helping them to deal with 188 issues relating to benefits, energy/water bills, finances, employment and debt issues. The Local Citizens Advice Debt and Money Service also advised and assisted 921 clients, to reschedule or receive a ‘write off’ of debts amounting of more than £750,000 in total, across all their services.

(d) In 2012 the Grants Committee ceased making grants for school uniform due to the Pupil Premium being paid to schools. Clothing grants for school children in need were however introduced, based on the family's income and expenditure, and their clothing needs.

(e) In 2013 The Charity agreed to help fund a free Legal Advice Scheme annually in partnership with the Citizens Advice and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. In 2021/2022 the project assisted 158 clients and the total financial gains obtained for clients as a result of this project, were in excess of £483,000, during the year. In addition, Citizens Advice Worcester assisted clients to obtain financial gains of £2 million from all Citizens Advice services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially.

(f) In 2022 the Committee awarded education grants of: £17,951 to DanceFest, £14,219 to All Sorts of Performing Arts, and £40,019, (50/50 Education and Respite for carers), to Worcester Community Trust providing educational facilities, youth clubs and holiday play-scheme facilities in Worcester (see page 14)

(g) The Committee also agreed to continue leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent, together with an annual grant of £37,615 to help pay the salaries of a part-time curator and part-time assistant.

(h) The Committee awarded 2 grants totalling £1,670 (2021 £1,000) to individuals in need of financial assistance with their education (see page 14)

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE NON-RETIRED HOMELESS

The Charity owns two complexes of Retirement Almshouses:

(i) Berkeley Court, The Foregate - 7 flats and

(ii) Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community/meeting room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on their reserves' levels not exceeding one year's income.

The residents' accommodation charges were reviewed in The Period. All bar one of the residents received Housing Benefit. In The Period three residents left and four were appointed.

Resident Part-time Wardens: Julie Fenson, continues to provide a very high standard of first line support and care-taking at Nash's and Wyatt's. We welcomed Darren Dodd to Berkeley Court who was appointed on 1st February 2022, with his partner Gillian. They have settled in well, and contributed very positively to the new shared wardens' service for the two sites.

Applicants for sheltered housing must be poor and must have lived in Worcester for at least 12 months. Retired or nearing retirement applicants are preferred, although applicants below retirement age are occasionally considered if they have a need for, and would benefit from, accommodation in a sheltered environment. The Charity advertises vacancies when available under "Accommodation Available" with the criteria.

Berkeley Court, Foregate Street - 7 flats

Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually. Major capital repairs to the roof and refurbishment of Flats 1, 2 and 3 Berkeley Court have been completed. All 25 Flats at Nash's and Wyatt's had the walls insulated with foam.

AFFORDABLE HOUSING FOR THE HOMELESS - 68 NEW UNITS IN NINE YEARS

There is a widely held belief that an "Almshouse Charity" is for the elderly only, but it's actually for poor people of all ages. "Relief in Need" includes giving a home to the homeless to meet their need.

Since 2013 the Charity has been pursuing a re-investment strategy of providing affordable housing for the single homeless, and since 2015 has been helped by Homes England with grants to create flats "over the shops" and in empty office buildings. This is an exciting new strategy that provides housing for the homeless and also makes a reasonable commercial profit from a worthwhile charitable activity, at a time when good investment returns are difficult to find, and affordable flats for the homeless are in very short supply. We have been fortunate to find a good quality reliable builder.

By 2021 the Charity had 64 new units of "affordable housing" created since 2013. In 2022 four new units of affordable flats were added, taking the total to 68. All the properties are managed on the Charity's behalf by "SmartLets" (part of Citizens Advice) who retain 15% of the maintenance contribution payments as a management fee.

27 Existing Flats

2013 - 9 Sansome Place
6 studio flats

2014 - 16/17 St. Swithin's Street
6 one bedroom flats

2016 - 21 The Cross
3 one bedroom flats

2017 - 15 St. Swithin's Street 4 bedroom HMO

2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat & a shop/office

2017 - 59-60 The Tything
2 one bedroom flats on the top floor

12 Existing Flats

2018 - Sir Thomas White Court
10 new one bedroom flats

2019 - 8 Sansome Place
2 one bedroom flats. Property owned by the Charity since 2002 and used by Maggs as a "free clothes store" for street sleepers until 2017. The Charity replaced it with a city centre building also providing administrative offices, two flats for the homeless, then created two new flats in this old building.

25 Flats were created in 2020/2021

2020/21 - "Stillingfleet House", 3-4 Shaw Street. 25 one bedroom flats were created in 2020/21 from this former Probation Office, owned by the Charity since 1994 and empty following the tenants' departure as a result of the privatisation of half the Probation Service.

The day of the Grand Opening of 4 new flats at Inglethorpe Court, The Hopmarket in memory of Richard Inglethorpe 1618

Plaque outside the entrance. Richard Inglethorpe, in whose memory the 4 flats have been named, was a wealthy benevolent brewer, who originally donated six almshouses to the Charity, now long since gone.

Pictured from left to right: Robin Walker MP. Paul Griffith MBE, Chairman of Trustees. Adrian Gregson, Mayor of Worcester.

The appointed architects for the building works were Lett and Sweetland, with builders D & S Contractors. The very high quality of the conversion and fitting out was generally the subject of much admiration on the day.

The 4 flats were created from two ancient former warehouse annexes for the old Anderson and Virgo's Chemists shop at 12 Foregate Street. When it closed down and became the Good News Shop, the warehouses became surplus to requirements and deteriorated over the years. They were landlocked, so repairs were problematic and they were taken over by pigeons. For a short time they were used as offices by Citizens' Advice but were no longer needed after the Pandemic.

68 flats created since 2013 plus 32 ancient almshouses brings the total of affordable flats for individuals to "100 not out".

Since 2013 the Charity has created 68 new “affordable” almshouse flats for the single homeless, for which it has raised the money by selling some commercial properties. Homes England then came in, and offered a generous grant of £200,000 which made the whole project immediately viable.

The photographs above are all of Flat 4 Inglethorpe Court. Top left 1st floor entrance. Top right Kitchen/Living area. Bottom left shower room and toilet. Bottom right bedroom with fitted wardrobes.

The Chairman's speech to the guests at the grand opening. Pictured from left to right Robin Walker MP Ron Rust, Trustee. Peter Sweetland retired architect. Philip Jones retired Surveyor. Paul Griffith MBE, Chairman of Trustees.

10. GRANTS AWARDED IN 2022 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS

Grants determined by Constitution	**£**
Palmer's Educational Foundation	954*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

		£
Allsorts of Performing Arts	Running Costs	14,219*
Armchair furniture recycling	Running Costs, free furniture - means tested	16,640
Citizens Advice	Running Costs, advice, support, legal aid	180,316~
Dancefest	Dancing lessons, (social housing areas)	17,951*
Maggs Day Centre	Running Costs, day centre, clothes, training	30,830
Shopmobility	Running costs, (frozen, as not means tested)	7,000
Worcester Community Trust	Holiday play schemes (social housing areas)	40,019*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	37,615*
	Total	**£345,544**

* Educational grants
# 50/50 relief in need and education.
~ Citizens Advice core support costs £108,778 - 60%; legal aid project £31,387 - 17.5%; money advisor £35,430 - 20%; ethnicity training & language (education) £4,721 - 2.5%;

INDIVIDUAL GRANTS

	£
Education grants	1671*
Relief in Need, Carpet Grants and other under £1000	26,271
Relief in Need Grants for white goods under £1,000	509
Total	**£28,451**

The Charity's Grand Total (excluding DWAS)	**£373,995**

DWAS Relief in Need grants under £1,000 for white goods (net) £146,892

The grants included educational grants and the following essential household and personal items: *Carpets, Washing Machines, Cookers, Fridges, Fridge Freezers, Clothing Grants, Removal Costs, DRO costs, Fencing and "other household items"*

Grand Total	**£520,887**

WORCESTER MUNICIPAL CHARITIES (CIO) GRANTS POLICY

11. Grants for "Relief in Need" and to "Promote Education for Individuals in Need" **General Policies & Practices** - Advice for Support Workers & Applicants:

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care and family services - Worcestershire Children First www.worcestershire.gov.uk/info/20501/children_young_people_and_families
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like "Sky TV" rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for "essential" items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as "essential" those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a "relief in need" grant based on family income and expenditure.

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2022

Since 1996 the Charity has been sponsoring subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN TO:	Capital	Rental Value
20	**Armchair 6B Checketts Lane Trading Estate** 50 years lease from 1996 bought on premium	Leasehold	Paid up front
40/41/42	**Old Glove Factory**, 13 & 15 Lowesmoor **totals**	[£850,000]	[£68,000]
	Old Glove Factory, 13 & 15 Lowesmoor **Citizens Advice** (68% of £68,000 total)		£46,240
43	**St. Albans, Deansway** (150 years' leasehold 2008) **Maggs Day Centre**	£50,000	£4,000
44	**Tudor House**, Friar Street (125 years' leasehold 2008) **WHAT**. Lease £1.00; £1,000 p.a. insurance paid.	£100,000	£8,000
46	**Medway Youth & Community Centre** All Sorts of Performing Arts (50 years leasehold from the City 2012)	£75,000	£6,000
53	**Maggs Clothing Store, Activity Centre** Offices and Shop 59/60 the Tything	£250,000	£24,000
	Total facilities in kind provided in this period:		**£88,240**

PROPERTIES IN OWNERSHIP, PURCHASED AND/OR REFURBISHED AS PART OF THE SOCIAL INVESTMENT PROGRAMME

From 1996 onwards, the Trustees began investing some of the "surplus" accumulated income from new rents, to purchase property for social community projects that benefited the poor. The thinking then was that other charities that were in the same business of helping poor people, but had no income of their own, would welcome such a boost, and a secure rent-free base would be attractive to their potential funders.

Relief in Need - the programme eventually encompassed the major Worcester charities providing financial relief in need for the City's poorest e.g. Citizens Advice Worcester, Armchair Furniture Recycling, and the Maggs Day Centre for the Homeless. CAB and WHABAC, two of the Charity's major beneficiaries, merged on April 1st 2009. The development of both, especially their office moves to suitable rent-free premises, was due mainly to the Trustees' support and generosity.

Both Maggs and Armchair also enjoyed rent free premises and annual grants and still do.

Educational facilities, provided rent-free, consist of the Tudor House Museum (WHAT - Worcester Heritage & Amenity Trust) and Medway Youth and Community Centre (All Sorts of Performing Arts). The Charity is obliged by its constitution to spend c.12% of its net income on educational provision.

1996 - Berkeley's Chapel was refurbished at a cost of **£150,000** as a Community Centre and Meeting Room. The Chapel was virtually derelict and almost unused. Once the Civic Society's radical objections had been overcome, Martin Jones oversaw the tasteful conversion with Proberts as the builders. The refurbished Chapel is now used for almshouse residents' meetings, Trustees' meetings, and community meetings, and is offered rent-free to Worcester charities providing they have less than one year's running costs in reserve.

1996 - Goodrich House, Sansome Place, Offices & Car Park was purchased for Home-Start and refurbished at a total cost of **£150,000**. The building then known as "Saga House", previously "AEU Offices" was renamed after Margaret Goodrich (The Home-Start President) and was then used until 2014 when cuts in County Council funding led to the Charity being down-sized and moving to their own premises in Malvern. Terms were agreed for the surrender which took account of the un-expired lease, and the offices and car park site were then converted to 10 flats for the homeless in 2017/18 and re-named "Sir Thomas White Court" with 4 of the flats in the former Home-Start office and 6 are new-build on the car park.

1996 – Armchair, 6b Checketts Lane Industrial Estate. The WMC Charity purchased 6a and 6b mainly to provide a learning disability day centre at 6a for the County Council. However 6b was offered to Armchair to enable them to move out of an expensive leaky rented warehouse in Back Lane South. Armchair was successful in getting a Lottery grant and purchased a 50 years' lease from the Charity for £55,000, which means no more rent until 2048 when the Trustees will probably charge £12 a year.

1998 - Citizens Advice Worcester – A donation of **£100,000** was made towards the planned new-build offices in The Hopmarket. The proposal looked unachievable until the Charity stepped in, awarded the grant and then helped to construct a Big Lottery application which yielded a further £304,000. Peter Sweetland, the Charity's architect, drew the plans and organised the construction, including overcoming very difficult access problems. The new building opened in 2001.

2000 - 1 & 2 Inglethorpe Court in the Hopmarket Yard behind Citizens Advice were leased from the Hopmarket Charity for 50 years in 2000 at £1 a year. This was in recognition of its derelict, landlocked state, and the need for the Charity to expend c. £150,000 to gain access, refurbish and sub-let it to Citizens Advice for use as two offices. By 2021 they were no longer needed and the sub-lease was surrendered. As they could not be let commercially, due to a lack of parking, the Trustees considered refurbishing them for use as 4 "affordable" flats for the homeless. A partnership was then formed with the Hopmarket Charity to undertake this project jointly, with the Hopmarket receiving 25% of the nett rents, instead of the £1 year, in return for agreeing a new 125 years' lease being granted, this being the shortest period acceptable to Homes England for grant aid. Planning consent was granted and a successful grant application was made to Homes England. The work was completed in 2022 including an outside staircase between the two buildings to allow separate access to the upstairs flats in both buildings. The new flats were officially opened on 13th January 2023 by Robin Walker MP and Adrian Gregson, Mayor of Worcester.

2002 - 8 Sansome Place, a free Clothing Store for street sleepers and people in need was purchased for **£73,437** from the private owner, when the WRVS (tenants) decided to close it down due to a policy change. The Worcester Salvation Army offered to run it as a free clothes store and were given a £1 a year lease. They unfortunately sub-let it, without permission, to the Worcester City Mission ("Lydia Project") who began gradually turning it into a church, holding services there, and selling donated clothes to fund the religious Mission, rather than helping the poor. They were evicted and it was then offered to Maggs in 2005 who ran it as a clothes store etc., for street sleepers and others in need. However, in 2017 the Charity purchased 59/60 The Tything as a replacement for Sansome Place and their leased office at 7 Copenhagen Street which was surrendered. 8 Sansome Place was then converted to 2 flats for the homeless in 2019.

2004 - "The Old Glove Factory" 13-15 Lowesmoor, a large derelict building with two shop-fronts, was bought for **£368,500** from the Catholic Church after a 3 years' wait. It was refurbished imaginatively by Lett & Sweetland in 2005/6 at a cost of **£1 million**, and initially let to Worcester Housing & Benefits Advice Centre, Ethnic Access Link, Headway and the Black Pear Credit Union, all at heavily subsidised rents. The official opening by the Princess Royal took place on 7th February 2007. WHABAC and CAB had merged in 2009, and in 2018 were renamed "Citizens Advice Worcester". Headway, the Black Pear Credit Union and Ethnic Access Link left, and the two street facing shops were let commercially in 2018. Citizens Advice Worcester now occupies the rest of the building on a peppercorn rent of £12 p.a.

2008 - Tudor House Museum, Friar Street. In 2004 John Bennett and Jim Panter, Trustees from **WHAT** (Worcester Heritage & Amenity Trust) approached the Charity in respect of a possible partnership, to acquire the Museum on a sustainable and affordable basis, with WHAT running it, mainly with the help of volunteers. The Trustees agreed to investigate the possibility and Philip Jones then negotiated an agreement for a 125 years' lease from the City Council at a premium of **£100,000.** The Charity then sublet the Museum to WHAT, initially on a 35 years' lease for £1 p.a., with £1,000 towards the repairs' sinking fund. The Charity also makes a generous contribution annually towards curator and learning officer staff costs and has committed £4,000 p.a. to a repairs' and refurbishment sinking fund.

The building has been adopted by the **Worshipful Company of Clothiers** as its home base.

2009 - St. Albans, Deansway, the Maggs Day Centre for the homeless, received an ill-conceived demand for a commercial rent of £10,000 p.a. from the Diocesan Board of Finance intended for the clergy's pension fund. This unfortunate episode followed a rent free period in return for putting the neglected building in a good state of repair some 30 years earlier. On hearing the possible plight of the homeless service users, the Charity stepped in, suggested the Diocese seemed to have lost sight of its own obligations to the poor, offered to buy the freehold but was turned down. The Charity then asked their valuer Philip Jones to try to negotiate a compromise agreement, and he secured a 150 years' lease at a cost of **£47,500**. It was then sub-let to Maggs by the Charity for £1 a year until 2030 when it will be renewed for the remainder of the head lease until 2159.

2011 – The 18th Worcester Scout Hut and Youth Club (Medway Youth & Community Centre) was purchased for **£1.00** from the Scouts who had been wound up. The Charity then acquired a new 50 year lease from the City Council who own the land. It was refurbished at a cost of £30,000 to make sustainable youth and community provision for Lower Ronkswood, and is now housing All Sorts of Performing Arts as the peppercorn rent tenant.

2017 - 59/60 The Tything was purchased for **£305,000** in 2016 by the Trustees for use by Maggs as administrative offices, with a free clothes shop for the poor/homeless, and a domestic training centre for day centre service users. There are two flats upstairs for the homeless (modernised with help from a Homes England grant) and managed by SmartLets. The purchase allowed the Charity to surrender a leased Maggs office at 7 Copenhagen Street, and also released the old existing "free clothes" store at 8 Sansome Place for conversion to two flats for the homeless in 2019. The whole project cost c. **£500,000**. In 2020 an extensive dry rot infestation came to light and its eradication proved difficult and expensive.

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfil the registered charitable objectives for people in need, by using income from its annual funds, investments and properties to provide the income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Raising the Money to Spend on the Charitable Objectives

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is a legal requirement to review investments from time to time and to diversify investments.

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of **"affordable social housing"** - almshouses for **retired people** (32 units), and almshouses for the **non-retired homeless** (68 units).

Strategic Changes of Investment from 1985 Onwards

In the 1980s - the Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester.

The first major change was to charge a fair rent available from Social Security for the 32 retirement almshouse residents who were living rent-free. This produced additional income of £100,000+ a year.

Following an investment policy review in the late 1980s, and after a meeting with the Charity Commission in Liverpool, the Trustees began a wholesale, gradual transition from agricultural to commercial investments, including the gradual sale of all the agricultural holdings. This went smoothly with most farms being purchased by the tenants, many of the families having been in occupation for more than 100 years.

Between 1990 - 2012, building on that initial success, the Charity continued selling the farms, and also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. These two major policy changes effectively quadrupled the Charity's rental income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing grants, sponsorship and rent-free buildings for like-minded Worcester charities helping the most needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane; the bubble was bursting and new sustainable strategies were becoming urgent. As a result, when offices became vacant they were either sold, or converted into flats for the homeless. Flats were also created over the charities' own shops where possible, with reduced rents for the shop-keepers below helping sustain their financial viability.

"Programme Related Investment"

In 2013 the Trustees decided to adopt this Charity Commission recognised definition for when a charity ***"uses assets to directly further the charity's aims, whilst also generating a financial return".***

The money to invest was raised from the sales below, and from the grants from Homes England which speeded up the whole process enormously, and also enabled the Charity to continue financial support and provide rent free offices to four other Worcester charities who were helping those in greatest need in Worcester.

- **2013 – 2018 Eight Properties Sold -** Eight commercial properties and land were sold for £2,114,100.00 and the money was invested in affordable flats for the homeless.
- **2017 – 2019 Four Properties Converted -** Four properties were converted into affordable flats for the homeless including the old Probation Offices (25 flats) and the former Home-Start offices (10 flats).
- **2017 – 2018 Social Investment Property Let** – The two shop fronts of the "The Old Glove Factory were let commercially, producing a rent gain of £15,740.
- **Grants from Homes England** totaling £1,730,000 were obtained after the Charity had registered as a private not for profit Housing Association in 2016.

In 2018 the Charity reviewed its Investment Policies and Procedures, and reported its findings to the Board at its January 2019 meeting. The Report demonstrated that the reinvestment strategy was both sustainable and diverse and, in particular, replaced the lost income of £150,000 from the 2018 vacation of the Shaw Street offices with income from the 25 new affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control.

Investment Returns Analysed

Between 1985 - 2018 the Charity recorded its income carefully, and the headline results are that the earned income from investments rose by an average compound increase of 6.35% every year compared to a UK average of 3.54%. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this policy has been put on hold following the departure of the Home Office as tenants of Shaw Street, with a subsequent loss of rental income of £150,000 annually. This required funding the refurbishment of 3-4 Shaw Street into 25 flats at a cost of £2.2 Million, towards which Homes England contributed £1 Million. However within two years the new rents had passed the previous level.

Routine Almshouse Maintenance

Between 1899 and 1985 the Charity "lost" 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Social Security/Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

In 2018/19 the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient.

Based on advice from the Almshouse Association, the routine maintenance figures for the 2022 budget were set at £1,518 for each of the 32 retirement units, and £1,190 for each of the 68 homelessness ones which have proved adequate.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Commercial Properties

The Returns on the "High Street" Commercial Properties of shops and offices are static, and do present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop in St. Swithins Street is easily the best and most popular in town, and looks set to continue its success.

The rent reviews due in 2022 were largely settled on a stand-still rent basis, apart from the retirement almshouses for which the Charity was entitled to CPI + 1%. The homelessness almshouses were also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed "Charity Alley". However it does have a wonderful footfall, as it provides the main pedestrian route to "The Shambles" and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens, and in the meantime, when the opportunity arises, and it's feasible, diversify into residential property for the homeless.

The Board regularly reviews its investment strategy and almshouse maintenance strategy, including consideration of where savings might be made, for example by installing solar panels and water meters both of which have been done.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of Sir Thomas White Court into 10 affordable flats for the homeless and appointed D & S, the chosen contractors as "preferred providers." It was agreed that in future the preferred provider would be used for all work under £500,000 but their tenders would be checked regularly.

