

THE RICHMOND CHARITIES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE RICHMOND CHARITIES

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THE RICHMOND CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Mr P W C Marr, Chairman¹
Dr A J M Hall⁴
Mrs E Halford^{2,4}
Mr S J King^{1,3,4,5}
Mr A S Lourie^{1,2}
Mrs M Marshall²
Mrs K Maxwell³
Mrs K O'Brien⁴
Cllr R Pyne
Revd W Roest⁴
Mr M Townsin⁴
Mr J Williams^{2,3,5}
Mr J Blythe (appointed 26 January 2022)

- ¹ Finance Committee
² Property Committee
³ Risk Management Committee
⁴ Welfare Committee
⁵ Safeguarding Group

**Charity registered
number**

200431

Principal office

95 Sheen Road
Richmond
TW9 1YJ

Chief Executive

Ms J Ames-Lewis

Independent auditor

MHA MacIntyre Hudson
Statutory Auditors
6th Floor
2 London Wall Place
London, United Kingdom
EC2Y 5AU

Bankers

Barclays Bank plc
8 George Street
Richmond
Surrey
TW9 1JY

HSBC
67 George Street
Richmond
TW9 1HG

THE RICHMOND CHARITIES

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Solicitors	Moore Barlow 9 The Green Richmond Surrey TW9 1BP
Property Agents and Surveyors	HML LAM 9-11 The Quadrant Richmond Surrey TW9 1BP
Investment Fund Managers	Sarasin & Partners Juxon House 100 St. Paul's Churchyard London EC4M 8BU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

THE RICHMOND CHARITIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their Annual Report together with the audited financial statements of the The Richmond Charities for the year 1 January 2021 to 31 December 2021.

Objectives and activities

a. Activities undertaken to achieve objectives

The objects of the Charity are to provide almshouse accommodation and to generate income for the Charities embraced by The Richmond Charities as described below.

The area of benefit is the London Borough of Richmond-upon-Thames.

The Richmond Charities originated from:

1. William Hickey's Almshouse Charity
2. Bishop Duppa's Almshouse Charity
3. Houblon's Almshouse Charity
4. Sir George Wright's or Queen Elizabeth's Almshouse Charity
5. Michel's Almshouse Charity (including Benn's Walk)
6. The Almshouses of Richmond Church Charity Estate (Church Estate Almshouses)
7. Twickenham United Charities (Candler Almshouses)
8. Mortlake Almshouse & Relief Charity (Juxon's and Colston's Almshouse)

The appointment to almshouse accommodation is subject to residential and other qualifications.

Other Charities embraced by The Richmond Charities are:

Relief in Need: Share of the Charity of Henry Smith

In addition, the Trustees have responsibility for the administration of one welfare and one relief in sickness Charity:

The Misses Thompson and Whipple Trust
The Richmond Aid in Sickness Fund

These Charities share the objective of benefiting the London Borough of Richmond-upon-Thames.

The Trustees maintain an Extraordinary Repair Fund. The purpose of this fund is to repair, improve and replace existing almshouses, and to provide for future growth and re-development. The funds are kept separate and safe, by ensuring adequate accounting records are maintained.

b. Main activities undertaken to further the Charity's purposes for the public benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The public benefit of the Charity is in providing safe and comfortable almshouse accommodation for those in need as described in the Scheme and generating income for those Charities described in the Objectives and Activities of the Charity below. Our strategic aims as stated on page 4 link to this benefit and we are satisfied that these aims do not have a detrimental effect outside of the Charity's activities. Whilst many of the activities are local in nature, the Trustees do not consider this to be an unreasonable geographic restriction and those in need are not excluded from benefit.

As a result of the above, the Trustees consider that the Charity satisfies the public benefit test.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

a. Strategic report

Achievements and performance

Review of activities

The stated objectives of the Charity are deemed to have been achieved for the year to the best of the Charity's and its Trustees' abilities and these achievements can be measured as follows:

A high level of occupancy was maintained in line with the object of providing such accommodation. Considerable time and expense was devoted in the year to maintaining the accommodation to a high standard for the residents.