The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment Plans

There is no real shortage of retirement facilities for the elderly in Worcester; commercial high street shops and offices are on standstill rents. Any new capital, if it can be matched by Homes England grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2022	2021	Commentary
Reinvestment percentage	4.82%	10.3%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned.
Percentage of new supply delivered	4.17%	26.04%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end.
Social housing cost per unit	£6,379	£6,327	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	-7.70%	-33.83%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income. This year major refurbishment works have been undertaken at Berkeley Court.
Overall operating margin	-3.42%	10.62%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	-0.37%	1.06%	This is the overall operating margin divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a number of individual applications for assistance, there is an inbuilt unavoidable administration cost. In the Period the Charity spent £6,904(0.46%) (2021 £6,285) (0.4%) of gross income on Governance and £105,698 (7.15%) (2021 109,993) (7.4%) of gross income on Administration.

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned Quinquennial Property Valuations. The Commercial Properties were valued by Guise Jones Sawyer, and their successors GJS Dillon, and the agricultural properties by ARC Surveyors. The “Functional Properties”, occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,880,000**, and 2020 **£14,532,000**.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd.

17. EXTRAORDINARY REPAIRS COMMERCIAL PROPERTY & ALMSHOUSES

2022 has been a challenging year for extraordinary repairs with a number of unusually expensive items. These have included major repairs to the 18th Century Almshouses Roof and refurbishment of Flats 1, 2 and 3 Berkeley Court ; a dry rot outbreak and dangerous stonework at 59/60 the Tything, which includes two flats for the homeless; Maggs’ offices, their free clothes store, and administrative offices, causing major disruption; in addition the “North Light” Roof at the Old Glove Factory required replacing. All in all £376,018 has been spent in 2022.

Replacement roof and refurbishment of Flats 4 and 5 Berkeley Court and the refurbishment of two Flats at Nash’s & Wyatt’s Almshouses are planned for 2023.

All of this work has been, or with scheduling, can be, contained within the Reserves Budget.

18. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an "ad hoc" basis when required e.g. for a capital programme, and extraordinary repairs. Routine maintenance comes out of the annual budget. Each year until 2018 a contingency sum up to 10% was set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money was transferred to the reserves to purchase new investment properties when sufficient was available, to help the Charity at least keep pace with inflation.

Until 2018 this process brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2020 due to the need to spend £2.2 Million on creating 25 flats in 3/4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrived. In 2021 the arrival of the funds from the sale of the field at Welland was a timely and welcome addition.

However, since 2021 the Charity's increases in annual income at c. 1%, have failed significantly to keep pace with the high inflationary national increases. No new property has been purchased due to insufficient capital funds available, which has resulted from the huge outgoings on refurbishing Shaw Street for residential use, the large capital payments for repairs to Castle House, the Old Glove Factory, 59/60 the Tything, and the retirement almshouses at Berkeley's and New Street.

Stillingfleet House, 3-4 Shaw Street, Official Opening of 25 Flats - 2nd July 2021

The Assembled Board of Worcester Municipal Trustees

The Refurbished Georgian Buildings

Inflation 1985 – 2021

Due to the reinvestment of agricultural property in commercial property, the income in 2021 rose from £127,000 in 1985 to £1,082,768 in 2021 - an average compound increase of 6.13% annually. This compares with the Bank of England average annual inflation figure for the same period of 2.6%. Using the Bank of England's figures, income in 2021 would have become just £319,970.

The total funds of the Charity as at the year-end amounted to £14,773,341 (2021 £14,893,637), consisting of restricted funds of £9,772 (2021 £2,764) and endowment funds of £12,853,647 (2021 £12,918,912). Designated funds, which are funds set aside by the Trustees for future projects amounted to £80,141 (2021 £24,624), leaving unrestricted funds amounting to £1,829,781 (2021 £1,947,337).

Free reserves after making allowances for tangible fixed assets and investment properties amounted to £351,152 (2021 £731,109). "New Risks" form the first agenda item for all Board meetings.

19. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups after considering UK CPIH inflation.

20. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2022 there were no "serious incidents" to report.

21. THE CHARITY'S PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	AQUIRED	AQUIRING CHARITY~	TENANT/OCCUPANT
1.**	**2 St Swithin's Street**	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	**3 St Swithin's Street**	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	**15 St Swithin's St, Ground Floor**	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	**15 St Swithin's Street**	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	**1 The Cross**	Bank	1618	Inglethorpe's	National Westminster
5.	**16 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	Headway
6.	**17 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	SCOPE
6A.	**16/17 St Swithin's St, Upper Floors**	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	**Nash's & Wyatt's Court**	25 Social Housing Units	1661	Nash's	25 Residents
8.	**25 Nash's & Wyatt's Court**	1 Flat	1661	Nash's	Warden's Flat
9.	**13 Nash's & Wyatt's Court**	Community Room	1661	Nash's	Residents
10.*	**Berkeley Court**	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	**Kateryn Heywood House**	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	**Berkeley's Chapel**	Community Room	1692	Berkeley's	Residents & charities
13.*	**The Gatehouse, Berkeley Court**	Warden's House	1692	Berkeley's	Warden's House
14.*	**The Cellar, Berkeley Court**	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	**22 The Cross, Ground** 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	**3 - 4 Shaw Street**	25 Social Housing Units	1994	WCMC/WMEF	Citizens Advice 25 Residents
19.#	**6A Checkett's Lane Ind. Est.**	Offices	1996	WCMC	Ocean Blue
20.#	**6B Checkett's Lane Ind. Est.**	Furniture Store	1996	WCMC	Armchair
21.	**Castle House, Castle Street**	Offices & Car Park	1997	WCMC	Cranstoun
22.	**20 Church St, Evesham**	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	**Sir Thomas White Court**	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	**1 & 2 Inglethorpe Court**	2 Social Housing Units	2000	WCMC	Citizens Advice 4 Residents
32.	**Crown Lane Wychbold 1**	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	**Crown Lane Wychbold 2 & 3**	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	**8 Sansome Place**	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	**Old Glove Factory** (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	**Old Glove Factory** (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	**Old Glove Factory** (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	**St Albans, Deansway**	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	**Tudor House, Friar Street**	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	**Medway Road Community Centre**	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	**9 Sansome Place**	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
51.**#	**21 The Cross**	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	**19 Foregate Street**	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	**19 Foregate Street**	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	**59/60 The Tything**	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	**59/60 The Tything**	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

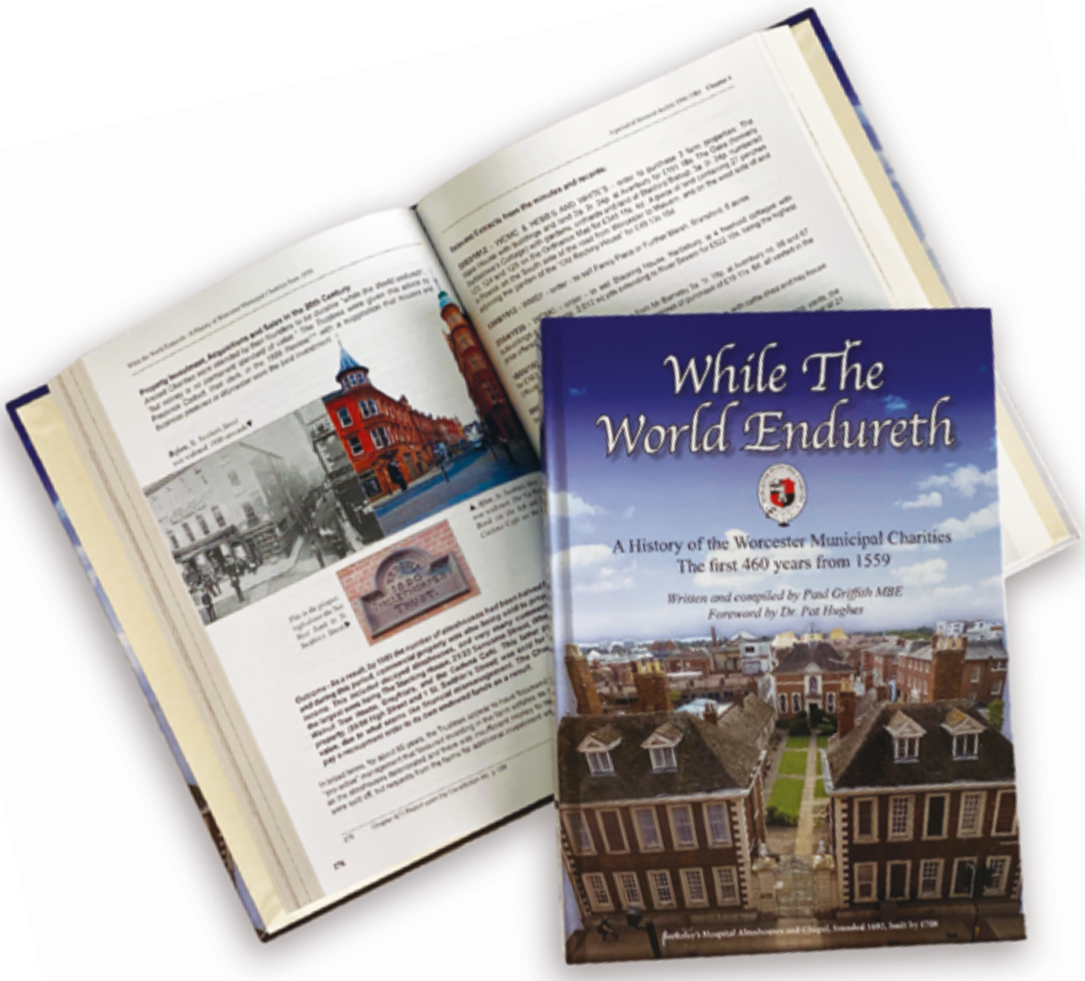
*** = Grade I Listed ** = Grade II Listed **S = Grade II* Listed AM = Ancient Monument**

 # Leasehold - Properties are freehold except 19, 20, 28, 43, 44, 46 & 51

22. CONCLUSION AND COMMENT

a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.

b) **A brief ancient history** of the Charity and the Chapel is published. Please visit the web site or ask at the office for a copy.



c) **"While the World Endureth" a major history** of the Charity since 1559 was published in 2020 and can be purchased from the office or viewed on the website.

d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.

g) **In 2013** the Government "Social Fund" which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2022 bought white goods to the value of £146,892 thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until 2022 which has since been rolled over.

h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.

j) The **Country** does seem to be on a retrograde journey, back to the old Victorian welfare values of "help yourself or go without, try the food banks or charities". The pace of this process has been accelerated by the recession, welfare cuts, the introduction of Universal Credit and the Government's reductions in grant aid to Local Authorities who, in turn, have cut grants to charities.

k) **The Corona Virus from 2020 onwards** has deprived many charities of earned income and is forcing some of them out of business.

l) **On paper** this principle of "self help and find a job" may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.

m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and way beyond the resources of charities on their own.

n) **As well as offering help to individuals in need** the Charity is also empowered to help organisations that provide help to them.

Page 14 provides details of the grants made to organisations for The Period.

Page 16 sets out the "Facility Gifts in Kind" to a number of charities for The Period.

23. LEGISLATION, POLICIES, PROCEDURES AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE
The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register reviewed monthly
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction and training
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS
FRS 102 applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES
Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for extraordinary repairs and capital projects - 10% revenue contingency

REVIEWS
A review of all policies, procedures, practices and compliance is completed annually

24. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS
Hallmark Whatley Hulme
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS
Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS
Lett + Sweetland Architects
PO Box 1008
Worcester
WR1 9EJ Tel. 01905 353768

COMMERCIAL VALUERS
GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd
Adrian Robinson, MRICS
The Cedar Office
5 Thackholme
Worcester WR4 0RZ Tel. 01684 576077

AUDITORS
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 30, was approved and signed on behalf of the Board of Trustees together with the audited Accounts pages 31 - 61 and presented to their meeting on 28th June 2023.

Paul Griffith

PAUL GRIFFITH, MBE (Chairman)

Geraint Thomas

GERAINT THOMAS (Vice-Chairman)

25. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

Audit response to risks identfiied

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

Sarah Morley
28 June 2023

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Income and endowments from:							
Donations and legacies	**3**	50	-	331,851	-	331,901	405,675
Charitable activities	**4**	1,080,137	-	-	-	1,080,137	954,322
Investments	**5**	6,912	-	-	-	6,912	4,325
Other income	**6**	9,197	1,000	-	-	10,197	124,121
Total income and endowments		1,096,296	1,000	331,851	-	1,429,147	1,488,443
Expenditure on:							
Charitable activities							
Grant making	**7**	404,167	-	172,120	-	576,287	606,446
Sheltered housing	**7**	394,790	-	-	-	394,790	384,594
Social housing	**7**	217,628	-	-	-	217,628	222,850
Commercial property	**7**	288,302	1,035	-	-	289,337	119,383
Total charitable expenditure		1,304,887	1,035	172,120	-	1,478,042	1,333,273
Net gains/(losses) on investments	**13**	(6,136)	-	-	-	(6,136)	3,291
Net (outgoing)/incoming resources before transfers		(214,727)	(35)	159,731	-	(55,031)	158,461
Gross transfers between funds	**14**	97,171	55,552	(152,723)	-	-	-
Net (outgoing)/incoming resources		(117,556)	55,517	7,008	-	(55,031)	158,461
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(65,265)	(65,265)	(707,381)
Net movement in funds		(117,556)	55,517	7,008	(65,265)	(120,296)	(548,920)
Fund balances at 1 January 2022		1,947,337	24,624	2,764	12,918,912	14,893,637	15,442,557
Fund balances at 31 December 2022		1,829,781	80,141	9,772	12,853,647	14,773,341	14,893,637

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

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income and endowments from:						
Donations and legacies	**3**	98	-	405,577	-	405,675
Charitable activities	**4**	954,322	-	-	-	954,322
Investments	**5**	4,325	-	-	-	4,325
Other income	**6**	19,049	-	-	105,072	124,121
Total income and endowments		977,794	-	405,577	105,072	1,488,443
Expenditure on:						
Charitable activities						
Grant making	**7**	453,633	-	152,813	-	606,446
Sheltered housing	**7**	384,594	-	-	-	384,594
Social housing	**7**	222,850	-	-	-	222,850
Commercial property	**7**	111,061	8,322	-	-	119,383
Total charitable expenditure		1,172,138	8,322	152,813	-	1,333,273
Net gains/(losses) on investments	**13**	3,291	-	-	-	3,291
Net (outgoing)/incoming resources before transfers		(191,053)	(8,322)	252,764	105,072	158,461
Gross transfers between funds	**14**	82,296	(98,676)	(250,000)	266,380	-
Net (outgoing)/incoming resources		(108,757)	(106,998)	2,764	371,452	158,461
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	-	(707,381)	(707,381)
Net movement in funds		(108,757)	(106,998)	2,764	(335,929)	(548,920)
Fund balances at 1 January 2021		2,056,094	131,622	-	13,254,841	15,442,557
Fund balances at 31 December 2021		1,947,337	24,624	2,764	12,918,912	14,893,637

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

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**16**		6,907,714		6,907,884
Investment properties	**17**		7,555,629		7,288,426
Investments	**19**		33,968		40,104
			14,497,311		14,236,414
Current assets					
Debtors	**20**	228,258		188,466	
Cash at bank and in hand		862,896		1,233,456	
		1,091,154		1,421,922	
Creditors: amounts falling due within one year	**21**	(432,822)		(311,981)	
Net current assets			658,332		1,109,941
Total assets less current liabilities			15,155,643		15,346,355
Creditors: amounts falling due after more than one year	**22**		(382,302)		(452,718)
Net assets			14,773,341		14,893,637
Capital funds					
Endowment funds	**25**		12,853,647		12,918,912
Income funds					
Restricted funds	**26**		9,772		2,764
Unrestricted funds - general					
Designated funds	**27**	80,141		24,624	
General unrestricted funds		1,829,781		1,947,337	
			1,909,922		1,971,961
			14,773,341		14,893,637

The financial statements were approved by the Trustees on 28 June 2023

Paul Griffith

Paul Griffith MBE, Trustee

Geraint Thomas

Geraint Thomas, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**30**		26,320		(24,107)
Investing activities					
Purchase of tangible fixed assets		(66,130)		(711,262)	
Purchase of investment property		(267,203)		(21,426)	
Proceeds on disposal of investment property		-		470,072	
Proceeds on disposal of other investments		-		372,072	
Interest received		6,915		4,325	
Net cash (used in)/generated from investing activities			(326,418)		113,781
Financing activities					
Repayment of borrowings		(70,462)		(19,559)	
Proceeds of new bank loans		-		500,000	
Net cash (used in)/generated from financing activities			(70,462)		480,441
Net (decrease)/increase in cash and cash equivalents			(370,560)		570,115
Cash and cash equivalents at beginning of year			1,233,456		663,341
Cash and cash equivalents at end of year			862,896		1,233,456

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a non-profit private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). Having regard to the disclosure of additional information in connection with the charitable activities undertaken in respect of housing.The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligationn committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal of sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and grants received

	Unrestricted funds general 2022 £	**Restricted funds 2022 £**	**Total 2022 £**	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	50	-	50	98	-	98
Grants received	-	331,851	331,851	-	405,577	405,577
	50	331,851	331,901	98	405,577	405,675

4 Rental income

	Sheltered housing	Social housing	Investment properties	Total	Sheltered housing	Social housing	Investment properties	Total
	2022	2022	2022		2021	2021	2021	
	£	£	£	£	£	£	£	£
Charitable rental income	227,649	335,916	498,732	1,062,297	213,443	235,734	490,131	939,308
Service charges	5,054	-	12,786	17,840	4,702	-	10,312	15,014
	232,703	335,916	511,518	1,080,137	218,145	235,734	500,443	954,322

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Income from listed investments	2,121	2,654
Interest receivable	4,791	1,671
	6,912	4,325

6 Other income

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Endowment funds 2021 £	Total 2021 £
Net gain on disposal of tangible fixed assets	-	-	-	-	105,072	105,072
Other income	9,197	1,000	10,197	19,049	-	19,049
	9,197	1,000	10,197	19,049	105,072	124,121

7 Charitable activities

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2022	Total 2021
	2022	2022	2022	2022		
	£	£	£	£	£	£
Staff costs	6,740	41,838	-	-	48,578	52,590
Bad debt provision	-	-	-	(2,474)	(2,474)	(7,893)
Welfare costs	-	12,196	-	-	12,196	11,345
Routine maintenance	-	82,199	79,199	24,369	185,767	111,134
Heat and power	-	28,091	-	-	28,091	36,078
Rates	-	12,767	-	-	12,767	13,711
Management costs	-	-	50,361	-	50,361	35,146
Unreimbursed costs	-	-	-	7,691	7,691	5,030
Cleaning and hygiene	-	2,009	-	-	2,009	2,253
Refurbishment costs	-	181,567	38,812	184,745	405,124	297,691
	6,740	360,667	168,372	214,331	750,110	557,085
Grant funding of activities (see note 8)	520,887	-	-	-	520,887	517,254
Share of support costs (see note 9)	47,038	32,985	47,613	72,505	200,141	252,649
Share of governance costs (see note 9)	1,622	1,138	1,643	2,501	6,904	6,285
	576,287	394,790	217,628	289,337	1,478,042	1,333,273
Analysis by fund						
Unrestricted funds - general	404,167	394,790	217,628	288,302	1,304,887	1,172,138
Unrestricted funds - designated	-	-	-	1,035	1,035	8,322
Restricted funds	172,120	-	-	-	172,120	152,813
	576,287	394,790	217,628	289,337	1,478,042	1,333,273

7 Charitable activities **(Continued)**

For the year ended 31 December 2021

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2021
	£	£	£	£	£
Staff costs	11,967	40,623	-	-	52,590
Bad debt provision	-	-	-	(7,893)	(7,893)
Welfare costs	-	11,345	-	-	11,345
Routine maintenance	-	40,463	43,712	26,959	111,134
Heat and power	-	36,078	-	-	36,078
Rates	-	13,711	-	-	13,711
Management costs	-	-	35,146	-	35,146
Unreimbursed costs	-	-	-	5,030	5,030
Cleaning and hygiene	-	2,253	-	-	2,253
Refurbishment costs	-	198,584	99,107	-	297,691
	11,967	343,057	177,965	24,096	557,085
Grant funding of activities (see note 8)	517,254	-	-	-	517,254
Share of support costs (see note 9)	75,351	40,528	43,796	92,974	252,649
Share of governance costs (see note 9)	1,874	1,009	1,089	2,313	6,285
	606,446	384,594	222,850	119,383	1,333,273
Analysis by fund					
Unrestricted funds - general	453,633	384,594	222,850	111,061	1,172,138
Unrestricted funds - designated	-	-	-	8,322	8,322
Restricted funds	152,813	-	-	-	152,813
	606,446	384,594	222,850	119,383	1,333,273

8 Grants awarded

	Grant making 2022 £	Grant making 2021 £
Grants to institutions:		
Maggs Day Centre	30,830	29,645
Citizens Advice Worcester	180,316	173,381
Armchair	16,640	16,000
Shopmobility	7,000	7,000
Worcester Community Trust	40,019	38,480
WHAT	37,615	36,168
Dancefest	17,951	17,260
All Sorts of Performing Arts	14,219	13,672
John Palmer	954	950
	345,544	332,556
Grants to individuals (87 grants)		
Relief in need and carpets	26,271	30,311
Educational	1,671	688
White goods	509	886
DWAS	146,892	152,813
	520,887	517,254

9 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	61,646	-	61,646	60,359	*Charitable activities*
Depreciation	1,032	-	1,032	1,064	*Charitable activities*
Office running costs	6,144	-	6,144	7,683	*Charitable activities*
Accountancy	4,509	-	4,509	3,330	*Charitable activities*
Bank charges and subscriptions	1,226	-	1,226	1,302	*Charitable activities*
IT and software	4,347	-	4,347	3,378	*Charitable activities*
Sundries	574	-	574	4,414	*Charitable activities*
Irrecoverable VAT	31,345	-	31,345	69,184	*Charitable activities*
Telephone	925	-	925	3,432	*Charitable activities*
Insurance	45,364	-	45,364	38,731	*Charitable activities*
Business manager fees	5,900	-	5,900	5,568	*Charitable activities*
Surveyor fees	15,262	-	15,262	29,546	*Charitable activities*
Legal & professional	2,472	-	2,472	5,195	*Charitable activities*
Bank loan interest	19,395	-	19,395	19,463	*Charitable activities*
Audit fees	-	6,220	6,220	5,977	*Governance*
Meeting expenses	-	684	684	308	*Governance*
	200,141	6,904	207,045	258,934	
Analysed between					
Charitable activities	200,141	6,904	207,045	258,934	

10 Auditor's remuneration

Governance costs includes payment to the auditors of £4,950 (2021 £4,950) for audit fees together with £1,270 (2021 - £1,027) for other services provided.

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and none of the trustees were re-imbursed expenses (2021 none of the trustees were re-imbursed).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Support	3	3
Warden	2	2
	5	5

Employment costs	2022 £	2021 £
Wages and salaries	100,975	103,038
Social security costs	3,593	4,854
Other pension costs	5,656	5,057
	110,224	112,949

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	(6,136)	3,291

14 Transfers

During the year transfers were effected from the unrestricted and designated funds to reflect the contributions made towards the WHAT and provision of future repair sinking funds.

Transfers made between the unrestricted and restricted funds were to reflect the refurbishment of 1+2 Inglethorpe.

15 Accommodation owned, managed and in development

	Number of units at 1 Jan 2022	Number of units at 31 Dec 2022
Social housing		
General needs housing:		
Let at social rent	-	-
Affordable rent	64	68
Supported housing	32	32
Total owned and managed	96	100
Accommodation in development	-	-

Net surplus from social and sheltered housing

	2022		2021	
	Social	Sheltered	Social	Sheltered
Rental income	335,916	227,649	235,734	213,443
Service charges		5,054	-	4,702
	335,916	232,703	235,734	218,145
Operating costs				
Staff costs	-	(41,838)	-	(40,623)
Routine maintenance	(79,199)	(82,199)	(43,712)	(40,463)
Welfare	-	(12,196)	-	(11,345)
Heat and light	-	(28,091)	-	(36,078)
Rates	-	(12,767)	-	(13,711)
Cleaning and hygiene	-	(2,009)	-	(2,253)
Management cost	(50,361)	-	(35,146)	-
Refurbishment costs	(38,812)	(181,567)	(99,107)	(198,584)
Administrative expenditure				
Share of support costs	(47,615)	(32,985)	(43,796)	(40,528)
Share of governance costs	(1,643)	(1,138)	(1,089)	(1,009)
Net surplus / (deficit)	118,286	(162,087)	12,884	(166,449)

16 Tangible fixed assets

	Social housing	Sheltered housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022	4,370,000	2,533,082	4,531	7,892	6,915,505
Additions	65,265	-	-	865	66,130
At 31 December 2022	4,435,265	2,533,082	4,531	8,757	6,981,635
Depreciation and impairment					
At 1 January 2022	-	-	2,118	5,505	7,623
Depreciation charged in the year	-	-	242	791	1,033
Impairment losses	65,265	-	-	-	65,265
At 31 December 2022	65,265	-	2,360	6,296	73,921
Carrying amount					
At 31 December 2022	4,370,000	2,533,082	2,171	2,461	6,907,714
At 31 December 2021	4,370,000	2,533,083	2,414	2,387	6,907,884

16 Tangible fixed assets **(Continued)**

The carrying value of land included in land and buildings comprises:

	2022 £	2021 £
Freehold	4,370,000	4,370,000
Long leasehold	2,533,082	2,530,000
	6,903,082	6,900,000

17 Investment property

	Commercial properties	Social investment properties	Social investment properties	2022
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2022	6,077,000	850,000	361,426	7,288,426
Additions	-	-	267,203	267,203
At 31 December 2022	6,077,000	850,000	628,629	7,555,629

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

18 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	33,968	40,104

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	40,104
Valuation changes	(6,136)
At 31 December 2022	33,968
Carrying amount	
At 31 December 2022	33,968
At 31 December 2021	40,104

20 Debtors

Amounts falling due within one year:	**2022 £**	**2021 £**
Trade debtors	185,111	139,742
Other debtors	235	5,360
Prepayments and accrued income	36,808	42,150
	222,154	187,252

Amounts falling due after more than one year:	**2022 £**	**2021 £**
Other debtors	6,104	1,214
Total debtors	228,258	188,466

21 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	24	27,678	27,724
Other taxation and social security		4,615	10,017
Deferred income	23	103,232	103,232
Grants payable		125,214	47,556
Other creditors		153,292	108,250
Accruals and deferred income		18,791	15,202
		432,822	311,981

22 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	24	382,302	452,718

23 Deferred income

	2022 £	2021 £
Arising from rents paid in advance	103,232	103,232

All the above relate to the following period and are released in full.

24 Loans and overdrafts

	2022 £	2021 £
Bank loans	409,980	480,442
Payable within one year	27,678	27,724
Payable after one year	382,302	452,718

The long-term loan is secured by a fixed charge over the freehold property situated at 1 The Cross, Worcester.

25 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated						Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and1 losses	Balance at January 2022	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2022
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	13,254,841	105,072	-	266,380	(707,381)	12,918,912	-	-	-	(65,265)	12,853,647
	13,254,841	105,072	-	266,380	(707,381)	12,918,912	-	-	-	(65,265)	12,853,647

26 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£	£	£	£
DWAS	-	155,577	(152,813)	-	2,764	146,851	(146,892)	(2,723)	-
Homes England	-	250,000	-	(250,000)	-	150,000	-	(150,000)	-
Platform and WCC carpet grant	-	-	-	-	-	35,000	(25,228)	-	9,772
	-	405,577	(152,813)	(250,000)	2,764	331,851	(172,120)	(152,723)	9,772

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant in respect to the development of 1+2 Inglethorpe Court

27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds				Movement in funds		
	Balance at 1 January 2021	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£	£	£
Shaw Street	109,676	-	(109,676)	-	-	-	-	-
Tudor House	21,946	(8,322)	11,000	24,624	1,000	(1,035)	4,000	28,589
Sinking fund for future repairs	-	-	-	-	-	-	51,552	51,552
	131,622	(8,322)	(98,676)	24,624	1,000	(1,035)	55,552	80,141

Trustees have decided to hold sinking funds as a general provision for future repair work

28 Analysis of net assets between funds

	Unrestricted 2022	Designated 2022	Restricted 2022	Endowment 2022	Total 2022	Unrestricted 2021	Designated 2021	Restricted 2021	Endowment 2021	Total 2021
	£	£	£	£	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:										
Tangible assets	-	-	-	6,907,714	6,907,714	4,802	-	-	6,903,082	6,907,884
Investment properties	1,478,629	-	-	6,077,000	7,555,629	1,211,426	-	-	6,077,000	7,288,426
Investments	-	-	-	33,968	33,968	40,104	-	-	-	40,104
Current assets/(liabilities)	733,454	80,141	9,772	(165,035)	658,332	1,143,723	24,624	2,764	(61,170)	1,109,941
Long term liabilities	(382,302)	-	-	-	(382,302)	(452,718)	-	-	-	(452,718)
	1,829,781	80,141	9,772	12,853,647	14,773,341	1,947,337	24,624	2,764	12,918,912	14,893,637

29 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £46,240 (2021 - £46,240) to Citizens Advice Worcester and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £180,406 (2021 - £173,381) to Citizens Advice Worcester towards its running costs. Paul Griffith, is a trustee of this charity and of Citizens Advice Worcester. Geraint Thomas is a trustee of this Charity and employee of Citizens Advice Worcester.

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2021 - £24,000) and also made a grant of £30,830 (2021 - £29,645) to Maggs Day Centre. Sue Osborne is a Trustee of this charity and of Maggs Day Centre. Mel Kirk is a trustee of this charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 (2021 - £55,000) was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2021 - £8,000) and also made a grant over two years of £37,614 (2021 - £36,168) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	110,224	112,949

30 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(120,296)	(548,920)
Adjustments for:		
Investment income recognised in statement of financial activities	(6,912)	(4,325)
Gain on disposal of tangible fixed assets	-	(105,072)
Fair value gains and losses on investments	6,136	(3,291)
Depreciation and impairment of tangible fixed assets	65,265	708,444
Movements in working capital:		
(Increase) in debtors	(39,793)	(49,267)
Increase/(decrease) in creditors	121,920	(21,676)
Cash generated from/(absorbed by) operations	26,320	(24,107)

31 Analysis of changes in net funds

	At 1 January 2022	Cash flows	Other movements	At 31 December 2022
	£	£	£	£
Cash at bank and in hand	1,233,456	(370,560)	-	862,896
Loans falling due within one year	(27,724)	22,632	(22,586)	(27,678)
Loans falling due after more than one year	(452,718)	47,830	22,586	(382,302)
	753,014	(300,098)	-	452,916

The Old Glove Factory - Grade II listed building - built 1691

Now occupied commercially by Expertan and Barber, Sorin Pop

with the Charity providing the rest of the property to Citizens Advice Worcester rent free.

Nash's and Wyatt's Almshouses - The original almshouses of John Nash (New Street 1661) and Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances" of the 1960s and rebuilt together on the New Street site in 1964

Maggs Day Centre for the Homeless

St. Alban's Chapel
Grade 2 Listed Building &
Ancient Monument
Let on a Peppercorn rent

Tudor House Museum

Grade 2* Listed Building
Let to Worcester Heritage &
Amenity Trust Ltd on a
Peppercorn rent

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WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales - Charity number 1166931

Accounts

AR2021

WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159

Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT
1st JANUARY – 31st DECEMBER 2021

This is the sixth Annual Report of the Charity which was created specifically by the Trustees in 2016 as the replacement Charity for Worcester Municipal Exhibitions Foundation (Education) and Worcester Consolidated Municipal Charity (Relief in Need & Almshouses), whose business, staff, assets and liabilities were vested in the new Charity on 1st July 2016, as a “Charitable Incorporated Organisation” which has very similar objects to the two unincorporated predecessor Charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months’ period ended 31st December 2021 (“The Period”). The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP): "Accounting by Registered Social Housing Providers Update 2014” along with the Financial Reporting Standard 102 (“FRS 102”) in preparing the report and financial statements of the Charity.

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

All enquiries to the Registered Office
Worcester Municipal Charities (CIO)
Kateryn Heywood House
Berkeley Court, The Foregate
Worcester WR1 3QG
Telephone: 01905 317117
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Email: admin@wmcharities.org.uk

Office Accounts:
Carlo Barentsen, Sarah Bradnick
Email: accounts@wmcharities.org.uk

Website: www.wmcharities.org.uk

Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

The Charity's offices, community meeting room/Chapel, and sheltered housing for seven residents.

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2021 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to 1st July 2016

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Note – In 2020 the Charity published **"While the World Endureth"**, a history of the Trust since 1559. Copies are available from the office @ cost price £27, or can be viewed on the website: http://www.wmcharities.org.uk

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

a) After Henry VIII dissolved the monasteries (1536 - 40) the new Church of England inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation of the St.Thomas's Day Charities which invested in properties and handed out doles of two shillings per family from the rental income to a disorderly queue at the Guildhall on St, Thomas' Day December 21st, Winter Solstice, the appointed day. The Worcester ale houses and inns needed extra staff to cope with demand and it was possible to rejoin the queue! It was discontinued in 1867 as "need wasn't assessed".

The Municipal Corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly and honestly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the public charities throughout the land, and their national inquiries and discovery of widespread abuse of Trust led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.

b) In 1899 they were consolidated into one holding charity, **the Worcester Consolidated Municipal Charity.** Of these 27 charities, the 6 primarily educational charities, were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same single body of Trustees from 1913 onwards.

c) On 4th May 2016 Worcester Municipal Charities CIO ("WMC (CIO)") was registered with the Charity Commission with registration no. 1166931, and on vesting day 1st July 2016, the business, staff and all the assets and liabilities of the two predecessor charities were handed over to the new Charity, followed by the former ones' being wound up.

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO, or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

The Trustees have agreed that "If 0.1% is less than £950 it will be increased to that amount. There will be a review of the "top up" to £950 in 2023."

Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

The Charity is administered by 17 Trustees.

Four are nominated by Worcester City Council; four are nominated by major beneficiary "stakeholder" charities, chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are co-opted by the Trustee body, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

On appointment, new Trustees are provided with induction training, given copies of the Constitution and Rules, the Annual Report and Accounts, a History of the Charity and a copy of the Charity Commission's publication CC3 "the Essential Trustee" which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

*Paul Griffith **I**, (Chairman), Geraint Thomas **Ch** (Vice Chairman), Jenny Barnes **N**, Roger Berry **I**, Richard Boorn **N**, Paul Denham **I**, Ruth Heywood **I**, Graham Hughes **I**, Mike Johnson **N**, Margaret Jones **I**, Mel Kirk **Ch**, Roger Knight **N**, Sue Osborne **Ch**, Margaret Panter **Ch**, Ron Rust **I**, Martyn Saunders **I**, Brenda Sheridan **I**.*

***"I"* nine independent** co-opted by the Board for 5 years;
***"N"* four nominated by** the City Council for 4 years;
***"Ch"* four nominated to the Trustees** by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, MAGGS Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum).

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year; each property is visited once in every two years. (These are in abeyance due to Covid). The properties are all vested in the CIO as “Custodian” Charity.

A Grants Sub-Committee - meets monthly, to deal with individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have joint delegated authority to make grants up to £1,000 in an emergency.

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors HallmarkHulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester’s needy citizens. Thanks are also due to the staff: Adrian Robinson (Property Business Manager), Carlo Barentsen (Accountant), Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis. (Pictures of the staff page 27). (Full details of the Professional Advisers are on page 29).

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' “Mission” is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity’s Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**

- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN THE PERIOD

A. Major Events/Decisions by the Trustees in 2021

- *During the year building work was completed on creating **25 affordable flats for the homeless** at "Stillingfleet House", 3-4 Shaw Street, the former Probation Offices. The Official Opening Ceremony (Page 24) was performed jointly by **Robin Walker MP** and Mayor **Stephen Hodgson,** followed by a blessing from **John Inge, Bishop of Worcester.** Homes England committed a grant of £1,000,000 gross towards the total cost of £2.2 Million. This development took the total of new "affordable" flats for the homeless to **64 since 2013.***

- *Following a tendering process, the project was managed by Karl Greenway of **Lett & Sweetland Architects** and completed to a very high standard by **"D & S"** our "preferred" Contractors who won the tender.*

- *The termination of the office lease by the Home Office (Probation), and the decision to develop the empty office as flats for the homeless, deprived the Charity of £150,000 lost rental income annually for 3 years, and as a result a loan was arranged with **Unity Trust Bank** to facilitate the cash flow requirements. The new rents have virtually restored the loss.*

- *Fortuituous help arrived in the form of the opportunity to sell a 45.1 acre field at Welland, our worst performing commercial investment, following the death of the lifetime tenant with no entitlement to succession. The land was passed to the Charity as part of the winding up and transfer of Shewringes & Gouldings Charity in 2013, with a stated gross income of £2,465 p.a., and a valuation of £37,141, giving a gross yield on paper of 6.64%. At auction, with vacant possession, it was sold for **£480,000** of which commission and fees took £11,964.38. The Charity lost income of £3,436 p.a. or 0.7% of the nett sale price.*

- ***To continue helping 4 organisations** in particular, being those that the Trustees believe provide the most help to the poorest, and those in greatest need in Worcester: - **A) Maggs Day Centre for the Homeless, B) Worcester Citizens Advice, C) Armchair** (Furniture Re-Cycling), who have all been provided with free/subsidised premises and grants to assist with their work; and **D) Worcester Community Trust** towards their community centres and outreach work.*

- *The Charity fulfilled a contract with the **City Council** to manage the purchase and distribution of white goods in Worcester worth £152,813 net (2020 £116,635), as part of the **Discretionary Welfare Assistance Scheme** ("DWAS"). The Charity originally won the contract in 2013 and again in 2017, which has been rolled over three times until 2022. The Charity does not charge the Council for this project in recognition of the relief it brings to the Charity's own grants' budget.*

- *The Charity approached **Platform Housing Association** as most of its individual grants for carpets came from their tenants, and asked them to consider contributing. They decided to take it over in its entirety, which will save the Charity about £55,000 a year.*

- ***Inglethorpe Court** - The Charity took the surrender of a peppercorn sub-lease from Citizens Advice Worcester in respect of these two empty office buildings in the Hopmarket Yard. A partnership was then established with the Hopmarket Charity, who own the freehold, to convert the buildings into 4 flats for the homeless. Planning consent was obtained, and*

agreement reached for a new 125 years' lease in return for a 25% share of the nett rental profits. A grant from Homes England is being sought and the conversion work will start in January 2022.

- *The Charity has registered a **NILS** (no interest loan scheme) with the DWP for grant recipients who want more than they have been awarded, and can afford repayment of the capital.*

- *The Charity increased staff salaries by 1.5%.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,488,443 was received, mainly rent from properties, (2020 £1,842,939). Expenditure was £1,333,273 (2020 £1,068,874).

C. Summary of Property Owned

a) There are two Sheltered Housing "retirement" sites (32 almshouses) and nine "Affordable Housing sites" (64 flats) for the non-retired homeless.

b) The Charity sold one commercial property in 2021 so at the year's end owned 16.

c) 7 "functional" properties are leased to charities on peppercorn rents as "facilities in kind" (see page 15). Inglethorpe Court lease was surrendered by Citizens Advice Worcester in 2021.

d) The Charity is in the process of developing Inglethorpe Court into 4 affordable flats for the homeless in 2022, in partnership with the Hopmarket Charity.

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed.

E. The Grants Sub-Committee met 12 times in The Period

Education, Relief in Need, Hardship or Distress Grants

a) A constitutional grant of £950 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley.

(b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totalling £364,441 (2020 £395,782), and helped administer the City Council's DWAS relief in need grants worth £152,813 net, (2020 £116,635), to individuals in need (details page 13).

(c) The Charity continued to focus its main help on **four charities** in particular, being those that provide the most help to the poorest and those in greatest need in Worcester. The **MAGGS** Day Centre for the Homeless, **Worcester Citizens Advice** and **Armchair Furniture Re-Cycling** have all been provided with free/subsidised use of premises worth about £80,000 p.a. and grants totalling £219,025, (2020 £219,470) to assist with their work for the poor; and **Worcester Community Trust** £38,480 towards its community centres in social housing areas and outreach support.

(d) In 2012 the Charity agreed to fund a **Money Management Advice Post** annually, based at the Citizens Advice Bureau which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2020/2021 The Money Management Adviser interviewed 105 individual clients helping them with benefits, water bills, finances, employment and debt issues. The Local Citizens Advice Debt and Money Service also assisted clients to reschedule or receive a “write off” of debts amounting to £950,000 in total, across all of their services.

(e) In 2012 the Grants Committee ceased making grants for **school uniform** due to the Pupil Premium being paid to schools. Clothing grants for school children in need were however introduced, based on the family's income and expenditure, and their clothing needs.

(f) In 2013 The Charity agreed to help by funding a free Benefits Legal Casework Project annually, in partnership with the Citizens Advice and, originally, the Worcester Law School, now the University. Students are trained and provide supervised support to deliver free Benefits Casework to poor people. In 2020/21 the project assisted 131 clients and the total financial gains obtained for clients as a result of this project, were in excess of £770,000, during the year. In addition, Citizens Advice Worcester assisted clients to obtain total financial gains of £1,952,000 across all Citizens Advice services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially, whilst undoubtedly contributing to the City’s overall economy.

(g) In 2016 The Charity spent £500,000 purchasing and renovating 59/60 the Tything for use by Maggs as **administrative offices, a domestic training centre and a free clothes store, mainly for street sleepers.** It was let to MAGGS in December 2017 on a peppercorn rent, with the two flats for the homeless “over the shop” being managed by “SmartLets” at Worcester Citizens Advice.

(h) In 2021 the Committee awarded education grants of: £17,260 to DanceFest, £13,672 to All Sorts of Performing Arts, and £38,480, (50/50 Education and Respite for carers), to Worcester Community Trust providing educational facilities, youth clubs and holiday play-scheme facilities in Worcester (see page 13)

(i) The Committee also agreed to continue leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent, together with £36,168 to help pay the salaries of a part-time curator and part-time assistant until May/June 2022.

(j) The Committee awarded 1 grant totalling £1,000 (2020 £1,200) to individuals in need of financial assistance with their education (see page 13)

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE NON-RETIRED HOMELESS

The Charity owns two complexes of Retirement Almshouses:

(i) Berkeley Court, The Foregate - 7 flats and

(ii) Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on their reserves' levels.

The residents' accommodation charges were reviewed in The Period. All bar one of the residents receive Housing Benefit. In The Period one resident left and two were appointed.

Resident Part-time Warden Paul Saunders and partner Lorraine, left after 14 years' service, and we thank them for their service and wish them well. Julie Fenson, Warden, continues to provide a very high standard of first line support and care-taking at Nash's and Wyatts. We welcome Darren Dodd who was appointed in December with his partner Gillian, and look forward to their arrival.

Applicants for sheltered housing must be poor and must have lived in Worcester for at least 12 months. Retired or nearing retirement applicants are preferred, although applicants below retirement age are occasionally considered if they have a need for, and would benefit from, accommodation in a sheltered environment. The Charity advertises vacancies when available with the criteria necessary for consideration.

Berkeley Court, Foregate Street - 7 flats

Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout the Period. Testing and servicing of all gas appliances is carried out annually.
There are major capital repairs to the roof at Berkeley's in process and refurbishment of flats in 2021/22. Flats are also being refurbished at Nash's and Wyatt's in 2021/22.

AFFORDABLE HOUSING FOR THE HOMELESS - 64 NEW UNITS IN EIGHT YEARS

There is a widely held belief that an "Almshouse Charity" is for the elderly only, but it's actually for poor people of all ages. "Relief in Need" includes giving a home to the homeless to meet their need.

Since 2013 the Charity has been pursuing a re-investment strategy of providing affordable housing for the single homeless, and since 2015 has been helped by Homes England with grants to create flats "over the shops" and in empty office buildings. This is an exciting new strategy that provides housing for the homeless and also makes a reasonable commercial profit from a worthwhile charitable activity, at a time when good investment returns are difficult to find, and affordable flats for the homeless are in very short supply. We have been fortunate to find a good quality reliable builder.

By the middle of 2021 the Charity will have a total of 64 new units of "affordable housing" created between 2013 and 2021. All the properties are managed on the Charity's behalf by "SmartLets" (part of Citizens Advice) who retain 15% of the maintenance contribution payments as a management fee.