A surplus of incoming resources has been generated by the Charity's investments, including properties. The performance of the Charity's investments is considered by the Trustees to have been satisfactory given the expenditure on major repairs and the current market conditions.

The surplus on net incoming resources of the Charity arises from property and other approved investments and, after deducting charitable and governance expenditure, is £433,175 (2020 - surplus of £654,991) applied as shown in the Statement of Financial Activities (page 18).

HML LAM continued to act as Property Managers of the investment properties.

The Trustees held a Strategic Planning Meeting in October 2021 to set new strategic objectives for 2022-2026. The objectives are as follows:

1. To continue to seek opportunities to develop more almshouses.
2. To continue the on-going work to refurbish almshouses and to consider implications for the almshouse of the future.
3. To maximise the benefits from the investment property portfolio.
4. To revise the almshouse applicant qualifying criteria and to continue to work with the Council on nominations rights issues.
5. To continue to build and strengthen the almshouse community.
6. To consider the resources needed to implement the key objectives: Staffing and Governance.
7. To develop a coherent communications strategy for the Charity.
8. To be more strategic about the Charity's Welfare Grants funding.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

COVID-19 had an impact on the Charity and its beneficiaries.

1. Financial impact:

- a. In March 2020 the Charity carried out detailed scenario analysis and disaster planning to look at the potential impact of COVID-19 on the Charity's finances and to look at ways of coping with potential loss of income and ways in which expenditure could be reduced.
- b. In 2021 rental income and WMC income held up well and we had few voids. When there were voids, we were able to re-let the investment properties swiftly and house new beneficiaries in the almshouses once refurbishments had been carried out.
- c. The Charity incurred larger than usual expenditure on almshouse major works due to some projects having been delayed from 2020 due to COVID-19.
- d. The Charity sold a number of investment properties rather than refurbishing them which reduced expenditure.

2. Operational impact:

- a. In February and March 2020 a detailed action plan was drawn up by the CEO to support residents through the pandemic.
- b. Staff worked from home during lockdown 1 and 2 but come lockdown 3 in from January 2021 we had shown that the Charity could be run well with staff on a shift pattern for the 3 offices. All staff then returned to the offices full time from May 2021.
- c. Guidance and support continued to be issued to residents via regular letters from the CEO and through the monthly Almshouse News magazine.
- d. All meetings continued online, including all interviews with new applicants for almshouse accommodation undertaken by the CEO and the Welfare Committee, and from September 2021 meetings began to be in person again.

3. Impact on beneficiaries:

- a. 2021 was another difficult year for our beneficiaries, particularly after the lockdown from January 2021.
- b. The Charity has had very few cases of COVID-19 amongst its beneficiaries, though with the spread of Omicron the numbers have increased slightly.
- c. The vaccine has been taken up by the vast majority of residents.
- d. From September 2021, activities and events within our community were able to re-start.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Progress was achieved in 2021 in all these areas as follows:

1. The Charity continued to seek opportunities for further expansion and development of more almshouses. A new site is being purchased in 2022 for a 12-unit almshouse development which will complete and open in 2023.
2. The Charity merged with Mortlake Almshouse & Relief Charity in November 2021, when the Charity Commission published the new Scheme. 6 almshouses at Juxon's and Colston's have come under the Charity's ownership and management and the 6 existing residents have become residents of The Richmond Charities.
3. The Charity continued with its policy to sell in the region of £4.75m worth of investment properties each year in order to (a) be able to develop a new almshouse estate every 2-3 years and (b) to rebalance the assets portfolio and to move towards a 75/25 split of property/invested funds.
4. 6, 8, 53 and 59 Houblon Road were all sold in 2021. At the end of 2021 the Charity was under offer on the sales of 41 and 62 Houblon Road, to exchange and complete in January/February 2022.
5. The following almshouses were refurbished or redecorated in 2021 prior to new residents moving in: 4, 6 and 10 Bishop Duppa's, 2, 4, 5, 10 and 14 Church Estate, 20, 27 and 30 Hickey's, 3 Houblon's, 2, 5, 13 and 15 Michel's and 3 Queen Elizabeth's.
6. The Charity welcomed 14 new residents into its community.
7. Internal redecoration work and new level access shower rooms were undertaken for a number of existing residents.
8. Loft and cellar insulation was installed in all almshouse estates.
9. The Chapel at Hickey's Almshouses underwent a large renovation project.
10. Photovoltaic panels were installed at Adelaide Road almshouses.
11. Roof and chimney repairs were carried out at 1-10 Church Estate and external decorations on 11-18 Church Estate.
12. The Charity was able to hold its annual residents' open forum meetings in 2021.
13. The Almshouse News magazine was produced monthly during 2021.
14. The Charity increased its grant giving budget to support those in need, hardship or distress in the borough and awarded an additional £25,000 in grant funding for 2021, along with the £25,000 from the smaller Welfare Charities. The borough has seen an increase in need due to COVID-19. Applications have been received in January 2022 from 14 organisations applying for a share of the funding and the Welfare Committee will decide on grant awards.
15. The Charity welcomed one new member of staff who was appointed as Health, Safety & Security Officer in March 2021.
16. The Charity revised its Business Continuity Plan and Risk Register.
17. Major refurbishments on investment properties were undertaken at Flat 5, Friars Stile Road and 11 Michel's Row.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

18. External redecorations were undertaken at various properties in Houblon Road.

The Trustees delegate the management of the Charity's investment portfolio to professional fund managers whilst maintaining oversight over those investments.

The Richmond Charities assumed management of Richmond Philanthropic Society from September 2009. Richmond Philanthropic Society has been in existence since 1870 and remained in a strong financial position to distribute grants to the needy of Richmond, Kew, Petersham and Ham. Richmond Philanthropic Society is a separate charitable entity to Richmond Charities' Almshouses and files separate accounts.

The Richmond Charities measures and assesses success by how many elderly people in need of almshouse accommodation the Charity is able to house during the year.

b. Investment policy and performance

Funds are invested in such a manner as the Trustees think fit in order to provide an appropriate and balanced portfolio, taking into account the requirements of the law relating to the investment of charitable monies.

The investment performance is measured against the objectives as laid out in the Charity's investment policy. The principal aim of the endowed funds invested in the income portfolio is to be managed on the basis of producing a regular income whilst at least maintaining its capital base in real terms.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

a. Financial review

Reserves policy

The Charity regularly reviews its operational risks and requirements and maintains a level of reserves considered sufficient in order to be able to address its requirements. Some of the reserves are designated in accordance with this assessment and where necessary transfers are made to achieve the Charity's targets. The current actual level of reserves are considered to be adequate based on current and projected activities and risks and are detailed below.

During the year the Trustees have reconsidered the disposition of the Charity's funds and have agreed to transfer designated funds into general unrestricted funds as these are not required to be separately analysed.

b. Financial review

The value of investment properties has increased to £113,430,300 (2020 - £112,259,000). HML LAM (Chartered Surveyors) undertook a desktop valuation of the properties for the year ended 2021, and in their opinion there had been an overall increase in value of 5%.

Fixed asset investments increased in aggregate value in the year to £18,360,711 (2020 - £15,014,811) after additions of £1,758,482 and a total revaluation gain of £1,587,418.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

a. Constitution

The Richmond Charities is administered in accordance with the following Charity Commission schemes:

5.8.1974	The Richmond Charities
21.8.1974	Michel's Almshouse Charity
30.4.1987	Richmond Charities' Almshouses
18.11.1987 and 21.6.1990	Richmond Charities' Almshouses
24.5.2004	Richmond Charities' Almshouses
27.2.2006	Richmond Charities' Almshouses
17.12.2008	Richmond Charities' Almshouses
08.10.2020	Richmond Charities' Almshouses
01.11.2021	Mortlake Almshouse Charities

Under the 18.11.1987 and 21.6.1990 schemes, Michel's Almshouse Charity was merged with The Richmond Charities, to be administered as one, under the name Richmond Charities' Almshouses. Under the Charity Commission scheme dated 24.5.2004, which altered the trusts of Richmond Church Charity Estates (Charity Reg. No. 212770), title of the Church Estate Almshouses was transferred to Richmond Charities' Almshouses. The scheme of 27.2.2006 extended the area of benefit from the former Borough of Richmond to the London Borough of Richmond. The scheme of 17.12.2008 merged Twickenham United Charities and Richmond Charities' Almshouses and updated the governing instrument. The Scheme of 8 October 2020 widened the objects of the charity to enable Trustees to make grants to people in need in the Richmond borough. The Scheme of 1 November 2021 merged Mortlake Almshouse Charities and Richmond Charities' Almshouses.