27 Existing Flats

2013 - 9 Sansome Place
6 studio flats

2014 - 16/17 St. Swithin's Street
6 one bedroom flats

2016 - 21 The Cross
3 one bedroom flats

2017 - 15 St. Swithin's Street 4 bedroom HMO

2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat & a shop/office

2017 - 59-60 The Tything
2 one bedroom flats

12 Existing Flats

2018 - Sir Thomas White Court
10 new one bedroom flats

2019 - 8 Sansome Place
2 one bedroom flats. Property owned by the Charity since 2002 and used by Maggs as a “free clothes store” for street sleepers until 2017. The Charity replaced it with a city centre building also providing a social training centre for the homeless and two flats, then created two flats in the old building.

25 Flats were created in 2020/2021

2020/21 - “Stillingfleet House”, 3-4 Shaw Street. 25 one bedroom flats were created in 2020/21 from this former Probation Office, owned by the Charity since 1994 and empty following the tenants’ departure as a result of the privatisation of half the Probation Service.

10. GRANTS AWARDED IN 2021 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS

Grants determined by Constitution	**£**
Palmer's Educational Foundation	950.00*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

		£
Allsorts of Performing Arts	Running Costs	13,672.00*
Armchair furniture recycling	Running Costs, free furniture - means tested	16,000.00
Citizens Advice	Running Costs, advice, support, legal aid	173,381.00~
Dancefest	Dancing lessons, (social housing areas)	17,260.00*
Maggs Day Centre	Running Costs, day centre, clothes, training	29,645.00
Shopmobility	Running costs, (frozen, as not means tested)	7,000.00
Worcester Community Trust	Holiday play schemes (social housing areas)	38,480.00*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	36,168.00*
	Total	**£332,556.00**

* Educational grants
# 50/50 relief in need and education.
~ Citizens Advice core support costs £104,594 - 60%; legal aid project £30,180 - 17.5%; money advisor £34,068 - 20%; ethnicity training & language (education) £4,539 - 2.5%;

INDIVIDUAL GRANTS

	£
Education grants	688.00*
Relief in Need, Carpet Grants and other under £1000	30,311.00
Relief in Need Grants for white goods under £1,000	886.00
Total	**£31,885.00**

The Charity's Grand Total (excluding DWAS)	**£364,441.00**
DWAS Relief in Need grants under £1,000 for white goods	(net) £152,813.00

The grants included educational grants and the following essential household and personal items: *Carpets, Washing Machines, Cookers, Electric Clothes Driers, Fridges, Fridge Freezers, Microwaves, Clothing Grants, Removal Costs, Vacuum Cleaners, PCs and "other household items"*

Grand Total	**£517,254.00**

WORCESTER MUNICIPAL CHARITIES (CIO) GRANTS POLICY

11. Grants for "Relief in Need" and to "Promote Education for Individuals in Need" **General Policies & Practices** - Advice for Support Workers & Applicants:

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care and family services - Worcestershire Children First www.worcestershire.gov.uk/info/20501/children_young_people_and_families
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like "Sky TV" rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for "essential" items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as "essential" those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a "relief in need" grant based on family income and expenditure.

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2021

Since 1996 the Charity has been sponsoring subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN TO:	Capital	Rental Value
20	**Armchair 6B Checketts Lane Trading Estate** 50 years lease from 1996 bought on premium	Leasehold	Paid up front
28/29	**1 & 2 Inglethorpe Court** (50 years' Leasehold 2001) (Citizens Advice Worcester. Sub lease **surrendered** in December 2021)	£115,000	£9,200
40/41/42	**Old Glove Factory**, 13 & 15 Lowesmoor **totals**	[£850,000]	[£68,000]
	Old Glove Factory, 13 & 15 Lowesmoor **Citizens Advice** (68% of £68,000 total) Total service charges utilities etc paid by WMC		£46,240 £8,232
43	**St. Albans, Deansway** (150 years' leasehold 2008) **Maggs Day Centre**	£50,000	£4,000
44	**Tudor House**, Friar Street (125 years' leasehold 2008) **WHAT**. Lease £1.00; £1,000 p.a. insurance paid.	£100,000	£8,000
46	**Medway Youth & Community Centre** All Sorts of Performing Arts (50 years leasehold from the City 2012)	£75,000	£6,000
53	**Maggs Clothing Store, Activity Centre** Offices and Shop 59/60 the Tything	£250,000	£20,000
	Total facilities in kind provided in this period:		**£101,672**

PROPERTIES DEVELOPED/PURCHASED IN THE SOCIAL INVESTMENT PROGRAMME

From 1996 onwards, the Trustees began investing some of the "surplus" accumulated income from new rents, to purchase property for social community projects that benefited the poor. The thinking then was that other charities that were in the same business of helping poor people, but had no income of their own, would welcome such a boost, and a secure rent-free base would be attractive to their potential funders.

Relief in Need - the programme eventually encompassed the major Worcester charities providing financial relief in need for the City's poorest e.g. Citizens Advice Worcester, Armchair Furniture Recycling, and the Maggs Day Centre for the Homeless. CAB and WHABAC, two of the Charity's major beneficiaries, merged on April 1st 2009. The development of both, especially their office moves to suitable rent-free premises, was due mainly to the Trustees' support and generosity.

Both Maggs and Armchair also enjoyed rent free premises and annual grants and still do.

Educational facilities, provided rent-free, consist of the Tudor House Museum (WHAT - Worcester Heritage & Amenity Trust) and Medway Youth and Community Centre (All Sorts of Performing Arts). The Charity is obliged by its constitution to spend c.12% of its net income on educational provision.

1996 - Berkeley's Chapel was refurbished at a cost of **£150,000.00** as a Community Centre and Meeting Room. The Chapel was virtually derelict and almost unused. Once the Civic Society's radical objections had been overcome, Martin Jones oversaw the tasteful conversion with Proberts as the builders. The refurbished Chapel is now used for almshouse residents' meetings, Trustees' meetings, and community meetings, and is offered rent-free to Worcester charities providing they have less than one year's running costs in reserve.

1996 - Goodrich House, Sansome Place, Offices & Car Park was purchased for Home-Start and refurbished at a total cost of **£150,000.00**. The building then known as "Saga House", previously "AEU Offices" was renamed after Margaret Goodrich (The Home-Start President) and was then used until 2014 when cuts in County Council funding led to the Charity being down-sized and moving to their own premises in Malvern. Terms were agreed for the surrender which took account of the un-expired lease, and the offices and car park site were then converted to 10 flats for the homeless in 2017/18 and re-named "Sir Thomas White Court" with 4 of the flats in the former Home-Start office and 6 are new-build on the car park.

1996 – Armchair, 6b Checketts Lane Industrial Estate. The WMC Charity purchased 6a and 6b mainly to provide a learning disability day centre at 6a for the County Council. However 6b was offered to Armchair to enable them to move out of an expensive leaky rented warehouse in Back Lane South. Armchair was successful in getting a Lottery grant and purchased a 50 years' lease from the Charity for £55,000, which means no more rent until 2048 when the Trustees will probably charge £12 a year.

1998 - Worcester Citizens Advice Bureau – A donation of **£100,000** was made towards the planned new-build offices in The Hopmarket. The proposal looked unachievable until the Charity stepped in, awarded the grant and then helped to construct a Big Lottery application which yielded a further £304,000. Peter Sweetland, the Charity's architect, drew the plans and organised the construction, including overcoming very difficult access problems. The new building opened in 2001.

2000 - 1 & 2 Inglethorpe Court in the Hopmarket Yard behind Citizens Advice were leased from the Hopmarket Charity for 50 years in 2000 at £1 a year in recognition of its derelict, landlocked state, and the need for the Charity to expend c. £150,000 to gain access, refurbish and sub-let it to Citizens Advice for use as two offices. By 2021 they were no longer needed and the sub-lease was surrendered. As they could not be let commercially, the Trustees considered refurbishing them for use as 4 flats for the homeless. A partnership was then formed with the Hopmarket Charity, the Freeholders to undertake this project jointly, with the Hopmarket receiving 25% of the nett rents, instead of the £1 a year, in return for agreeing a new 125 years' lease being granted, this being the shortest period acceptable to Homes England for grant aid. Planning consent was granted in 2021 and a grant application was made. Work will start in 2022 to create 4 affordable residential flats and build a staircase between the two buildings for upstairs access to top two flats.

2002 - 8 Sansome Place, a free Clothing Store for street sleepers and people in need was purchased for **£73,437.00** from the private owner, when the WRVS (tenants) decided to close it down due to a policy change. The Worcester Salvation Army offered to run it as a free clothes store and were given a £1 a year lease. They unfortunately sub-let it, without permission, to the Worcester City Mission ("Lydia Project") who began gradually turning it into a church, holding services there, and selling donated clothes to fund the religious Mission, rather than helping the poor. They were evicted and it was then offered to Maggs in 2005 who ran it as a clothes store etc., for street sleepers and others in need. However, in 2017 the Charity purchased 59/60 The Tything as a replacement for Sansome Place and their leased office at 7 Copenhagen Street which was surrendered. 8 Sansome Place was then converted to 2 flats for the homeless in 2019.

2004 - "The Old Glove Factory" 13-15 Lowesmoor, a large derelict building with two shop-fronts, was bought for **£368,500.00** from the Catholic Church after a 3 years' wait. It was refurbished imaginatively by Lett & Sweetland in 2005/6 at a cost of **£1 million**, and initially let to Worcester Housing & Benefits Advice Centre, Ethnic Access Link, Headway and the Black Pear Credit Union, all at heavily subsidised rents. The official opening by the Princess Royal took place on 7th February 2007. WHABAC and CAB had merged in 2009, and in 2018 were renamed "Citizens Advice Worcester". Headway, the Black Pear Credit Union and Ethnic Access Link left, and the two street facing shops were let commercially in 2018. Citizens Advice Worcester now occupies the rest of the building on a peppercorn rent of £12 p.a.

2008 - Tudor House Museum, Friar Street. In 2004 John Bennett and Jim Panter, Trustees from **WHAT** (Worcester Heritage & Amenity Trust) approached the Charity in respect of a possible partnership, to acquire the Museum on a sustainable and affordable basis, with WHAT running it, mainly with the help of volunteers. The Trustees agreed to investigate the possibility and Philip Jones then negotiated an agreement for a 125 years' lease from the City Council at a premium of **£100,000.** The Charity then sublet the Museum to WHAT, initially on a 35 years' lease for £1 p.a., with £1,000 towards the repairs' sinking fund. The Charity also makes a generous contribution annually towards curator staff costs and has committed £4,000 p.a. to a repairs' and refurbishment sinking fund.

The building has been adopted by the **Worshipful Company of Clothiers** as its home base.

2009 - St Albans, Deansway, the Maggs Day Centre for the homeless, received an ill-conceived demand for a commercial rent of £10,000 p.a. from the Diocesan Board of Finance intended for the clergy's pension fund. This unfortunate episode followed a rent free period in return for putting the neglected building in a good state of repair some 30 years earlier. On hearing the possible plight of the homeless service users, the Charity stepped in, suggested the Diocese seemed to have lost sight of its own obligations to the poor, offered to buy the freehold but was turned down. The Charity then asked their valuer Philip Jones to try to negotiate a compromise agreement, and he secured a 150 years' lease at a cost of **£47,500**. It was then sub-let to Maggs by the Charity for £1 a year until 2030 when it will be renewed for the remainder of the head lease until 2159.

2011 – The 18th Worcester Scout Hut and Youth Club (Medway Youth & Community Centre) was purchased for **£1.00** from the Scouts who had been wound up. The Charity then acquired a new 50 year lease from the City Council who own the land. It was refurbished at a cost of £30,000 to make sustainable youth and community provision for Lower Ronkswood, now housing All Sorts of Performing Arts as the peppercorn rent tenant.

2017 - 59/60 The Tything was purchased for **£305,000** in 2016 by the Trustees for use by Maggs as administrative offices, with a free clothes shop for the poor/homeless, and a domestic training centre for day centre service users. There are two flats upstairs for the homeless (modernised with help from a Homes England grant) and managed by SmartLets. The purchase allowed the Charity to surrender a leased Maggs office at 7 Copenhagen Street, and also released the old existing "free clothes" store at 8 Sansome Place for conversion to two flats for the homeless in 2019. The whole project cost c. **£500,000**. In 2020 an extensive dry rot infestation came to light and its eradication is proving difficult and expensive.

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfil the registered charitable objectives for people in need, by using income from its annual funds, investments and properties to provide the income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Raising the Money to Spend on the Charitable Objectives

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is a legal requirement to review investments from time to time and to diversify investments.

The Charity's annual income is composed almost entirely of rents from its **commercial properties,** comprising shops, offices and warehouses, and from its two types of **a) "affordable social housing"** almshouses for **retired people** (32 units), and **b)** almshouses for **the non-retired homeless** (64 units, with another 4 in the pipeline, with planning agreed and Homes England funding applied for).

<u>Strategic Changes of Investment from 1985 Onwards</u>

In the 1980s - the Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester.

Following an investment policy review in the late 1980s, and after a meeting with the Charity Commission, the Trustees began a wholesale, gradual transition from agricultural to commercial investments, including the gradual sale of all the agricultural holdings. This went smoothly with most farms being purchased by the tenants, many of the families having been in occupation for more than 100 years.

Between 1990 - 2012, building on that initial success, the Charity continued selling the farms, and also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. These two major policy changes effectively quadrupled the Charity's income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing grants, sponsorship and rent-free buildings for like-minded Worcester charities helping the most needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane; the bubble was bursting and new sustainable strategies were becoming urgent. As a result, when offices became vacant they were either sold, or converted into flats for the homeless. Flats were also created over the charities' own shops where possible, with reduced rents for the shop-keepers below helping sustain their financial viability.

"Programme Related Investment"

In 2013 the Trustees decided to adopt this Charity Commission recognised definition for when a charity ***"uses assets to directly further the charity's aims, whilst also generating a financial return".***

The money to invest was raised from the sales below, and from the grants from Homes England which speeded up the whole process enormously, and also enabled the Charity to continue financial support and provide rent free offices to four other Worcester charities who were helping those in greatest need in Worcester.

2013 – 2018 Eight Properties Sold - Eight commercial properties and land were sold for £2,114,100.00 and the money was invested in affordable flats for the homeless.

2017 – 2021 Four Properties Converted - Four Charity properties were converted into affordable flats for the homeless, including the former Home-Start offices (10 flats) in 2018, and the former Probation Offices (25 flats) in 2020/2021.

2017 – 2018 Social Investment Property Let – The two shop fronts of the "The Old Glove Factory were let commercially, producing a rent gain of £15,740.

Grants from Homes England totaling £1,610,00.00 were obtained after the Charity had registered as a private not for profit Housing Association in 2016.

In 2018 the Charity reviewed its Investment Policies and Procedures, and reported its findings to the Board at its January 2019 meeting.

The 2019 Investment Report to the Board demonstrated that the reinvestment strategy was both sustainable and diverse and, in particular, replaced the lost income of £150,000 from the 2018 vacation of the Shaw Street offices with income from the 25 new affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control.

Investment Returns Analysed

Between 1985 - 2018 the Charity recorded its income carefully, and the headline results are that the earned income from investments rose by an average compound increase of 6.35% every year compared to a UK average of 3.54%. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this policy has been put on hold following the departure of the Home Office as tenants with a subsequent loss of rental income of £150,000 annually, and the requirement to fund the refurbishment of 3-4 Shaw Street into 25 flats at a cost of £2.2 Million, towards which Homes England contributed £1 Million.

Routine Almshouse Maintenance

Between 1899 and 1985 the Charity "lost" 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not

to charge rent, even when Social Security/Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

By 2021 the Charity had more than recovered its losses, with a total of 96 new units for the homeless. These now comprise 7 built in 1708, 25 in the 1960s (replacing 24 built on the 16th Century site), 39 between 2013 - 2019, and 25 in 2020/21, the latter two for the "homeless below retirement age".

In 2018/19 the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient. Based on advice from the Almshouse Association, the routine maintenance figures for the 2021 budget were set at £1,405 for each retirement unit, and £1,031 each for the homelessness ones which have proved adequate.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Commercial Properties

The Returns on the "High Street" Commercial Properties of shops and offices are static, and present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. In reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop is easily the best and most popular in town and looks set to continue its unique success.

The rent reviews due in 2021 were settled on a stand-still rent basis apart from the retirement almshouses for which the Charity was entitled to CPI + 1%. The homelessness almshouses were also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed "Charity Alley". However it does have a wonderful footfall, as it provides the main pedestrian route to "The Shambles" and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens, and in the meantime, when the opportunity arises, diversify into residential property for the homeless.

The Board regularly reviews its investment strategy and almshouse maintenance strategy, including consideration of where savings might be made, for example by installing solar panels and water meters both of which have been done.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of Sir Thomas White Court into 10 affordable flats for the homeless and appointed D & S, the chosen contractors as "preferred providers." It was agreed that in future the preferred provider would be used for all work under £500,000 but their tenders would always be checked by our retained Quantity Surveyors.

The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment Plans

There is no real shortage of retirement facilities for the elderly in Worcester; commercial high street shops and offices are on standstill rents. Any new capital, if it can be matched by Homes England grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2021	2020	Commentary
Reinvestment percentage	10.3%	16.76%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned. The Charity completed the development of 25 social units at Shaw Street during this year.
Percentage of new supply delivered	26.04%	35.21%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end. The Charity completed the development of 25 further social units at Shaw Street this year.
Social housing cost per unit	£6,327	£3,594	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	-33.83%	40.14%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income. This year major repair works have been undertaken at 59/60 The Tything, 1 - 3 Berkeley Court and three flats at Nash's & Wyatt's Almshouses.
Overall operating margin	10.62%	31.37%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	1.06%	3.20%	This is the overall operating margin divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a considerable number of individual applications for assistance, there is an inbuilt unavoidable administration cost. In the period the Charity spent £6,285 (0.4%) (2020 - £6,305) (0.3%) of gross income on Governance and £109,993 (7.4%) (2020 - £103,559) (5.6%) of gross income on Administration

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned Quinquennial Property Valuations. The Commercial Properties were valued by Guise Jones Sawyer, and their successors GJS Dillon, and the agricultural properties by ARC Surveyors. The "Functional Properties", occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,880,000**, and 2020 **£14,532,000**.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd.

17. EXTRAORDINARY REPAIRS COMMERCIAL PROPERTY & ALMSHOUSES

2021 has been a challenging year for extraordinary repairs with a number of unusually expensive items. These have included major repairs to the roof of flats 1 to 3 Berkeleys Court (the 18th Century Almshouse). At 59/60 the Tything there was a dry rot outbreak, dangerous stonework and defective windows. This included the two flats for the homeless, the Maggs' offices, their free clothes store, and a domestic training centre, causing major disruption, and at great unexpected expense. At 19 Foregate Street the lead roof also required replacement. Three flats at Nash's & Wyatt's Almshouses also required full refurbishment.

There is now refurbishment needed of another three flats at Berkeley's Court which are planned for 2022.

And finally, at the Old Glove Factory, the long outstanding replacement of the "North Light" Roof which leaks, is scheduled for 2022, again at very considerable expense.

All in all £297,691 has been spent in 2021.

All of this work has been, or can be contained within the Reserves Budget.

18. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an "ad hoc" basis when required e.g. for a capital programme or major repairs or maintenance. A contingency sum of 5% is set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money is transferred to the reserves to purchase new investment properties when sufficient is available, to help the Charity at least keep pace with inflation.

Until 2018 this process has brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2020 due to the need to spend £2 Million + on creating 25 flats in 3-4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrive.

The total funds of the Charity as at the year end amounted to £14,893,637 (2020 - £15,442,557), consisting of restricted funds of £2,764 (2020 £nil) and endowment funds of £12,918,912 (2020 - £13,254,841). Designated funds, which are funds set aside by the Trustees for future projects amounted to £24,624 (2020 - £131,622), leaving unrestricted funds amounting to £1,947,337 (2020 - £2,056,094). Free reserves after making allowances for tangible fixed assets and investment properties amounted to £731,109 (2020 - £861,028).

“New Risks” form the first agenda item for all Board meetings.

19. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups after considering UK CPIH inflation.

20. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2021 there were no “serious incidents” to report.