The Trustees' strategic plans re-affirm the values of the Charity to continue: - creating an environment for older people to live independently and with dignity; supporting older people in remaining independent for as long as possible; looking for ways to improve the almshouses; seeking ways to increase the number of almshouses; and ensuring the provision of housing for future older generations.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the Charity is conducted by the Chief Executive, under day-to-day authority delegated by the Trustees. The major part of the administration is concerned with the almshouses, its residents, investment properties and investments.

The Trustees' meetings take place at regular intervals (minimum six times a year) and are attended periodically by representatives of HML LAM, who act as Property Managers for the Charity.

The Trustees may consist of an ex-officio, eight co-optative and three nominative Trustees. Two nominative Trustees are nominated by the Local Authority and the remaining one must be appointed by the vicar for the time being of the ecclesiastical parish of St. Mary's Twickenham. Trustees are appointed at ordinary meetings by way of majority resolution. Newly appointed Trustees receive an in-depth induction.

The Trustees meet at regular intervals during the year to review the Charity's strategy and performance, approve plans and monitor budgets. The Trustees have delegated certain functions to the Finance, Risk Management, Welfare, Property and Safeguarding Committees whose composition is annotated at the front of these accounts.

New Trustees' receive a full information pack and induction from the Chief Executive. They are introduced to all properties and residents gradually. Training for Trustees takes place during the year and in 2020 all Trustees underwent Safeguarding Training.

c. Pay policy for Key Management Personnel

The Trustees consider the Board of Trustees and the Chief Executive as comprising the Key Management Personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their free time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in Notes 13 and 28 to the accounts.

Staff pay will be reviewed annually and will normally be increased in accordance with average earnings. In view of the nature of the Charity, the Trustees will normally benchmark against pay levels in other Charities of similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for any additional responsibilities.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

d. Risk management

The Trustees are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They have reviewed the key risks to which the Charity is exposed together with the operating and financial compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Charity's significant risks that have been in place for the year ending 31 December 2021. This process is regularly reviewed by the Trustees.

The principal risks faced by the Charity lie in managing the loss of key staff and financial risk from increasing expenditure.

The operational risk from loss of key staff is managed by the Trustees by ensuring there is effective succession planning in place. This involves having a practical notice period and handover policy as well as a vigorous recruitment process to identify the right individuals for the vacant positions.

The risk of additional expenditure is managed by the finance committee which holds regular meetings to assess expenditure against the Charity budgets. Authorisation procedures exist to ensure additional expenditure is authorised and if necessary the Charity will consider delaying or cancelling planned projects.

THE RICHMOND CHARITIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods

The Charity plans to continue to expand its almshouse provision.

The Charity is working with an external property agent to identify future potential sites and working with the Council when they identify sites for disposal. The Charity will continue to investigate and bid for other sites when opportunities arise.

The Charity will oversee the development of the almshouses at Queen's Road and work closely with the builder to achieve a new almshouse estate fit for purpose for the Charity's elderly residents.

The Charity is currently investigating other sites for almshouse development.

The Trustees intend to continue their programme of major repairs and improvements to almshouse properties, to be funded out of income. Refurbishments will arise as and when almshouses become vacant.

The Trustees will try to gain consent from the Council to install photovoltaic panels at some of the almshouse estates.

Existing residents will be offered the chance to have internal redecoration undertaken and level access showers installed. Residents are also being offered help with the maintenance of their individual gardens.

Residents who have lived in their almshouse for over 15 years will be offered refurbishment work.

Work will continue to strengthen the almshouse communities with new ideas for events and activities post COVID-19.

With the investment properties, major refurbishment work will be undertaken when necessary and external decorations will be undertaken on a number of properties. When other investment properties become vacant, the Property Committee will decide whether to sell the property or undertake refurbishment.

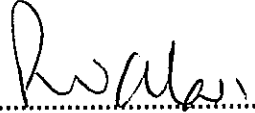
The Charity will award up to £25,000 in grant funding to local organisations to distribute on the Charity's behalf to people in need in the borough.

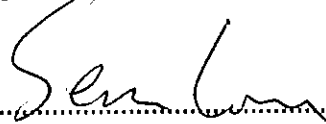
Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on their behalf by:


.....
Mr P W C Marr
Chairman
Date: 25/5/22


.....
Mr A S Lourie
Trustee

THE RICHMOND CHARITIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

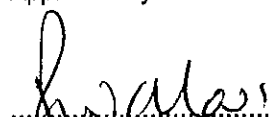
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

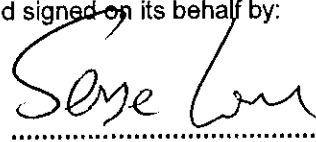
The law applicable to Charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:


.....
Mr P W C Marr
Chairman
Date: 25/5/22


.....
Mr A S Lourie
Trustee

THE RICHMOND CHARITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES

Opinion

We have audited the financial statements of The Richmond Charities (the 'Charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 United Kingdom, including the Financial Reporting Council'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.

THE RICHMOND CHARITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES (CONTINUED)

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

THE RICHMOND CHARITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES (CONTINUED)

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE RICHMOND CHARITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RICHMOND CHARITIES (CONTINUED)

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 its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: *26/07/22*

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RICHMOND CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and legacies	4	47,482	25,200	-	72,682	4,625
Charitable activities	5	1,350,727	-	-	1,350,727	1,222,328
Investments	6	2,850,523	-	-	2,850,523	3,227,883
Total income		4,248,732	25,200	-	4,273,932	4,454,836
Expenditure on:						
Raising funds:	7					
Property management		965,085	-	-	965,085	1,492,458
Fund management		65,481	-	-	65,481	70,708
Charitable activities	8	2,784,991	25,200	-	2,810,191	2,236,679
Total expenditure		3,815,557	25,200	-	3,840,757	3,799,845
Revaluation of investments	11	957,031	-	6,414,050	7,371,081	5,354,022
Net income		1,390,206	-	6,414,050	7,804,256	6,009,013
Transfers between funds	20	(3,670,964)	-	3,670,964	-	-
Net movement in funds		(2,280,758)	-	10,085,014	7,804,256	6,009,013
Reconciliation of funds:						
Total funds brought forward		10,558,235	-	130,662,226	141,220,461	135,211,448
Net movement in funds		(2,280,758)	-	10,085,014	7,804,256	6,009,013
Total funds carried forward		8,277,477	-	140,747,240	149,024,717	141,220,461

All income and expenditure derives from continuing activities.


The notes on pages 21 to 45 form part of these financial statements.

THE RICHMOND CHARITIES

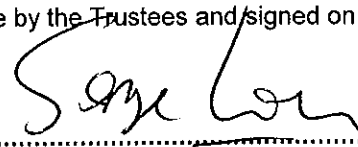
BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		10,282,931		10,430,377
Investments	16		18,360,711		15,014,811
Investment property	15		113,430,300		112,259,000
			<u>142,073,942</u>		<u>137,704,188</u>
Current assets					
Debtors	17	833,411		151,497	
Investments	18	5,960,793		3,171,680	
Cash at bank and in hand	23	402,433		391,353	
		<u>7,196,637</u>		<u>3,714,530</u>	
Creditors: Amounts falling due within one year	19	(244,862)		(195,257)	
Net current assets			<u>6,951,775</u>		<u>3,519,273</u>
Total assets less current liabilities			<u>149,025,717</u>		<u>141,223,461</u>
Defined benefit pension scheme liability	26		(1,000)		(3,000)
Total net assets			<u><u>149,024,717</u></u>		<u><u>141,220,461</u></u>
Charity funds					
Endowment funds	20		140,747,240		130,662,226
Restricted funds	20		-		-
Unrestricted funds	20		8,277,477		10,558,235
Total funds			<u><u>149,024,717</u></u>		<u><u>141,220,461</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



 Mr P W C Marr
 Chairman
 Date: 25/5/22



 Mr A S Lourie
 Trustee

The notes on pages 21 to 45 form part of these financial statements.