STILLINGFLEET HOUSE - OFFICIAL OPENING 2nd July 2021

The Assembled Board of Worcester Municipal Trustees

The Refurbished Georgian Buildings

Robin Walker MP; Paul Griffith, the Charity's Chairman and Rt. Rev. Dr. John Inge, Bishop of Worcester

One of the beautifully refurbished kitchens

21. THE CHARITIES' PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	AQUIRED	AQUIRING CHARITY~	TENANT/OCCUPANT
1.**	**2 St Swithin's Street**	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	**3 St Swithin's Street**	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	**15 St Swithin's St, Ground Floor**	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	**15 St Swithin's Street**	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	**1 The Cross**	Bank	1618	Inglethorpe's	National Westminster
5.	**16 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	Headway
6.	**17 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	SCOPE
6A.	**16/17 St Swithin's St, Upper Floors**	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	**Nash's & Wyatt's Court**	25 Social Housing Units	1661	Nash's	25 Residents
8.	**25 Nash's & Wyatt's Court**	1 Flat	1661	Nash's	Warden's Flat
9.	**13 Nash's & Wyatt's Court**	Community Room	1661	Nash's	Residents
10.*	**Berkeley Court**	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	**Kateryn Heywood House**	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	**Berkeley's Chapel**	Community Room	1692	Berkeley's	Residents & charities
13.*	**The Gatehouse, Berkeley Court**	Warden's House	1692	Berkeley's	Warden's House
14.*	**The Cellar, Berkeley Court**	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	**22 The Cross, Ground** 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	**3 - 4 Shaw Street**	Offices & Car Park	1994	WCMC/WMEF	Citizens Advice 25 Residents
19.#	**6A Checkett's Lane Ind. Est.**	Offices	1996	WCMC	Enterprise Driver Training
20.#	**6B Checkett's Lane Ind. Est.**	Furniture Store	1996	WCMC	Armchair
21.	**Castle House, Castle Street**	Offices & Car Park	1997	WCMC	Cranstoun
22.	**20 Church St, Evesham**	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	**Sir Thomas White Court**	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	**1 Inglethorpe Court**	Empty offices	2000	WCMC	Void
29.**#	**2 Inglethorpe Court**	Empty offices	2000	WCMC	Void
32.	**Crown Lane Wychbold 1**	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	**Crown Lane Wychbold 2 & 3**	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	**8 Sansome Place**	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	**Old Glove Factory** (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	**Old Glove Factory** (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	**Old Glove Factory** (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	**St Albans, Deansway**	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	**Tudor House, Friar Street**	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	**Medway Road Community Centre**	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	**9 Sansome Place**	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
49.	**Land at Welland**	45.1 acres arable land	1702	S & G	Mr Bullock - Life-Time tenancy
51.**#	**21 The Cross**	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	**19 Foregate Street**	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	**19 Foregate Street**	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	**59/60 The Tything**	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	**59/60 The Tything**	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

*** = Grade I Listed ** = Grade II Listed **S = Grade II* Listed AM = Ancient Monument**

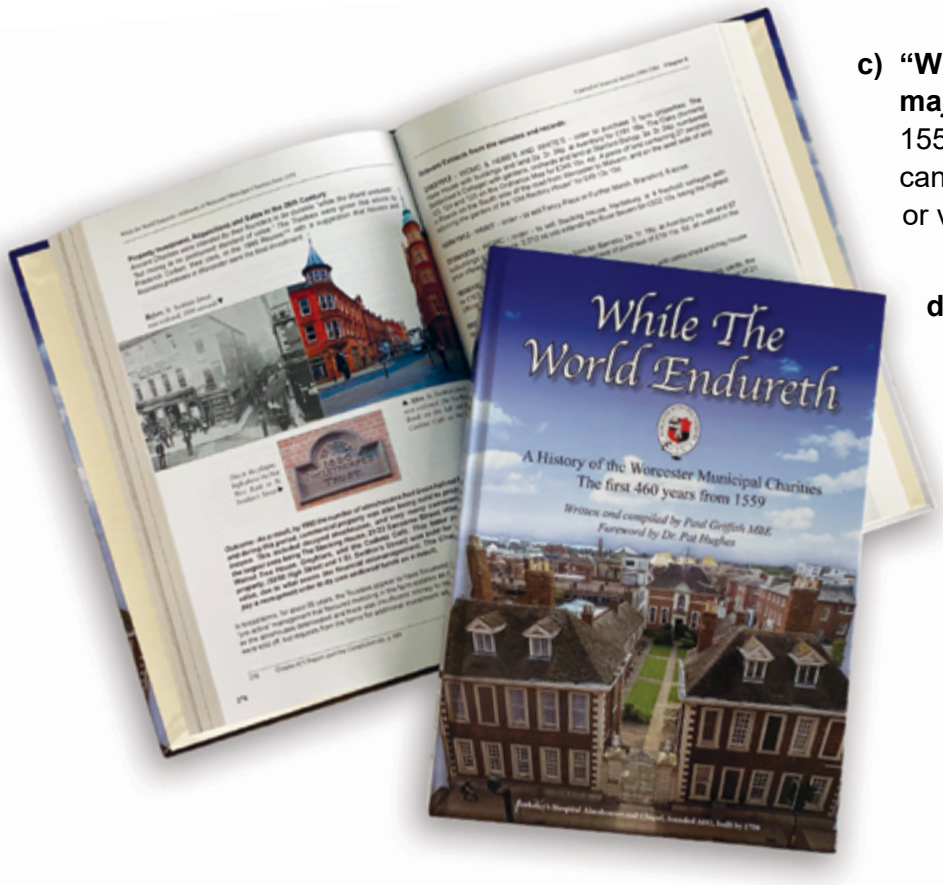
 # Leasehold - Properties are freehold except 19, 20, 28, 43, 44, 46 & 51

RED = Sold during the Period

22. CONCLUSION AND COMMENT

a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.

b) **A brief ancient history** of the Charity and the Chapel is published. Please visit the web site or ask at the office for a copy.



c) **"While the World Endureth" a major history** of the Charity since 1559 was published in 2020 and can be purchased from the office or viewed on the website.

d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.

g) **In 2013** the Government "Social Fund" which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity won the tender to act as agents for the Scheme and in 2021 bought white goods to the value of £152,813, thereby greatly reducing the number of grants requested from the Charity itself. The City Council will review the DWAS scheme in 2022.

h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.

j) The **Country** does seem to be on a retrograde journey, back to the old Victorian welfare values of "help yourself or go without, try the food banks or charities". The pace of this process has been accelerated by the recession, welfare cuts, the introduction of Universal Credit and the Government's reductions in grant aid to Local Authorities who, in turn, have cut grants to charities.

k) **The Corona Virus from 2020 onwards** has deprived many charities of earned income and is forcing some of them out of business.

l) **On paper** this principle of "self help and find a job" may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.

m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and way beyond the resources of charities on their own.

n) **As well as offering help to individuals in need** the Charity is also empowered to help organisations that provide help to them.

Page 13 provides details of the grants made to organisations for The Period.

Page 15 sets out the "Facility Gifts in Kind" to a number of charities for The Period.

THE CHARITY'S MEMBERS OF STAFF

Pictured above are the Charity's five office based staff from left to right: Maggie Inglis, Office Manager; Carlo Barentsen, Finance Manager; Margaret Green, Grants Administrator; Adrian Robinson, Property Business Manager; Sarah Bradnick, Clerk to the Board and Finance Assistant.

23. LEGISLATION, POLICIES, PROCEDURES, AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE
The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register reviewed monthly
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction and training
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS
FRS 102 applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES
Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for extraordinary repairs and capital projects - 10% revenue contingency

REVIEWS
A review of all policies, procedures, practices and compliance is completed annually

24. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS
HallmarkHulme LLP
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS
Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS
Lett and Sweetland, Architects
58 London Road
Worcester, WR5 2DS Tel. 01905 353768

COMMERCIAL VALUERS
GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd
Adrian Robinson, MRICS
Chartered Surveyors & Land Agents
The Estate Office
Madresfeld
Malvern WR13 5AH Tel. 01684 588400

AUDITORS
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 29, was approved and signed on behalf of the Board of Trustees on 18th May 2022, together with the audited Accounts pages 30 - 61 and presented to their meeting on 29th June 2022.

PAUL GRIFFITH, MBE (Chairman)

GERAINT THOMAS (Vice-Chairman)

24. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 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 operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

Audit response to risks identfiied

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

Sarah Morley
18 May 2022

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Income and endowments from:							
Donations and legacies	**3**	98	-	405,577	-	405,675	866,697
Charitable activities	**4**	954,322	-	-	-	954,322	943,351
Investments	**5**	4,325	-	-	-	4,325	21,148
Other income	**6**	19,049	-	-	105,072	124,121	11,743
Total income and endowments		977,794	-	405,577	105,072	1,488,443	1,842,939
Expenditure on:							
Charitable activities							
Grant making	**7**	453,633	-	152,813	-	606,446	630,024
Sheltered housing	**7**	384,594	-	-	-	384,594	171,317
Social housing	**7**	222,850	-	-	-	222,850	85,382
Commercial property	**7**	111,061	8,322	-	-	119,383	182,151
Total charitable expenditure		1,172,138	8,322	152,813	-	1,333,273	1,068,874
Net gains/(losses) on investments	**13**	3,291	-	-	-	3,291	(279,254)
Net (outgoing)/ incoming resources before transfers		(191,053)	(8,322)	252,764	105,072	158,461	494,811
Gross transfers between funds	**14**	82,296	(98,676)	(250,000)	266,380	-	-
Net (outgoing)/incoming resources		(108,757)	(106,998)	2,764	371,452	158,461	494,811
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(707,381)	(707,381)	(2,404,631)
Net movement in funds		(108,757)	(106,998)	2,764	(335,929)	(548,920)	(1,909,820)
Fund balances at 1 January 2021		2,056,094	131,622	-	13,254,841	15,442,557	17,352,377
Fund balances at 31 December 2021		1,947,337	24,624	2,764	12,918,912	14,893,637	15,442,557

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

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income and endowments from:						
Donations and legacies	**3**	24	-	866,673	-	866,697
Charitable activities	**4**	943,351	-	-	-	943,351
Investments	**5**	21,148	-	-	-	21,148
Other income	**6**	9,743	2,000	-	-	11,743
Total income and endowments		974,266	2,000	866,673	-	1,842,939
Expenditure on:						
Charitable activities						
Grant making	**7**	513,388	-	116,636	-	630,024
Sheltered housing	**7**	171,317	-	-	-	171,317
Social housing	**7**	85,382	-	-	-	85,382
Commercial property	**7**	150,097	32,054	-	-	182,151
Total charitable expenditure		920,184	32,054	116,636	-	1,068,874
Net gains/(losses) on investments	**13**	23,746	-	-	(303,000)	(279,254)
Net (outgoing)/incoming resources before transfers		77,828	(30,054)	750,037	(303,000)	494,811
Gross transfers between funds	**14**	(725,032)	2,000	(750,037)	1,473,069	-
Net (outgoing)/incoming resources		(647,204)	(28,054)	-	1,170,069	494,811
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	-	(2,404,631)	(2,404,631)
Net movement in funds		(647,204)	(28,054)	-	(1,234,562)	(1,909,820)
Fund balances at 1 January 2020		2,703,298	159,676	-	14,489,403	17,352,377
Fund balances at 31 December 2020		2,056,094	131,622	-	13,254,841	15,442,557

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

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**16**		6,907,884		6,905,066
Investment properties	**17**		7,288,426		7,632,000
Investments	**19**		40,104		408,885
			14,236,414		14,945,951
Current assets					
Debtors	**20**	188,466		139,199	
Cash at bank and in hand		1,233,456		663,341	
		1,421,922		802,540	
Creditors: amounts falling due within one year	**21**	(311,981)		(305,934)	
Net current assets			1,109,941		496,606
Total assets less current liabilities			15,346,355		15,442,557
Creditors: amounts falling due after more than one year	**22**		(452,718)		-
Net assets			14,893,637		15,442,557
Capital funds					
Endowment funds	**25**		12,918,912		13,254,841
Income funds					
Restricted funds	**26**		2,764		-
Unrestricted funds - general					
Designated funds	**27**	24,624		131,622	
General unrestricted funds		1,947,337		2,056,094	
			1,971,961		2,187,716
			14,893,637		15,442,557

The financial statements were approved by the Trustees on 18 May 2022

Paul Griffith

Paul Griffith MBE, Trustee

Geraint Thomas

Geraint Thomas, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**31**		(24,107)		855,452
Investing activities					
Purchase of tangible fixed assets		(711,262)		(1,560,265)	
Purchase of investment property		(21,426)		-	
Proceeds on disposal of investment property		470,072		-	
Proceeds on disposal of other investments		372,072		-	
Interest received		4,325		21,148	
Net cash generated from/(used in) investing activities			113,781		(1,539,117)
Financing activities					
Repayment of borrowings		(19,559)		-	
Proceeds of new bank loans		500,000		-	
Net cash generated from/(used in) financing activities			480,441		-
Net increase/(decrease) in cash and cash equivalents			570,115		(683,665)
Cash and cash equivalents at beginning of year			663,341		1,347,006
Cash and cash equivalents at end of year			1,233,456		663,341

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a non-profit private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). HAving regard to the disclosure of additional information in connection with the charitable activities undertaken in respect of housing.The charity is a Public Benefit Entity as defined by FRS 102.

Comparatives

The financial statement for the preceding year have been restated to comply with the Charities SORP, the Housing SORP having been applied in full previously. There is no change in the result for the period as previously reported and there has been no impact on any disclosures in the balance sheet.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

1 Accounting policies **(Continued)**

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligationn committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal of sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and grants received

	Unrestricted funds general 2021	**Restricted funds 2021**	**Total 2021**	Unrestricted funds general 2020	Restricted funds 2020	Total 2020
	£	**£**	**£**	£	£	£
Donations and gifts	98	-	98	24	-	24
Grants received	-	405,577	405,577	-	866,673	866,673
	98	405,577	405,675	24	866,673	866,697

4 Rental income

	Sheltered housing	Social housing	Investment properties	Total 2021	Sheltered housing	Social housing	Investment properties	Total 2020
	2021	2021	2021		2020	2020	2020	
	£	£	£	£	£	£	£	£
Charitable rental income	213,443	235,734	490,131	939,308	221,310	202,817	500,535	924,662
Service charges	4,702	-	10,312	15,014	4,695	-	13,994	18,689
	218,145	235,734	500,443	954,322	226,005	202,817	514,529	943,351

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Income from listed investments	2,654	10,594
Interest receivable	1,671	10,554
	4,325	21,148

6 Other income

	Unrestricted funds general 2021 £	**Endowment funds 2021 £**	**Total 2021 £**	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Net gain on disposal of tangible fixed assets	-	105,072	105,072	-	-	-
Other income	19,049	-	19,049	9,743	2,000	11,743
	19,049	105,072	124,121	9,743	2,000	11,743

7 Charitable activities

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2021	Total 2020
	2021	2021	2021	2021		
	£	£	£	£	£	£
Staff costs	11,967	40,623	-	-	52,590	53,571
Bad debt provision	-	-	-	(7,893)	(7,893)	11,167
Welfare costs	-	11,345	-	-	11,345	9,694
Routine maintenance	-	40,463	43,712	26,959	111,134	184,611
Heat and power	-	36,078	-	-	36,078	24,620
Rates	-	13,711	-	-	13,711	11,452
Management costs	-	-	35,146	-	35,146	30,423
Unreimbursed costs	-	-	-	5,030	5,030	8,195
Cleaning and hygiene	-	2,253	-	-	2,253	2,107
Refurbishment costs	-	198,584	99,107	-	297,691	-
	11,967	343,057	177,965	24,096	557,085	335,840
Grant funding of activities (see note 8)	517,254	-	-	-	517,254	512,417
Share of support costs (see note 9)	75,351	40,528	43,796	92,974	252,649	214,312
Share of governance costs (see note 9)	1,874	1,009	1,089	2,313	6,285	6,305
	606,446	384,594	222,850	119,383	1,333,273	1,068,874
Analysis by fund						
Unrestricted funds - general	453,633	384,594	222,850	111,061	1,172,138	920,184
Unrestricted funds - designated	-	-	-	8,322	8,322	32,054
Restricted funds	152,813	-	-	-	152,813	116,636
	606,446	384,594	222,850	119,383	1,333,273	1,068,874

7 Charitable activities **(Continued)**

For the year ended 31 December 2020

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2020
	£	£	£	£	£
Staff costs	11,972	41,599	-	-	53,571
Bad debt provision	-	-	-	11,167	11,167
Welfare costs	-	9,694	-	-	9,694
Routine maintenance	-	56,041	28,495	100,075	184,611
Heat and power	-	22,877	1,743	-	24,620
Rates	-	11,452	-	-	11,452
Management costs	-	-	30,423	-	30,423
Unreimbursed costs	-	-	-	8,195	8,195
Cleaning and hygiene	-	2,107	-	-	2,107
	11,972	143,770	60,661	119,437	335,840
Grant funding of activities (see note 8)	512,417	-	-	-	512,417
Share of support costs (see note 9)	102,616	26,760	24,014	60,922	214,312
Share of governance costs (see note 9)	3,019	787	707	1,792	6,305
	630,024	171,317	85,382	182,151	1,068,874
Analysis by fund					
Unrestricted funds - general	513,388	171,317	85,382	150,097	920,184
Unrestricted funds - designated	-	-	-	32,054	32,054
Restricted funds	116,636	-	-	-	116,636
	630,024	171,317	85,382	182,151	1,068,874

8 Grants awarded

	Grant making 2021 £	Grant making 2020 £
Grants to institutions:		
Maggs Day Centre	29,645	29,645
CAB/ WHABAC	173,381	173,381
Armchair	16,000	16,444
Shopmobility	7,000	7,000
Worcester Community Trust	38,480	38,480
WHAT	36,168	36,168
Dancefest	17,260	17,260
All Sorts of Performing Arts	13,672	13,672
John Palmer	950	950
	332,556	333,000
Grants to individuals 204 grants)		
Relief in need and carpets	30,311	50,138
Educational	688	1,200
White goods	886	11,444
DWAS	152,813	116,635
	517,254	512,417

-

9 Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Staff costs	60,359	-	60,359	59,315	*Charitable activities*
Depreciation	1,064	-	1,064	1,093	*Charitable activities*
Office running costs	7,683	-	7,683	6,266	*Charitable activities*
Accountancy	3,330	-	3,330	8,377	*Charitable activities*
Bank charges and subscriptions	1,302	-	1,302	892	*Charitable activities*
IT and software	3,378	-	3,378	3,451	*Charitable activities*
Sundries	4,414	-	4,414	10,398	*Charitable activities*
Irrecoverable VAT	69,184	-	69,184	44,762	*Charitable activities*
Telephone	3,432	-	3,432	2,128	*Charitable activities*
Insurance	38,731	-	38,731	39,403	*Charitable activities*
Business manager fees	5,568	-	5,568	11,679	*Charitable activities*
Surveyor fees	29,546	-	29,546	25,879	*Charitable activities*
Legal & professional	5,195	-	5,195	669	*Charitable activities*
Bank loan interest	19,463	-	19,463	-	*Charitable activities*
Audit fees	-	5,977	5,977	5,858	*Governance*
Meeting expenses	-	308	308	447	*Governance*
	252,649	6,285	258,934	220,617	
Analysed between					
Charitable activities	252,649	6,285	258,934	220,617	

10 Auditor's remuneration

Governance costs includes payment to the auditors of £4,950 (2020 £4,850) for audit fees together with £525 (2020 - £600) for other services provided.

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and none of the trustee was re-imbursed expenses (2020 one trustee, £24).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Support	3	3
Warden	2	2
	5	5

Employment costs	2021 £	2020 £
Wages and salaries	103,038	103,688
Social security costs	4,854	3,779
Other pension costs	5,057	5,419
	112,949	112,886

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £	Endowment funds 2020 £	Total 2020 £
Revaluation of investments	3,291	18,746	-	18,746
Revaluation of investment properties	-	5,000	(303,000)	(298,000)
	3,291	23,746	(303,000)	(279,254)

14 Transfers

During the year transfers were effected from the unrestricted, designated and restricted funds to reflect the expenditure incurred on the development of 3/4 Shaw Street into affordable accommodation.

In addition transfers were made from unrestricted funds to designated fund for use on Tudor House projects.

15 Accommodation owned, managed and in development

	Number of units at 1 Jan 2021	Number of units at 31 Dec 2021
Social housing		
General needs housing:		
Let at social rent	-	-
Affordable rent	39	64
Supported housing	32	32
Total owned and managed	71	96
Accommodation in development	25	-

Net surplus from social and sheltered housing

	2021		2020	
	Social	Sheltered	Social	Sheltered
Rental income	235,734	213,443	202,817	221,310
Service charges	-	4,702	-	4,695
	235,734	218,145	202,817	226,005
Operating costs				
Staff costs	-	(40,623)	-	(41,599)
Routine maintenance	(43,712)	(40,463)	(28,495)	(56,041)
Welfare	-	(11,345)	-	(9,694)
Heat and light	-	(36,078)	(1,743)	(22,877)
Rates	-	(13,711)	-	(11,452)
Cleaning and hygiene	-	(2,253)	-	(2,107)
Management cost	(35,146)	-	(30,423)	-
Refurbishment costs	(99,107)	(198,584)	-	-
Administrative expenditure				
Share of support costs	(43,796)	(40,528)	(24,014)	(26,760)
Share of governance costs	(1,089)	(1,009)	(707)	(787)
Net surplus / (deficit)	12,884	(166,449)	117,435	54,688

16 Tangible fixed assets

	Social housing	Sheltered housing	Asset under construction social housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	3,120,000	2,530,000	1,250,000	4,531	7,094	6,911,625
Additions	-	3,083	707,381	-	798	711,262
Transfers	1,957,381	-	(1,957,381)	-	-	-
At 31 December 2021	5,077,381	2,533,083	-	4,531	7,892	7,622,887
Depreciation and impairment						
At 1 January 2021	-	-	-	1,849	4,710	6,559
Depreciation charged in the year	-	-	-	268	795	1,063
Impairment losses	707,381	-	-	-	-	707,381
At 31 December 2021	707,381	-	-	2,117	5,505	715,003
Carrying amount						
At 31 December 2021	4,370,000	2,533,083	-	2,414	2,387	6,907,884
At 31 December 2020	3,120,000	2,530,000	1,250,000	2,682	2,384	6,905,066

The carrying value of land included in land and buildings comprises:

	2021	2020
	£	£
Freehold	4,370,000	4,370,000
Long leasehold	2,533,082	2,530,000
	6,903,082	6,900,000

16 Tangible fixed assets **(Continued)**

The asset under construction relates to 3-4 Shaw Street where duirng the year works continued on creating 25 affordable flats for the homeless.

17 Investment property

	Commercial properties Freehold	Social investment properties Freehold	Social investment properties Leasehold	2021 £
Fair value				
At 1 January 2021	6,442,000	850,000	340,000	7,632,000
Additions	-	-	21,426	21,426
Disposals	(365,000)	-	-	(365,000)
At 31 December 2021	6,077,000	850,000	361,426	7,288,426

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The disposal relates to the sale of land at Welland. One plot was sold subject to an overage agreement in the event of agricultural building development, no provision is made in these accounts in respect of this as no qualifying event has occurred to trigger this condition attached to the sale.

18 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	40,104	408,885

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	408,885
Valuation changes	3,291
Disposals	(372,072)
At 31 December 2021	40,104
Carrying amount	
At 31 December 2021	40,104
At 31 December 2020	408,885

20 Debtors

Amounts falling due within one year:	**2021 £**	**2020 £**
Trade debtors	139,742	107,294
Other debtors	5,360	235
Prepayments and accrued income	42,150	30,221
	187,252	137,750

Amounts falling due after more than one year:	**2021 £**	**2020 £**
Other debtors	1,214	1,449
Total debtors	188,466	139,199

21 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	23	27,724	-
Other taxation and social security		10,017	8,135
Deferred income	24	103,232	103,232
Grants payable		47,556	78,693
Other creditors		108,250	95,297
Accruals and deferred income		15,202	20,577
		311,981	305,934

22 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	23	452,718	-

23 Loans and overdrafts

	2021 £	2020 £
Bank loans	480,442	-
Payable within one year	27,724	-
Payable after one year	452,718	-

The long-term loan is secured by a fixed charge over the freehold property situated at 1 The Cross, Worcester.