THE RICHMOND CHARITIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	(2,749,973)	(2,155,192)
Cash flows from investing activities			
Investment income	6	2,850,523	3,227,883
Purchase of tangible fixed assets	14	(68,300)	(5,450,000)
Proceeds from sale of investments	16	-	7,009,380
Purchase of investments	16,18	(3,744,658)	(5,006,237)
Proceeds from the sale of investment properties	15	3,723,488	3,830,000
Purchase of investment properties	15	-	(1,375,000)
Net cash provided by investing activities		2,761,053	2,236,026
Change in cash and cash equivalents in the year		11,080	80,834
Cash and cash equivalents at the beginning of the year		391,353	310,519
Cash and cash equivalents at the end of the year	23	402,433	391,353

The notes on pages 21 to 45 form part of these financial statements.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Richmond Charities is an Unincorporated Charity registered with the Charity Commission (Charity Registered Number 200431) in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Richmond Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in sterling which is the functional currency of the Charity and are rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income from investments is accounted for when it is receivable.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value for accounting purposes is placed on the historic almshouse properties as the original cost of these assets would be immaterial to these financial statements. Any material future capital additions to the almshouse properties will be recorded at cost.

SORP (FRS 102) requires fixtures and fittings be included in the accounts at cost. The Charity's existing fixtures and fittings are deemed to be of no material value and have therefore not been included.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Almshouses	-	2%
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2.7 Investment properties

Investment properties are recorded at fair value at each reporting date with changes in fair value recognised in Revaluation of investments in the Statement of Financial Activities.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals during the year. As investments are revalued to fair value continuously no realised gains or losses arise.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial Instruments

The Charity holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 19 and taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. The assets of the scheme are held separately from those of the Employer. The annual contributions payable are charged to the Statement of Financial Activities.

The Charity also contributes to the Church of England defined benefit pension scheme in respect of one member of staff. Please see Note 26 for more details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity, principally the investments used to generate funds. 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 investments from part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Useful life of tangible fixed assets and the depreciation rates applied: the key judgement in this area relates to the useful life of almshouse properties and this is based on standard practice within the sector updated for any specific knowledge the Trustees are aware of.
- Investment property valuation: these are updated each year by a qualified chartered surveyor with the Trustees agreeing appropriate and consistent assumptions in advance of the valuation.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	47,482	20,800	68,282
The Charity of Henry Smith	-	4,400	4,400
Total 2021	47,482	25,200	72,682

Unrestricted donations represents amounts transferred from Mortlake Charities Almshouses on the amalgamation with Richmond Charities.

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	225	225
The Charity of Henry Smith	4,400	4,400
<i>Total 2020</i>	<i>4,625</i>	<i>4,625</i>

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Almshouses - Residents' contributions	1,350,727	1,350,727

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Almshouses - Residents' contributions	1,222,328	1,222,328

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Income from investments

	Unrestricted funds 2021 £	Total funds 2021 £
Rents receivable	2,403,123	2,403,123
Dividend income receivable	447,324	447,324
Bank interest receivable	76	76
Total 2021	2,850,523	2,850,523

	Unrestricted funds 2020 £	Total funds 2020 £
Rents receivable	2,531,675	2,531,675
Dividend income receivable	696,050	696,050
Bank interest receivable	158	158
Total 2020	3,227,883	3,227,883

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Expenditure on raising funds

	2021 £	2020 £
Fund management		
Investment management costs	65,481	70,708
	<u>65,481</u>	<u>70,708</u>
Property management		
Direct costs - Property	873,576	1,392,815
Support costs - Insurance	15,888	30,884
Support costs - Repairs and maintenance	20,632	22,412
Support costs - Legal and professional	5,549	6,579
Support costs - Office expenses	15,965	19,206
Support costs - Miscellaneous	33,475	20,562
	<u>965,085</u>	<u>1,492,458</u>
Total	<u><u>1,030,566</u></u>	<u><u>1,563,166</u></u>

In 2020, all expenditure on raising funds was from unrestricted funds.