24 Deferred income

	2021 £	2020 £
Arising from rents paid in advance	103,232	103,232

All the above relate to the following period and are released in full.

25 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated						Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	14,489,403	-	-	1,473,069	(2,707,631)	13,254,841	105,072	-	266,380	(707,381)	12,918,912
	14,489,403	-	-	1,473,069	(2,707,631)	13,254,841	105,072	-	266,380	(707,381)	12,918,912

26 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds as restated				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
DWAS	-	116,673	(116,636)	(37)	-	155,577	(152,813)	-	2,764
Homes England	-	750,000	-	(750,000)	-	250,000	-	(250,000)	-
	-	866,673	(116,636)	(750,037)	-	405,577	(152,813)	(250,000)	2,764

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant in respect to the development of 3/4 Shaw Street.

27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds as restated						
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£
Shaw Street	109,676	-	-	-	109,676	-	(109,676)	-
Tudor House	50,000	2,000	(32,054)	2,000	21,946	(8,322)	11,000	24,624
	159,676	2,000	(32,054)	2,000	131,622	(8,322)	(98,676)	24,624

28 Analysis of net assets between funds

	Unrestricted 2021	**Designated 2021**	**Restricted 2021**	**Endowment 2021**	**Total 2021**	Unrestricted 2020	Designated 2020	Restricted 2020	Endowment 2020	Total 2020
	£	**£**	**£**	**£**	**£**	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:										
Tangible assets	4,802	-	-	6,903,082	6,907,884	5,066	-	-	6,900,000	6,905,066
Investment properties	1,211,426	-	-	6,077,000	7,288,426	1,190,000	-	-	6,442,000	7,632,000
Investments	40,104	-	-	-	40,104	408,885	-	-	-	408,885
Current assets/(liabilities)	1,143,723	24,624	2,764	(61,170)	1,109,941	452,143	131,622	-	(87,159)	496,606
Long term liabilities	(452,718)	-	-	-	(452,718)	-	-	-	-	-
	1,947,337	24,624	2,764	12,918,912	14,893,637	2,056,094	131,622	-	13,254,841	15,442,557

29	Capital commitments	2021 £	2020 £
	At 31 December 2021 the charity had capital commitments as follows:		
	Contracted for but not provided in the financial statements:		
	Acquisition of property, plant and equipment	-	850,152

30 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £46,240 (2020 - £55,440) to Citizens Advice Worcester and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The Charity also provided grants of £173,381 (2020 - £173,381) to Citizens Advice Worcester towards its running costs. Paul Griffith, is a trustee of this Charity and of Citizens Advice Worcester. Geraint Thomas is a trustee of this Charity and employee of Citizens Advice Worcester.

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2020 - £24,000) and also made a grant of £29,645 (2020 - £29,645) to Maggs Day Centre. Sue Osborne is a Trustee of this Charity and of Maggs Day Centre. Mel Kirk is a trustee of this Charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 (2020 - £55,000) was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk, Sue Osborne and Richard Boorn are trustees of this Charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2020 - £8,000) and also made a grant over two years of £36,168 (2020 - £36,168) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this Charity and of the Worcester Heritage and Amenity Trust.

The Charity received a payment of £7,224 (2020 - £8,193) from Laslett's Charities for the provision of administrative support and an office and facilities for the Clerk. Margaret Jones is a trustee of This Charity and of Laslett's Charities.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	112,949	112,886

31	Cash generated from operations	2021	2020
		£	£
	Deficit for the year	(548,920)	(1,909,820)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4,325)	(21,148)
	Gain on disposal of tangible fixed assets	(105,072)	-
	Fair value gains and losses on investment properties	-	298,000
	Fair value gains and losses on investments	(3,291)	(18,746)
	Depreciation and impairment of tangible fixed assets	708,444	1,093
	Revaluation assets	-	2,404,632
	Movements in working capital:		
	(Increase) / decrease in curent asset investments	-	39,907
	(Increase) in debtors	(49,267)	(19,578)
	(Decrease)/increase in creditors	(21,676)	80,863
	(Decrease)/increase in deferred income	-	249
	Cash (absorbed by)/generated from operations	(24,107)	855,452

32 Analysis of changes in net funds

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	663,341	570,115	1,233,456
Loans falling due within one year	-	(27,724)	(27,724)
Loans falling due after more than one year	-	(452,718)	(452,718)
	663,341	89,673	753,014

The Old Glove Factory - Grade II listed building - built 1691

Now occupied commercially by Expertan and Barber, Sorin Pop

with the Charity providing the rest of the property to Citizens Advice Worcester rent free.

Nash's and Wyatt's Almshouses - The original almshouses of John Nash (New Street 1661) and Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances" of the 1960s and rebuilt together on the New Street site in 1964

Maggs Day Centre for the Homeless

St. Alban's Chapel
Grade 2 Listed Building &
Ancient Monument
Let on a Peppercorn rent

Tudor House Museum

Grade 2* Listed Building
Let to Worcester Heritage &
Amenity Trust Ltd on a
Peppercorn rent

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WORCESTER MUNICIPAL CHARITIES (CIO)

England & Wales - Charity number 1166931

Accounts

AR2020

WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159

Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT
1st JANUARY – 31st DECEMBER 2020

This is the fourth year's Annual Report of the Charity which was created specifically by the Trustees as the successor Charity for Worcester Municipal Exhibitions Foundation and Worcester Consolidated Municipal Charity in 2016. The Charity is a "Charitable Incorporated Organisation" but has very similar objects to the two unincorporated predecessor charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months' period ended 31st December 2020 ("The Period"). The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP): "Accounting by Registered Social Housing Providers Update 2018" along with Financial Reporting Standard 102 in preparing the report and financial statements of the Charity.

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

Registered Office

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Email: accounts@wmcharities.org.uk

Website: www.wmcharities.org.uk

Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

The Charity's offices, community meeting room, and residents' sheltered housing

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2020 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to "The Period"

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Note – In 2020 the Charity published "While the World Endureth", a history of the Trust since 1559. Copies are available from the office @ cost price £27, or can be viewed on the website: http://www.wmcharities.org.uk

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

a) After Henry VIII dissolved the monasteries (1536 - 40) the new church inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation of the **St. Thomas's Day Charities** which invested in properties and handed out doles of two shillings from the rental income to a disorderly queue at the Guildhall on the appointed day.

b) However these corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the charities throughout the land, and their national inquiries led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of Charity Trustees, initially appointed by the Lord Chancellor in 1836.

c) In 1899 they were consolidated into one holding charity, **the Worcester Consolidated Municipal Charity**. Of these 27 charities, the 6 primarily and partly educational charities were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same body of Trustees from 1913 onwards.

d) In 2016 the two charities were dissolved, and their entire assets and liabilities were transferred to the Worcester Municipal Charities CIO.("WMC (CIO)")

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

If this is less than £950 it will be increased to that amount. There will be a review of the "top up" to £950 in 2023. Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

Worcester Municipal Charities (CIO) registration no.1166931 was established by the Trustees on 4 May 2016, and the business, staff, assets and liabilities of the two predecessor charities were transferred to it at midnight on 30 June 2016. The Trustees set up the CIO specifically as the successor charity and this report is the fourth year's report of the Charity.

The Charity is administered by 17 Trustees.

Four are nominated by Worcester City Council; four are nominated by major beneficiary "stakeholder" charities chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are co-opted by the Trustee body, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

On appointment, new Trustees are provided with induction training, given copies of the Constitution and Rules, the Annual Report and Accounts, a 2020 History of the Charity and a copy of the Charity Commission's publication CC3 "the Essential Trustee" which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

Paul Griffth **I**, (Chairman), Martyn Saunders **I**, (Vice Chairman), Jenny Barnes **N**, from November 4th, Roger Berry **I**, Richard Boorn **N**, Paul Denham **I**, Ruth Heywood **I**, Graham Hughes **I**, Mike Johnson **N**, Margaret Jones **I**, Mel Kirk **Ch**, Roger Knight **N**, Sue Osborne **Ch**, Margaret Panter **Ch**, Robert Peachey **N**, until November 1st, Ron Rust **I**, Brenda Sheridan **I**, Geraint Thomas **Ch**.

"**I**" independent co-opted by the Board for 5 years;
"**N**" nominated by the City Council for 4 years;
"**Ch**" nominated by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, Maggs Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum).

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, signs cheques, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year; each property is visited once in every two years. The properties are all vested in the CIO as Custodian Charity.

A Grants Sub-Committee - meets monthly, to deal with the large numbers of individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have delegated authority to make grants up to £1,000 in an emergency.

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors HallmarkHulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd, Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester's needy citizens. Thanks are also due to the staff: Adrian Robinson (Business Manager), Carlo Barentsen (Accountant), Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis. (Full details of the Professional Advisers are on page 28).

7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' "Mission" is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity's Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**

- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN THE PERIOD

A. Major Events/Decisions by the Trustees in The Period

- *During the year building work was started on creating 25 affordable flats for the homeless at 3-4 Shaw Street, the former Probation Offices. Listed Building Consent was obtained first and Homes England committed a grant of £1,000,000 gross. This development will take the total of new affordable dwellings for the homeless to 64 since 2013. Following a tendering process, the project is being undertaken by "D & S" our preferred Contractors and will be completed in 2021.*
- *The termination of the office lease by Probation, and the decision to develop the empty office as flats for the homeless, has deprived the Charity of £150,000 lost rental income annually for 3 years. As a result a loan is being arranged with Unity Trust Bank to facilitate the cash flow requirements.*
- *Helping four organisations in particular, being those that provide the most help to the poorest, and those in greatest need in Worcester: Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair Furniture Re-Cycling, who have all been provided with free/ subsidised premises and grants to assist with their work, and to Worcester Community Trust towards their community centres and outreach work.*
- *The Trustees decided to cease funding Worcester Action for Youth because they were not providing good value for money due to excessive payments to their workers, and the Charity was wound up as a result.*
- *The Charity fulfilled a contract with the City Council to manage the purchase and distribution of £116,637, (2019 £72,062 net) worth of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme ("DWAS"). The Charity won the contract in 2013 and again in 2017 to manage the purchase and distribution of white goods, which has been rolled over twice until March 2021. There is no charge for this administration in recognition of the relief it brings to the Charity's overall grants' budget.*
- *The Charity has registered a NILS (no interest loan scheme) with the DWP for grant recipients who want more than they have been awarded, and can afford repayment of the capital.*
- *The Charity increased grants to organisations, and staff salaries by 2.8%.*

B. Annual Revenue Income and Expenditure

Revenue income of £1,842,939 (2019 £1,180,862) was received, which includes £866,673 relating to grants received in year and £943,351 rental income.
Expenditure was £1,068,874 (2019 £988,519)

C. Summary of Property Owned

There are two Sheltered Housing "retirement" sites (32 almshouses) and eight "affordable Housing sites" (39 flats) for the homeless. The Charity also owns 17 Investment Properties with rental income. 10 "functional" properties are leased to charities on peppercorns as "facilities in kind" (see pages 14 and 24).

The Charity is developing one vacant property into 25 affordable flats for the homeless in 2020/21.

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed. One commercial rent was increased in The Period.

E. The Grants Sub-Committee met 12 times in The Period

Education, Relief in Need, Hardship or Distress Grants

a) A constitutional grant of £950 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley.

(b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totalling £395,780 (2019 £375,799), and helped administer the City Council's DWAS relief in need grants worth £139,964 inc VAT (£116,637 net), to individuals in need (details page 12).

(c) The Charity has focussed its main help on four organisations in particular, being those that provide the most help to the poorest and those in greatest need in Worcester. The Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair Furniture Re-Cycling have all been provided with free/subsidised use of premises worth about £80,000 and grants totalling £219,470 (2019 £213,491) to assist with their work for the poor, and Worcester Community Trust who receive a grant of £38,480 towards its community centres in social housing areas and outreach support.

(d) In 2012 the Charity agreed to fund a Money Management Advice Post annually, based at the Citizens Advice Bureau which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2019/2020 The Money Management Adviser interviewed 110 individual clients helping them with benefits, water bills, finances, employment and debt issues. The Local Citizens Advice Debt and Money Service also assisted clients to reschedule or receive a 'write off' of debts amounting to £1,292,777 in total, across all of their services.

(e) In 2012 the Grants Committee ceased making grants for **school uniform** due to the Pupil Premium being paid to schools. Clothing grants for school children in need were however introduced, based on the family's income and expenditure, and their clothing needs.

(f) In 2013 the Charity agreed to help fund a free Legal Advice Scheme annually in partnership with the Citizens Advice and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. In 2019-20 the project assisted 189 clients and the total financial gains obtained for clients as a result of this project, were in excess of £630,000, during the year. In addition, Citizens Advice Worcester assisted clients to obtain financial gains of £2,450,409 from all services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially.

(g) In 2016 the Charity spent £500,000 purchasing and renovating a building for use by Maggs as a **clothing project, administrative offices, a domestic training centre and a free clothes store, mainly for street sleepers**. It was let to Maggs in December 2017 on a peppercorn rent, with the two flats for the homeless "over the shop" being managed by "SmartLets" at Worcester Citizens Advice.

(h) The Committee awarded **education grants** of £36,168 to the Tudor House Museum, £13,672 to All Sorts of Performing Arts, £17,260 to Dancefest and £38,480, 50% for Education and 50% for relief in need, to Worcester Community Trust providing educational facilities, youth clubs, holiday play-scheme facilities and respite for carers in Worcester (see page 12)

(i) In November 2019 the Trustees decided to cease funding Worcester Action for Youth on 31/03/2020 due to their very high administrative overheads. They had already given notice to vacate Medway Community Centre by 31st December.

(j) The Committee continued leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent together with agreeing to pay the salary of a part-time curator and assistant until June 2021.

(k) The Committee awarded 3 grants totalling £1,200 to individuals in need of financial assistance with their education (see page 12)

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE HOMELESS

The Charity owns two complexes of Retirement Almshouses:

Berkeley Court, The Foregate - 7 flats and

Nash's and Wyatt's Court, New Street - 25 flats

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on reserves' levels.

The residents' accommodation charges were reviewed in The Period. All bar two of the residents receive Housing Benefit. In The Period two residents left and one was appointed.

The Resident Wardens and partner - Paul and Lorraine Saunders and Julie Fenson continue to provide a very high standard of first line support and care-taking, with specialist help from Headway Trust, who support as required.

Applicants for sheltered housing must be poor and must have lived in Worcester for at least 12 months. Retired or nearing retirement applicants are preferred, although applicants below retirement age are occasionally considered if they have a need for, and would benefit from, accommodation in a sheltered environment. The Charity advertises vacancies when available under "Accommodation Available" with the criteria.

Berkeley Court, Foregate Street - 7 flats

Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually. Major capital repairs for the roof at Berkeleys and major refurbishment to three flats at Nash's and Wyatt's and one at Berkeleys are planned in 2021.

AFFORDABLE HOUSING FOR THE HOMELESS - 64 NEW UNITS IN EIGHT YEARS

There is a widely held belief that an "Almshouse Charity" is for the elderly only, but it's actually for poor people of all ages. "Relief in Need" includes giving a home to the homeless to meet their need.

Since 2013 the Charity has been pursuing a re-investment strategy of providing affordable housing for the single homeless, and since 2015 has been helped by Homes England with grants to create flats "over the shops" and in empty office buildings. This is an exciting new strategy that provides housing for the homeless and also makes a reasonable commercial profit from a worthwhile charitable activity, at a time when good investment returns are difficult to find, and affordable flats for the homeless are in very short supply. We have been fortunate to find a good quality reliable builder.

By the middle of 2021 the Charity will have a total of 64 new units of "affordable housing" created between 2013 and 2021. All the properties are managed on the Charity's behalf by "SmartLets" (part of Citizens Advice) who retain 15% of the maintenance contribution payments as a management fee.

27 Existing Flats

2013 - 9 Sansome Place
6 studio flats

2014 - 16/17 St. Swithin's Street
6 one bedroom flats

2016 - 21 The Cross
3 one bedroom flats

2017 - 15 St. Swithin's Street 4 bedroom HMO

2017 - 19 Foregate Street
5 one bedroom flats, 1 studio flat & a shop/office

2017 - 59-60 The Tything
2 one bedroom flats

12 Existing Flats

2018 - Sir Thomas White Court
10 new one bedroom flats

2019 - 8 Sansome Place
2 one bedroom flats. Property owned by the Charity since 2002 and used by Maggs as a "free clothes store" for street sleepers until 2017. The Charity replaced it with a city centre building also providing a social training centre for the homeless and two flats, then created two flats in the old building.

25 Flats being created in 2020/2021

2020/21 - "Stillingfleet House", 3-4 Shaw Street. 25 one bedroom flats being created in 2020/21 from this former Probation Office, owned by the Charity since 1994 and now empty following the tenants' departure as a result of the privatisation of half the Probation Service.

10. GRANTS AWARDED IN 2020 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS – (inc.+2.8%)

Grants determined by Constitution	**£**
Palmer's Educational Foundation	950.00*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS		**£**
Allsorts of Performing Arts	Running Costs	13,672.00*
Armchair furniture recycling	Running Costs, free furniture - means tested	16,444.00
Citizens Advice	Running Costs, advice, support, legal aid	173,381.00~
Dancefest	Dancing lessons, (social housing areas)	17,260.00*
Maggs Day Centre	Running Costs, day centre, clothes, training	29,645.00
Shopmobility	Running costs, (frozen, as not means tested)	7,000.00
Worcester Community Trust	Holiday play schemes (social housing areas)	38,480.00*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	36,168.00*
	Total	**£333,000.00**

* Educational grants
# 50/50 relief in need and education.
~ Citizens Advice core support costs £104,594 - 60%; legal aid project £30,180 - 17.5%; money advisor £34,068 - 20%; ethnicity training & language (education) £4,539 - 2.5%;

INDIVIDUAL GRANTS	**£**
Education grants of £1,000 or more	0.00*
Education grants under £1,000	1,200.00*
Relief in Need grants under £1,000 for carpets	50,138.00
Relief in Need grants under £1,000 for white goods and other	11,444.00
DWAS Relief in Need grants under £1,000 for white goods (£139,923.41 gross)	116,637.00 (net)
Total	**£179,419.00**

The grants included educational grants and the following essential household and personal items: *Carpets, Washing Machines, Cookers, Electric Clothes Driers, Fridges, Fridge Freezers, Microwaves, Clothing Grants, Removal Costs, Vacuum Cleaners, PCs and "other household items"*

Grand Total £512,419.00

WORCESTER MUNICIPAL CHARITIES (CIO)

11. Relief in Need Grants & Grants to Promote Education for Individuals in Need

GENERAL POLICIES & PRACTICES – ADVICE FOR SUPPORT WORKERS & APPLICANTS

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care services and services for adults www.worcestershire.gov.uk/info/20501/children_young_people_and_families
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like “Sky TV” rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity’s web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for “essential” items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as “essential” those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today’s society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government’s Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a “relief in need” grant based on family income and expenditure.

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2020

Since 1996 the Charity has been donating some "surplus" funds to provide subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN TO:	Capital	Rental Value
20	**Armchair 6B Checketts Lane Trading Estate** 50 years lease from 1996 bought on premium	Leasehold	Paid up-front
28/29	**1 & 2 Inglethorpe Court** (50 years' Leasehold 2001) Citizens Advice	£115,000.00	£9,200.00
40/41/42	**Old Glove Factory**, 13 & 15 Lowesmoor **totals**	[£850,000.00]	[£68,000.00]
	Old Glove Factory, 13 & 15 Lowesmoor		
	Citizens Advice (68% of £68,000 total)		£46,240.00
	Total service charges utilities etc paid by WMC		£7,814.00
43	**St. Albans, Deansway** (150 years' leasehold 2008) **Maggs Day Centre**	£50,000.00	£4,000.00
44	**Tudor House**, Friar Street (125 years' leasehold) **WHAT**. Lease £1.00; £1,000 p.a. insurance paid.	£100,000.00	£8,000.00
46	**Medway Youth & Community Centre** **Worcester Action for Youth** All Sorts of Performing Arts (50 years leasehold from the City 2012)	£75,000.00	£6,000.00
53	**Maggs Clothing Store, Activity Centre** Offices and Shop 59/60 the Tything	£250,000.00	£20,000.00
Total facilities in kind provided in this period:			**£101,254.00**

PROPERTIES DEVELOPED/PURCHASED IN THE SOCIAL INVESTMENT PROGRAMME

From 1996 onwards, the Trustees began investing some of the "surplus" accumulated income from new rents, to purchase property for social community projects that benefited the poor. The thinking then was that other charities that were in the same business of helping poor people, but had no income of their own, would welcome such a boost, and a secure rent-free base would be attractive to their potential funders.

Relief in Need - the programme eventually encompassed the major Worcester charities providing financial relief in need for the City's poorest e.g. Citizens Advice Worcester, Armchair Furniture Recycling, and the Maggs Day Centre for the Homeless. CAB and WHABAC, two of the Charity's major beneficiaries, merged on April 1st 2009. The development of both, especially their office moves to suitable rent-free premises, was due mainly to the Trustees' support and generosity.

Both Maggs and Armchair also enjoyed rent free premises and annual grants and still do.

Educational facilities, provided rent-free, consist of the Tudor House Museum (WHAT (Worcester Heritage & Amenity Trust) and Medway Youth and Community Centre (All Sorts of Performing Arts). The Charity is obliged by its constitution to spend c.12% of its net income on educational provision.

1996 - Berkeley's Chapel was refurbished at a cost of **£150,000.00** as a Community Centre and Meeting Room. The Chapel was virtually derelict and almost unused. Once the Civic Society's radical objections had been overcome, Martin Jones oversaw the tasteful conversion with Proberts as the builders. The refurbished Chapel is now used for almshouse residents' meetings, Trustees' meetings, and community meetings, and is offered rent-free to Worcester charities providing they have less than one year's running costs in reserve.

1996 - Goodrich House, Sansome Place, Offices & Car Park was purchased for Home-Start and refurbished at a total cost of **£150,000.00**. The building then known as "Saga House", previously "AEU Offices" was renamed after Margaret Goodrich (The Home-Start President) and was then used until 2014 when cuts in County Council funding led to the Charity being down-sized and moving to their own premises in Malvern. Terms were agreed for the surrender which took account of the un-expired lease, and the offices and car park site were then converted to 10 flats for the homeless in 2017/18 and re-named "Sir Thomas White Court" with 4 of the flats in the former Home-Start office and 6 are new-build on the car park.

1996 – Armchair, 6b Checketts Lane Industrial Estate. The WMC Charity purchased 6a and 6b mainly to provide a learning disability day centre at 6a for the County Council. However 6b was offered to Armchair to enable them to move out of an expensive leaky rented warehouse in Back Lane South. Armchair was successful in getting a Lottery grant and purchased a 50 years' lease from the Charity for £55,000, which means no more rent until 2048 when the Trustees will probably charge £12 a year.

1998 - Worcester Citizens Advice Bureau – A donation of **£100,000** was made towards the planned new-build offices in The Hopmarket. The proposal looked unachievable until the Charity stepped in, awarded the grant and then helped to construct a Big Lottery application which yielded a further £304,000. Peter Sweetland, the Charity's architect, drew the plans and organised the construction, including overcoming very difficult access problems. The new building opened in 2001.

2000 - 1 & 2 Inglethorpe Court in The Hopmarket Yard behind the new Citizens Advice Worcester offices were purchased and converted at a total cost of **£150,000.00**. They were purchased by the Hopmarket Charity in a derelict condition, and then leased to the Charity for £1 a year for 50 years on an "unimproved" basis. £135,000 was expended on the very tasteful refurbishment work by Peter Sweetland and the buildings have been occupied continuously since, at £1 a year by Citizens Advice. In 2019 Citizens Advice decided it could manage without them, and the possibility of converting them into 4 flats for the homeless was looked into in 2020. The Hopmarket Charity has been asked to replace the part-expired 50 years' lease with a new 61 years' one as Homes England insist before awarding grant aid.

2002 - 8 Sansome Place, a free Clothing Store for street sleepers and people in need was purchased for **£73,437.00** from the private owner, when the WRVS (tenants) decided to close it down due to a policy change. The Worcester Salvation Army offered to run it as a free clothes store and were given a £1 a year lease. They unfortunately sub-let it, without permission, to the Worcester City Mission ("Lydia Project") who began gradually turning it into a church, holding services there, and selling donated clothes to fund the religious Mission, rather than helping the poor. They were evicted and it was then offered to Maggs in 2005 who ran it as a clothes store etc., for street sleepers and others in need. However, in 2017 the Charity purchased 59/60 The Tything as a replacement for Sansome Place and their leased office at 7 Copenhagen Street which was surrendered. 8 Sansome Place was then converted to 2 flats for the homeless in 2019.

2004 - "The Old Glove Factory" 13-15 Lowesmoor, a large derelict building with two shop-fronts, was bought for **£368,500.00** from the Catholic Church after a 3 years' wait. It was refurbished imaginatively by Lett & Sweetland in 2005/6 at a cost of **£1 million**, and initially let to Worcester Housing & Benefits Advice Centre, Ethnic Access Link, Headway and the Black Pear Credit Union, all at heavily subsidised rents. The official opening by the Princess Royal took place on 7th February 2007. WHABAC and CAB had merged in 2009, and in 2018 were renamed "Citizens Advice Worcester". Headway, the Black Pear Credit Union and Ethnic Access Link left, and the two street facing shops were let commercially in 2018. Citizens Advice Worcester now occupies the rest of the building on a peppercorn rent of £12 p.a.

2008 - Tudor House Museum, Friar Street. In 2004 John Bennett and Jim Panter, Trustees from **WHAT** (Worcester Heritage & Amenity Trust) approached the Charity in respect of a possible partnership, to acquire the Museum on a sustainable and affordable basis, with WHAT running it, mainly with the help of volunteers. The Trustees agreed to investigate the possibility and Philip Jones then negotiated an agreement for a 125 years' lease from the City Council at a premium of **£100,000.** The Charity then sublet the Museum to WHAT, initially on a 35 years' lease for £1 p.a., with a £1,000 contribution p.a. towards the insurance and £1,000 towards the repairs' sinking fund. The Charity also makes a generous contribution annually towards curator staff costs and has committed £4,000 p.a. to a repairs' and refurbishment sinking fund.

The building has been adopted by the **Worshipful Company of Clothiers** as its home base.

2009 - St Albans, Deansway, the Maggs Day Centre for the homeless, received an ill-conceived demand for a commercial rent of £10,000 p.a. from the Diocesan Board of Finance intended for the clergy's pension fund. This unfortunate episode followed a rent free period in return for putting the neglected building in a good state of repair some 30 years earlier. On hearing the possible plight of the homeless service users, the Charity stepped in, suggested the Diocese seemed to have lost sight of its own obligations to the poor, offered to buy the freehold but was turned down. The Charity then asked their valuer Philip Jones to try to negotiate a compromise agreement, and he secured a 150 years' lease at a cost of **£47,500**. It was then sub-let to Maggs by the Charity for £1 a year until 2030 when it will be renewed for the remainder of the head lease until 2159.

2011 – The 18th Worcester Scout Hut and Youth Club (Medway Youth & Community Centre) was purchased for **£1.00** from the Scouts who had been wound up. The Charity then acquired a new 50 year lease from the City Council who own the land. It was refurbished at a cost of £30,000 to make sustainable youth and community provision for Lower Ronkswood, now housing All Sorts of Performing Arts as the peppercorn rent tenant.

2017 - 59/60 The Tything was purchased for **£305,000** in 2016 by the Trustees for use by Maggs as administrative offices, with a free clothes shop for the poor/homeless, and a domestic training centre for day centre service users. There are two flats upstairs for the homeless (modernised with help from a Homes England grant) and managed by SmartLets. The purchase allowed the Charity to surrender a leased Maggs office at 7 Copenhagen Street, and also released the old existing "free clothes" store at 8 Sansome Place for conversion to two flats for the homeless in 2019. The whole project cost c. **£500,000**. In 2020 an extensive dry rot infestation came to light and its eradication is proving difficult and expensive.

13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfill the registered charitable objectives for people in need, by using its endowed funds to provide the necessary income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

(a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;

(b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and

(c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.

(d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Strategic Financial Reviews and Reinvestment Programmes 1980s/90s and 2013 onwards

Background

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of "**affordable social housing**" - almshouses for retired people (32 units), and almshouses for the "**younger homeless**" (39 units, with another 25 under construction, and another 4 in the pipeline subject to planning and funding).

1980s. In the first part of the 20th century the Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester. Following an investment policy review in the late 1980s, the Charity began a wholesale transition from agricultural to commercial investments, including the purchase of two very large offices resulting in large rental increases.

Building on that success, the Charity disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. This policy effectively quadrupled the Charity's income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing sponsorship for like-minded Worcester charities helping the needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane, the bubble was bursting and new sustainable strategies were becoming urgent. As a result when offices became vacant they were either sold, or converted into flats for the "younger homeless". Flats were also created over the charities' own shops where possible with reduced rents for the shop-keepers below to help make their businesses viable.

The table on the next page sets out the financial gains and losses from the reinvestment programme and the final overall financial outcome which is an estimated loss of £22,000 p.a. revenue.

IN AN INVESTMENT SWITCH WMC SOLD, CONVERTED OR RE-LET THESE PROPERTIES TO RAISE THE NECESSARY INCOME AND CAPITAL:

A.	Property Sold	Rent Loss	Sale Price
2013	Wargrave House Surgery (Hereford) sold to G.P. tenants	46,700.00	602,000.00
2016	Bricklehampton smallholdings sold by sealed offers	3,638.00	321,500.00
2016	4 Checketts Lane (Day Centre) Charity wound up - CC cuts	1.00	195,000.00
2016	38 Lowesmoor (Charity Shop) Charity wound up - CC cuts	1.00	191,000.00
2017	Pan Pizza New Street - cost £168,000 - sold due to high offer	15,000.00	300,000.00
2017	48 Gaol Street, Hereford (empty offices) - NHS cuts	10,750.00	128,000.00
2017	2 Hawthorne Cottages (Bromyard) sold by sealed offers	1,000.00	222,000.00
2018	23A St Owen's Street, Hereford (empty offices) - NHS cuts	10,000.00	154,600.00
Totals	***5.8% rent loss on investment***	**87,090.00**	**2,114,100.00**

B.	Property Conversions	Rent Loss	Rent Gain
2017	8 Sansome Place - empty due to MAGGS move to Tything	1.00	10,000.00
2018	Goodrich House - empty due to Home Start move, re-named	1.00	50,000.00
2018	1 & 2 Inglethorpe Court - vacated by Citizens Advice to be let	2.00	20,000.00
2019	3-4 Shaw Street Ministry of Justice lease expiry	150,000.00	140,000.00
Totals		**150,004.00**	**220,000.00**

C.	Social Investment Property Re-let Commercially	Rent Loss	Rent Gain
2017	Old Glove Factory Shop - let commercially to Tanning Salon	nil	9,500.00
2018	Old Glove Factory Shop - let commercially to Hairdresser	nil	6,240.00
Totals		**nil**	**15,740.00**

The Charity created the following 39 affordable almshouse flats for the homeless and will create a further 25 taking the total to 64 by 2021.

Date	Address	Status	Numbers
2013	9 Sansome Place	purchased	6 studio flats
2014	16/17 St. Swithin's Street	owned	6 one bedroom flats
2015	19 Foregate Street	purchased	5 one bed & 1 studio flat
2016	21 The Cross	leasehold	3 one bedroom flats
2017	15 St. Swithin's Street	owned	4 bed HMO
2017	59/60 The Tything	purchased	2 one bedroom flats
2018	Sir Thomas White Court	owned	10 one bedroom flats
2019	8 Sansome Place	owned	2 one bedroom flats
2020	3-4 Shaw Street	owned	25 one bedroom flats
Total			**64**

ESTIMATED FINANCIAL SUMMARY OF THE INVESTMENT SWITCH TO HOUSING

Capital raised for housing developments by sales 2013 - 2018	**£ 2,114,100.00**
Revenue	
Lost rent from properties sold or converted	(87,090.00)
Lost Rent from Shaw Street	(150,000.00)
64 flats created x approximately £5,000 rent	320,000.00
Lowesmoor Social Investment property re-let commercially	15,740.00
Inglethorpe Court 4 flats x £5,000	20,000.00
Total Annual Revenue Increases by 2021	**£118,650.00**
Total Management fees due to Citizens Advice 15% p.a.	48,000.00
Rent voids & bad debts say voids 3% & bad debts 2% = 5%	16,000.00
Housing property maintenance say (£1,200 per unit)	76,000.00
Total Annual Revenue Expenditure	**£140,000.00**
Decreased nett expendable charitable income	**(£21,350.00)**

Homes England - this reinvestment programme was greatly enhanced by grants for housing between 2016 - 2020 of c. £1,610,000.00

From 2018 onwards, registered Housing Associations are obliged to spell out in the Annual Report whether they comply with the HE Standard and how. As part of the initial registration process the Charity had to provide evidence to demonstrate that it was financially viable and had good quality financial controls and procedures in place. These have being updated to reflect the practices adopted subsequently.

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is also a legal requirement to review investments from time to time and to diversify investments.

The strategic, incremental changes to investment made since the 1980s are set out above, with the underlying rationale for those made over the past 33 years. The Charity has recorded its income and expenditure carefully, and the headline results are that the earned income from investments has risen from 1985 by an average compound increase of 6.35% every year compared to a UK average of 3.54%.

The Charity reviewed its Investment Policies and Procedures in 2018 and reported its findings to the Board at its January 2019 meeting. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this strategy was put in abeyance in 2018 as part of the attempt to recover the lost rent of £150,000 annually from the Shaw St. offices and replace it with the rent from 25 new flats for the younger homeless.

The Returns on the "High Street" Properties of shops and offices are static/falling, and present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it's hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those "shops" like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher's shop is easily the best and most popular in town and looks set to continue its success.

The rent reviews due in 2020 were settled on a stand-still rent basis apart from the retirement almshouses for which the Charity was entitled to CPI + 1%. The homelessness almshouses are also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed "charity alley". However it does have a wonderful footfall as it provides the main pedestrian route to The Shambles and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens and in the meantime diversify into residential property.

The Charity has been delighted to be able to take advantage of grants **between 2016 - 2020 worth c. £1,610,000 from Homes England**, which have greatly increased the pace of providing more almshouses, whilst allowing the Charity to maintain its network of financial support to the homeless. The Charity also sponsors a homelessness day centre, a domestic training unit, a free clothes store, and free recycled furniture for the re-housed. The Education budget sponsors a dance charity a performing arts organisation and a free Museum.

The Board reviews its investment strategy and almshouse maintenance strategy regularly, including consideration of where savings might be made, for example by installing solar panels and water meters which have been done.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Routine Almshouse Maintenance Costs

Between 1899 and 1985 the Charity "lost" 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

In **2018/19** the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a "difficult to manage" group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient. Based on advice from the Almshouse Association, the routine maintenance figures for the 2021 budget have been set at £1,405 for each retirement unit, and £1,031 each for the homelessness ones.

By 2021 the Charity will have more than recovered its losses with a total of **96 units**. These comprise **7** built in 1708, **25** in the 1960s (replacing 24 built on the 16th Century site), **39** between 2013 - 2019, and **25** in 2020/21. The 7, originally built as 14, were not modernised until 1965, with toilets installed instead of privies. They were reduced in number from 14 to 7 in 1981, by turning two into one, and baths were replaced with showers in the 1990s. The 25 built in 1964 on a 16th century site, originally with 15 almshouses which were demolished, have had a complete modernisation of the electrical wiring, showers installed to replace bathrooms, and a rolling programme to replace the kitchens will take place between 2020 - 2025. The 39 built between 2013 and 2019 for the younger homeless receive minor maintenance and repairs arranged by SmartLets" the agents.

"Programme Related Investment"

In 2013 the Charity adopted this Charity Commission recognised definition for when a charity ***"uses assets to directly further the charity's aims, whilst also generating a financial return".*** The 64 new "affordable" flats for the homeless, provide an approximate rental return of £320,000. The 2019 Investment Report to the Board demonstrates that the reinvestment strategy is both sustainable and diverse and, in particular, replaces the lost income of £150,000 from the vacation of the Shaw Street offices in 2018 with 25 affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control, due to the Government's disastrous privatisation of half of the Probation Service, (since reversed), which was largely responsible for their departure from the offices.

Tendering Policy for Capital Projects - Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of 12 affordable flats for the homeless and appointed D & S, the chosen contractors as "preferred providers." It was agreed that the preferred provider would be used for all work under £500,000 but their tenders would always be checked by our retained Quantity Surveyors. The one exception to this was two contracts for 10 flats on a single site in 2018 where the preferred provider was awarded the first contract at £273,000, and then offered the second at £657,240 as there were no preliminary charges which benefited the Charity considerably.

Competitive tenders were sought for the c. £2 Million contract in 2019 but of the seven contractors who expressed an interest in tendering, five declined. Three further enquiries were sent out with only one of these returning a favourable response. There were three confirmed tenderers but one was based in Leominster, a second in Gloucester, and only one, D & S, in Worcester. The Charity enquired whether a negotiated tender would be acceptable to Homes England, and were advised that it would be, providing that "independent" advice was obtained from a Quantity Surveyor which was arranged. At the November Board Meeting the Trustees formally agreed to approve negotiated tenders. The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment

There is no real shortage of retirement facilities for the elderly in Worcester; commercial high street shops and offices are on standstill rents; and any new capital, if it can be matched by HE grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2020	2019	Commentary
Reinvestment percentage	20.15%	2.12%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned. The Charity developed 25 further social units this year which are due to be completed in early 2021.
Percentage of new supply delivered	35.21%	2.82%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end. The Charity developed 25 further social units this year which are due to be completed in early 2021.
Social housing cost per unit	£3,594	£4,427	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	40.14%	22.53%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income. Last year major repair works were undertaken to the charity Almshouses.
Overall operating margin	26.85%	20.42%	Overall operating margin i.e. total income minus total expenditure excluding fair value adjustments on properties of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	3.20%	1.46%	This is the overall operating margin excluding fair value adjustments on properties divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a huge volume of individual applications for assistance, there is an inbuilt unavoidable administration cost. In The Period the Charity spent £6,305 (0.3%) of gross income on Governance and £103,599 (6%) of gross income on Administration.

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned quinquennial property valuations. The Commercial Properties were valued by GJS Dillon and the agricultural properties by ARC Surveyors. The "Functional Properties", occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,700,000** and 2020 **£14,532,000**.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd

17. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an "ad hoc" basis when required e.g. for a capital programme or major repairs or maintenance. Each year a contingency sum of approximately 10% is set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money is transferred to the reserves to purchase new investment properties when sufficient is available, to help the Charity at least keep pace with inflation. Until 2018 this process has brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2020 due to the need to spend £2 Million + on creating 25 flats in 3/4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrive.

The total funds of the Charity as at the year-end amounted to £15,442,557 (2019 £17,352,377, consisting of restricted funds of £nil (2019 £nil) and endowment funds of £13,254,840 (2019 £14,489,403). Designated funds, which are funds set aside by the Trustees for future projects amounted to £131,622 (2019 £159,675), leaving unrestricted funds amounting to £2,086,095 (2019 £2,703,298).

Free reserves after making allowances for tangible fixed assets and investment properties amounted to £866,095 (2019 £1,512,174).

"New Risks" form the first agenda item for all Board meetings.

18. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups by UK CPI inflation.

19. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2020 there were no "serious incidents" to report.

20. THE CHARITIES' PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	AQUIRED	AQUIRING CHARITY~	TENANT/OCCUPANT
1.**	**2 St Swithin's Street**	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	**3 St Swithin's Street**	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	**15 St Swithin's St, Ground Floor**	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	**15 St Swithin's Street**	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	**1 The Cross**	Bank	1618	Inglethorpe's	National Westminster
5.	**16 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	Headway
6.	**17 St Swithin's St, Ground Floor**	Shop	1618	Inglethorpe's	SCOPE
6A.	**16/17 St Swithin's St, Upper Floors**	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	**Nash's & Wyatt's Court**	25 Social Housing Units	1661	Nash's	25 Residents
8.	**25 Nash's & Wyatt's Court**	1 Flat	1661	Nash's	Warden's Flat
9.	**13 Nash's & Wyatt's Court**	Community Room	1661	Nash's	Residents
10.*	**Berkeley Court**	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	**Kateryn Heywood House**	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	**Berkeley's Chapel**	Community Room	1692	Berkeley's	Residents & charities
13.*	**The Gatehouse, Berkeley Court**	Warden's House	1692	Berkeley's	Warden's House
14.*	**The Cellar, Berkeley Court**	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	**22 The Cross, Ground** 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	**3 - 4 Shaw Street**	Offices & Car Park	1994	WCMC/WMEF	Void
19.#	**6A Checkett's Lane Ind. Est.**	Offices	1996	WCMC	Enterprise Driver Training
20.#	**6B Checkett's Lane Ind. Est.**	Furniture Store	1996	WCMC	Armchair
21.	**Castle House, Castle Street**	Offices & Car Park	1997	WCMC	Swanswell Charitable Trust
22.	**20 Church St, Evesham**	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	**Sir Thomas White Court**	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	**1 Inglethorpe Court**	Empty offices	2000	WCMC	Void
29.**#	**2 Inglethorpe Court**	Empty offices	2000	WCMC	Void
32.	**Crown Lane Wychbold 1**	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	**Crown Lane Wychbold 2 & 3**	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	**8 Sansome Place**	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	**Old Glove Factory** (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	**Old Glove Factory** (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	**Old Glove Factory** (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	**St Albans, Deansway**	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	**Tudor House, Friar Street**	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	**Medway Road Community Centre**	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	**9 Sansome Place**	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
49.	**Land at Welland**	45.1 acres arable land	1702	S & G	Mr Bullock - Life-Time tenancy
51.**#	**21 The Cross**	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	**19 Foregate Street**	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	**19 Foregate Street**	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	**59/60 The Tything**	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	**59/60 The Tything**	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

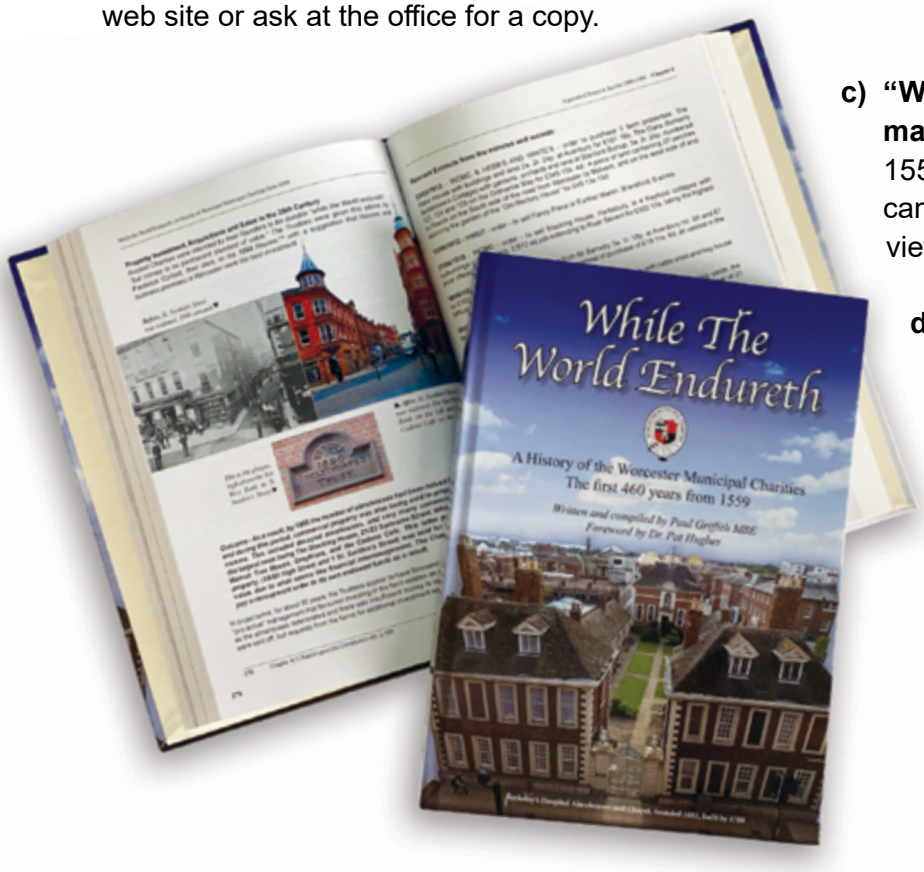
*** = Grade I Listed ** = Grade II Listed **S = Grade II* Listed AM = Ancient Monument**
 # Leasehold - Properties are freehold except 19, 20, 28, 43, 44, 46 & 51

~All property is vested in the CIO as Custodian Charity

21. CONCLUSION AND COMMENT

a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.

b) **A brief ancient history** of the Charity and the Chapel is published separately. Please visit the web site or ask at the office for a copy.



c) **"While the World Endureth" a major history** of the Charity since 1559 was published in 2020 and can be purchased from the office or viewed on the website.

d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small "gaps" left by the Welfare State and filled them.

e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.

g) **In 2013** the Government "Social Fund" which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2020 bought white goods to the value of £116,637, thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until March 2021 when a review is planned.

h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.

i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.

j) **The country** does seem to be on a retrograde journey, back to the old Victorian welfare values of "help yourself or go without, try the food banks or charities". The pace of this process has been accelerated by the recession, welfare cuts, the introduction of Universal Credit and the Government's reductions in grant aid to Local Authorities who have cut grants to charities.

k) **The Corona Virus from 2020 onwards** has deprived many charities of earned income and is forcing some of them out of business.

l) **On paper** this principle of "self help and find a job" may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.

m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and beyond the resources of charities on their own.

n) **As well as offering help to individuals in need** (£179,419 including DWAS), the Charity is also empowered to help organisations that provide help to them.

Pictured below Sir Thomas White Court, 10 new flats, built for the single homeless. Officially opened by Jabba Riaz the Mayor of Worcester and Robin Walker MP on Friday 16th November 2018.

Also pictured from left to right Martyn Saunders, WMC Vice Chair and Citizens Advice CEO Paul Griffith MBE, WMC Chair, Peter Jones from Homes England Frazer Bufton, Architect and Shaun Wood, Building Contractor.

Page 11 shows the 25 new flats planned for the homeless in 2021

Page 12 provides details of the grants made to organisations for The Period worth **£333,000.00**.

Page 14 sets out the "Facility Gifts in Kind" to a number of charities valued at **£101,254.00** for The Period.

22. LEGISLATION, POLICIES, PROCEDURES, AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE
The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register established and reviewed annually
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction and training
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests
Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS
Housing SORP applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES
Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review
Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for capital projects - 10% revenue contingency

REVIEWS
A review of all policies, procedures, practices and compliance is completed annually

23. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS
HallmarkHulme LLP
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS
Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS
Lett and Sweetland, Architects
58 London Road
Worcester, WR5 2DS Tel. 01905 353768

COMMERCIAL VALUERS
GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd
Adrian Robinson, MRICS
Chartered Surveyors & Land Agents
The Estate Office
Madresfeld
Malvern WR13 5AH Tel. 01684 588400

AUDITORS
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 28, was approved and signed on behalf of the Board of Trustees on 14 May 2021, together with the audited Accounts pages 29 - 57 and presented to their meeting on 26 May 2021.

PAUL GRIFFITH, MBE (Chairman)

MARTYN SAUNDERS (Vice-Chairman)

24. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 Housing SORP 2018 (FRS 102);

- make judgeements and estimates that are reasonable and prudent;

- state whether applicable 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 operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Housing SORP 2018 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2020 which comprise, the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Housing SORP 2018, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

Audit response to risks identfiied

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

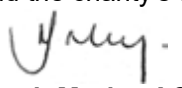
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP 14 May 2021

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Income											
Rental income	**3**	943,351	-	-	-	943,351	995,558	-	-	-	995,558
Operating costs	**4**	(920,184)	(32,054)	(116,636)	-	(1,068,874)	(916,457)	-	(72,062)	-	(988,519)
Other costs		-	-	-	-	-	-	-	-	-	-
Other income		9,743	2,000	-	-	11,743	17,410	-	-	-	17,410
Donations and grants received	**5**	24	-	866,673	-	866,697	103	-	149,261	-	149,364
Operating surplus		32,934	(30,054)	750,037	-	752,917	96,614	-	77,199	-	173,813
Interest receivable	**11**	21,148	-	-	-	21,148	18,530	-	-	-	18,530
Net gains/(losses) on investments	**12**	23,746	-	-	(303,000)	(279,254)	61,383	-	-	-	61,383
Unrealised (loss)/gain on housing properties at revaluation	**15**	-	-	-	(2,404,631)	(2,404,631)	-	-	-	-	-
Total comprehensive income for the year		**77,828**	**(30,054)**	**750,037**	**(2,707,631)**	**(1,909,820)**	**176,527**	**-**	**77,199**	**-**	**253,726**

Signed on behalf of the Trustees on 14 May 2021

Paul Griffith MBE, Trustee

Martyn Saunders, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**Unrestricted funds general 2020 £**	**Unrestricted funds designated 2020 £**	**Restricted funds 2020 £**	**Endowment funds 2020 £**	**Total 2020 £**	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Fund balances at 1 January 2019 as restated		2,703,298	159,676	-	14,489,403	17,352,377	2,591,795	295,000	2,603	14,209,253	17,098,651
Total comprehensive income		77,828	(30,054)	750,037	(2,707,631)	(1,909,820)	176,527	-	77,199	-	253,726
Transfers	**13**	(725,031)	2,000	(750,037)	1,473,068	-	(65,024)	(135,324)	(79,802)	280,150	-
Fund balances at 31 December 2020		**2,056,095**	**131,622**	**-**	**13,254,840**	**15,442,557**	**2,703,298**	**159,676**	**-**	**14,489,403**	**17,352,377**

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**15**		6,905,066		7,750,524
Investment properties	**16**		7,632,000		7,930,001
Investments	**17**		408,885		390,139
			14,945,951		16,070,664
Current assets					
Debtors	**19**	139,199		119,624	
Investments	**20**	-		39,907	
Cash at bank and in hand		663,341		1,347,006	
		802,540		1,506,537	
Creditors: amounts falling due within one year	**21**	(305,934)		(224,824)	
Net current assets			496,606		1,281,713
Total assets less current liabilities			15,442,557		17,352,377
Capital funds					
Endowment funds	**23**		13,254,840		14,489,403
Income funds					
Unrestricted funds - general					
Designated funds	**25**	131,622		159,676	
General unrestricted funds		2,056,095		2,703,298	
			2,187,717		2,862,974
			15,442,557		17,352,377

The financial statements were approved by the Trustees on 14 May 2021

Paul Griffith MBE, Trustee

Martyn Saunders, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**29**		855,452		166,488
Investing activities					
Purchase of tangible fixed assets		(1,560,265)		(140,659)	
Purchase of investment property		-		(140,324)	
Proceeds on disposal of other investments		-		(491)	
Interest received		21,148		18,530	
Net cash used in investing activities			(1,539,117)		(262,944)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(683,665)		(96,456)
Cash and cash equivalents at beginning of year			1,347,006		1,443,462
Cash and cash equivalents at end of year			663,341		1,347,006

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a private registered provider of social housing in the United Kingdom. The address of the registered office is Kateryn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligationn committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1 Accounting policies **(Continued)**

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal of sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Rental income

	Sheltered housing 2020	Social housing 2020	Investment properties 2020	Total 2020	Sheltered housing 2019	Social housing 2019	Investment properties 2019	Total 2019
	£	£	£	£	£	£	£	£
Charitable rental income	221,310	202,817	500,535	924,662	224,785	175,279	568,710	968,774
Service charges	4,695	-	13,994	18,689	5,663	-	21,121	26,784
	226,005	202,817	514,529	943,351	230,448	175,279	589,831	995,558

4 Operating costs

	Grant making 2020 £	Sheltered housing 2020 £	Social housing 2020 £	Investment properties 2020 £	Total 2020 £	Total 2019 £
Staff costs	11,972	41,599	-	-	53,571	52,927
Bad debt provision	-	-	-	11,167	11,167	-
Welfare costs	-	9,694	-	-	9,694	10,478
Routine maintenance	-	56,041	28,495	100,075	184,611	153,734
Heat and power	-	22,877	1,743	-	24,620	24,438
Rates	-	11,452	-	-	11,452	11,819
Management costs	-	-	30,423	-	30,423	26,292
Unreimbursed costs	-	-	-	8,195	8,195	20,646
Cleaning and hygiene	-	2,107	-	-	2,107	2,197
	11,972	143,770	60,661	119,437	335,840	302,531
Grant funding of activities (see note 6)	512,417	-	-	-	512,417	447,861
Share of support costs (see note 7)	102,616	26,760	24,014	60,922	214,312	226,301
Share of governance costs (see note 7)	3,019	787	707	1,792	6,305	11,826
	630,024	171,317	85,382	182,151	1,068,874	988,519
Analysis by fund						
Unrestricted funds - general	513,388	171,317	85,382	150,097	920,184	916,457
Unrestricted funds - designated	-	-	-	32,054	32,054	-
Restricted funds	116,636	-	-	-	116,636	72,062
	630,024	171,317	85,382	182,151	1,068,874	988,519

4 Operating costs **(Continued)**

For the year ended 31 December 2019

	Grant making £	Shelterd housing £	Social housing £	Investment properties £	Total 2019 £
Staff costs	11,659	41,268	-	-	52,927
Welfare costs	-	10,478	-	-	10,478
Repairs	-	73,548	38,489	41,697	153,734
Heat and power	-	23,169	1,269	-	24,438
Rates	-	11,819	-	-	11,819
Management costs	-	-	26,292	-	26,292
Unreimbursed costs	-	-	-	20,646	20,646
Cleaning and hygiene	-	2,197	-	-	2,197
	11,659	162,479	66,050	62,343	302,531
Grant funding of activities (see note 6)	447,861	-	-	-	447,861
Share of support costs (see note 7)	30,085	46,303	35,218	114,695	226,301
Share of governance costs (see note 7)	1,572	2,420	1,840	5,994	11,826
	491,177	211,202	103,108	183,032	988,519
Analysis by fund					
Unrestricted funds - general	419,115	211,202	103,108	183,032	916,457
Restricted funds	72,062	-	-	-	72,062
	491,177	211,202	103,108	183,032	988,519

5 Donations and grants received

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	24	-	24	103	-	103
Grants received	-	866,673	866,673	-	149,261	149,261
	24	866,673	866,697	103	149,261	149,364

6 Grants awarded

	Grant making 2020 £	Grant making 2019 £
Grants to institutions:		
Maggs Day Centre	29,645	28,838
CAB/ WHABAC	173,381	168,658
Armchair	16,444	15,995
Shopmobility	7,000	7,000
Worcester Community Trust	38,480	18,432
Tudor House Museum (WHAT)	36,168	35,183
WAY	-	21,174
Dancefest	17,260	10,790
All Sorts of Performing Arts	13,672	10,000
John Palmer	950	950
	333,000	317,020
Grants to individuals 204 grants)		
Relief in need and carpets	50,138	47,920
Educational	1,200	1,121
White goods	11,444	9,738
DWAS	116,637	72,062
	512,417	447,861

Grants paid in the year

Grants paid to institutions	443,732	392,116
Grants paid to individuals	40,457	58,131
	484,189	450,247

-

7 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	59,315	-	59,315	58,869	*Charitable activities*
Depreciation	1,093	-	1,093	1,378	*Charitable activities*
Office running costs	6,266	-	6,266	7,324	*Charitable activities*
Accountancy	8,377	-	8,377	10,244	*Charitable activities*
Bank charges and subscriptions	892	-	892	1,182	*Charitable activities*
IT and software	3,451	-	3,451	3,041	*Charitable activities*
Sundries	10,398	-	10,398	6,039	*Charitable activities*
Irrecoverable VAT	44,762	-	44,762	52,382	*Charitable activities*
Telephone	2,128	-	2,128	3,799	*Charitable activities*
Insurance	39,403	-	39,403	32,963	*Charitable activities*
Business manager fees	11,679	-	11,679	18,715	*Charitable activities*
Surveyor fees	25,879	-	25,879	29,701	*Charitable activities*
Legal & professional	669	-	669	1,574	*Charitable activities*
Audit fees	-	5,858	5,858	8,364	*Governance*
Meeting expenses	-	447	447	2,552	*Governance*
	214,312	6,305	220,617	238,127	
Analysed between					
Charitable activities	214,312	6,305	220,617	238,127	

8 Auditor's remuneration

Governance costs includes payment to the auditors of £5,858 (2019 £8,364) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Support	3	3
Warden	2	2
	5	5

Employment costs	2020 £	2019 £
Wages and salaries	103,688	101,637
Social security costs	3,779	5,036
Other pension costs	5,419	5,123
	112,886	111,796

There were no employees whose annual remuneration was £60,000 or more.

11 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Income from listed investments	10,594	10,383
Interest receivable	10,554	8,147
	21,148	18,530

12 Net gains/(losses) on investments

	Unrestricted funds general 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £
Revaluation of investments	18,746	-	18,746	61,383
Revaluation of investment properties	5,000	(303,000)	(298,000)	-
	23,746	(303,000)	(279,254)	61,383

13 Transfers

During the year transfers were effected from the unrestricted and restricted funds to reflect the expenditure incurred on the development of 3/4 Shaw Street into affordable accommodation. In addition £2,000 was transferred from unsrestricted funds to designated fund for use on Tudor House projects.

The transfers in the prior year related to:

£135,324 being transferred from designated funds to unrestricted funds to account for funds designated by the Trustees in relation to the Tudor House and Shaw Street projects.

£198 being transferred from unrestricted funds to restricted funds to account for overspends on the DWAS project.

£80,000 being transferred from restricted funds to endowment funds for grant monies spent towards 8 Sansome Place.

£280,150 being transferred from unrestricted funds to endowment funds to account for additions made to endowment property during the course of year.

14 Accommodation owned, managed and in development

	Number of units at 1 Jan 2020	Number of units at 31 Dec 2020
Social housing		
General needs housing:		
Let at social rent	-	-
Affordable rent	39	39
Supported housing	32	32
Total owned and managed	71	71
Accommodation in development	25	25

Net surplus from social and sheltered housing

	2020		2019	
	Social	Sheltered	Social	Sheltered
Rental income	202,817	221,310	175,279	224,785
Service charges	-	4,695	-	5,663
	202,817	226,005	175,279	230,448
Operating costs				
Staff costs	-	(41,599)	-	(41,268)
Routine maintenance	(28,495)	(56,041)	(38,489)	(73,548)
Welfare	-	(9,694)	-	(10,478)
Heat and light	(1,743)	(22,877)	(1,269)	(23,169)
Rates	-	(11,452)	-	(11,819)
Cleaning and hygiene	-	(2,107)	-	(2,197)
Management cost	(30,423)	-	(26,292)	-
Administrative expenditure				
Share of support costs	(24,014)	(26,760)	(35,218)	(46,303)
Share of governance costs	(707)	(787)	(1,840)	(2,420)
Net surplus / (deficit)	117,435	54,688	72,171	19,246

15 Tangible fixed assets

	Sheltered housing	Social housing	Asset under construction social housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	3,039,716	3,546,179	1,158,508	4,531	7,057	7,755,991
Additions	-	18,693	1,541,535	-	37	1,560,265
Revaluation	80,284	(1,034,872)	(1,450,043)	-	-	(2,404,631)
At 31 December 2020	3,120,000	2,530,000	1,250,000	4,531	7,094	6,911,625
Depreciation and impairment						
At 1 January 2020	-	-	-	1,551	3,916	5,467
Depreciation charged in the year	-	-	-	298	794	1,092
At 31 December 2020	-	-	-	1,849	4,710	6,559
Carrying amount						
At 31 December 2020	3,120,000	2,530,000	1,250,000	2,682	2,384	6,905,066
At 31 December 2019	3,039,716	3,546,179	1,158,508	2,980	3,141	7,750,524

The carrying value of land included in land and buildings comprises:

	2020	2019
	£	£
Freehold	4,370,000	4,198,224
Long leasehold	2,530,000	3,546,179
	6,900,000	7,744,403

The asset under construction relates to 3-4 Shaw Street where duirng the year works continued on creating 25 affordable flats for the homeless.

16 Investment property

	Commercial properties	Social investment properties	Social investment properties	2020
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2020	6,745,001	850,000	335,000	7,930,001
Additions	7,199	-	-	7,199
Net gains or losses through fair value adjustments	(310,200)	-	5,000	(305,200)
At 31 December 2020	6,442,000	850,000	340,000	7,632,000

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

17 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	390,139
Valuation changes	18,746
At 31 December 2020	408,885
Carrying amount	
At 31 December 2020	408,885
At 31 December 2019	390,139

18 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	408,885	430,046

19 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	107,295	89,989
Other debtors	235	235
Prepayments and accrued income	30,220	27,716
	137,750	117,940

	2020 £	2019 £
Amounts falling due after more than one year:		
Other debtors	1,449	1,684
Total debtors	139,199	119,624

20 Current asset investments

	2020 £	2019 £
Unlisted investments	-	39,907

21 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		8,135	11,851
Deferred income	22	103,232	102,983
Grants payable		78,693	45,306
Other creditors		95,297	50,506
Accruals and deferred income		20,577	14,178
		305,934	224,824

22 Deferred income

	2020 £	2019 £
Arising from rents paid in advance	103,232	102,983

All the above relate to the following period and are released in full.

23 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated						Movement in funds				
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	14,209,253	-	-	280,150	-	14,489,403	-	-	1,473,068	(2,707,631)	13,254,840
	14,209,253	-	-	280,150	-	14,489,403	-	-	1,473,068	(2,707,631)	13,254,840

24 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds as restated					Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
DWAS	2,603	69,261	(72,062)	198	-	116,673	(116,636)	(37)	-
Homes England	-	80,000	-	(80,000)	-	750,000	-	(750,000)	-
	2,603	149,261	(72,062)	(79,802)	-	866,673	(116,636)	(750,037)	-

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant this year in respect to the development of 3/4 Shaw Street (2019 -8 Sansome Place).

25 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds					
	Balance at 1 January 2019	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£
Shaw Street	250,000	(140,324)	109,676	-	-	-	109,676
Tudor House	45,000	5,000	50,000	2,000	(32,054)	2,000	21,946
	295,000	(135,324)	159,676	2,000	(32,054)	2,000	131,622

26 Analysis of net assets between funds

	Unrestricted 2020	Designated 2020	Restricted 2020	Endowment 2020	Total 2020	Unrestricted 2019	Designated 2019	Restricted 2019	Endowment 2019	Total 2019
	£	£	£	£	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:										
Tangible assets	5,066	-	-	6,900,000	6,905,066	6,121	-	-	7,744,403	7,750,524
Investment properties	1,190,000	-	-	6,442,000	7,632,000	1,185,001	-	-	6,745,000	7,930,001
Investments	408,885	-	-	-	408,885	390,139	-	-	-	390,139
Current assets/(liabilities)	452,144	131,622	-	(87,160)	496,606	1,122,039	159,676	-	-	1,281,713
	2,056,095	131,622	-	13,254,840	15,442,557	2,703,300	159,676	-	14,489,403	17,352,377

27 Capital commitments	2020 £	2019 £
At 31 December 2020 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	850,152	26,215

28 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £55,440 (2019 - £37,360) to CAB/WHABAC and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £173,381 (2019 - £168,658) to CAB/WHABAC towards its running costs. Paul Griffith and Graham Hughes, are trustees of this charity and of CAB/WHABAC. Martyn Saunders and Geraint Thomas are trustees of this Charity and employees of CAB/WHABAC

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2019 - £39,850) and also made a grant of £30,014 (2019 - £28,838) to Maggs Day Centre. Sue Osborne is a Trustee of this charity and of Maggs Day Centre. Mel Kirk is a trustee of this charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 (2019 - £55,000) was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk, Sue Osborne, Martyn Saunders and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2019 - £7,000) and also made a grant over two years of £36,168 (2019 - £35,183) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

The Charity received a payment of £8,193 (2019 - £7,864) from Laslett's Charities for the provision of administrative support and an office and facilities for the Clerk. Margaret Jones is a trustee of this Charity and of Laslett's Charities.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	112,885	111,795

29	Cash generated from operations	2020 £	2019 £
	(Deficit)/surpus for the year	(1,909,820)	253,726
	Adjustments for:		
	Investment income recognised in statement of financial activities	(21,148)	(18,530)
	Fair value gains and losses on investment properties	298,000	-
	Fair value gains and losses on investments	(18,746)	(61,383)
	Depreciation and impairment of tangible fixed assets	1,093	1,378
	Revaluation assets	2,404,632	-
	Movements in working capital:		
	(Increase) / decrease in curent asset investments	39,907	-
	(Increase)/decrease in debtors	(19,578)	12,125
	Increase in creditors	80,863	17,388
	Increase/(decrease) in deferred income	249	(38,216)
	Cash generated from operations	855,452	166,488

The Old Glove Factory - Grade II listed building - built 1691

Now occupied commercially by Expertan and Barber, Sorin Pop

with the Charity providing the rest of the property to Citizens Advice Worcester rent free.

Nash's and Wyatt's Almshouses - The original almshouses of John Nash (New Street 1661) and Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances" of the 1960s and rebuilt together on the New Street site in 1964

Maggs Day Centre for the Homeless

St. Alban's Chapel
Grade 2 Listed Building &
Ancient Monument
provided rent free by the Charity

Tudor House Museum

Grade 2* Listed Building
Let to Worcester Heritage &
Amenity Trust Ltd on a
Peppercorn rent

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