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Almshouses	<u>2,784,991</u>	<u>25,200</u>	<u>2,810,191</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Almshouses	<u>2,232,054</u>	<u>4,625</u>	<u>2,236,679</u>

9. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Almshouses	<u>2,357,662</u>	<u>452,529</u>	<u>2,810,191</u>
	<i>Activities undertaken directly 2020 £</i>	<i>Grant funding of activities 2020 £</i>	<i>Support costs 2020 £</i>
Almshouses	<u>1,925,740</u>	<u>4,400</u>	<u>2,236,679</u>

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	518,179	493,042
Telephone	16,880	10,478
Rates and water	37,151	58,902
Electricity and gas	33,605	33,479
Cleaning	10,840	7,645
LBRUT Careline	38,363	34,988
Garden and tree maintenance	81,659	95,307
Repairs and maintenance	181,988	82,266
Legal and professional fees	60,801	182,026
Miscellaneous	-	1,441
Major property repairs	1,378,196	926,166
Total	2,357,662	1,925,740

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Governance staff costs	60,267	57,343
Depreciation	215,746	132,630
Insurance	14,300	27,796
Electricity and gas	1,072	265
Cleaning	6,571	3,316
Repairs and maintenance	11,998	16,854
Legal and professional fees	4,994	5,921
Office expenses	13,296	17,019
Miscellaneous	29,399	18,505
Governance costs	51,374	26,890
Loss on disposal of fixed asset investments	43,512	-
Total	452,529	306,539

10. Governance costs

	2021 £	2020 £
Auditor's remuneration - Audit and accountancy	16,200	15,800
Auditor's remuneration - Other services	-	1,126
Governance staff costs	60,267	57,343
Other governance costs	35,174	9,964
	111,641	84,233

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Revaluation of Investments

		2021 £	2020 £
Revaluation gains on investment property	15	4,938,300	4,389,250
Revaluation gains on fixed asset investments	16	1,629,844	783,671
Revaluation gains on current asset investments	18	802,937	181,101
		<u>7,371,081</u>	<u>5,354,022</u>

12. Staff costs

	2021 £	2020 £
Wages and salaries	474,809	462,644
Social security costs	45,282	45,352
Pension costs	58,591	44,688
	<u>578,682</u>	<u>552,684</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Staff	<u>14</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £80,001 - £90,000	1	1

The Charity considers its Key Management Personnel to comprise the Trustees and the Chief Executive. The total employment benefits (including employer pension contributions and employer national insurance contributions) of the Key Management Personnel were £112,724 (2020 - £103,717).

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no expenses were reimbursed or paid directly to any Trustees (2020 - £11,471 to 1 Trustee for legal fees).

14. Tangible fixed assets

	Almshouses £
Cost	
At 1 January 2021	10,718,981
Additions	68,300
	<hr/>
At 31 December 2021	10,787,281
	<hr/>
Depreciation	
At 1 January 2021	288,604
Charge for the year	215,746
	<hr/>
At 31 December 2021	504,350
	<hr/>
Net book value	
At 31 December 2021	10,282,931
	<hr/> <hr/>
At 31 December 2020	10,430,377
	<hr/> <hr/>

The Almshouse properties are non investment properties, held by the Charity as inalienable, with conditions attached for their use. For accounting purposes, no value is placed on the original Almshouse properties as it is considered by the Trustees that the original historic cost of the properties would not be material to the financial statements. The Trustees do not consider that the fair value of the Almshouses can be measured reliably, given the conditions specified for their use. Any costs of valuation to the Charity would not be commensurate with any benefit obtained from the information to the users of the accounts or to the Charity for its own stewardship purposes. Recognition of the Almshouses at fair value is not practicable.

With respect to the Almshouses transferred from RCCE, if at any time any of the Almshouses cease to be used permanently as Almshouses, half of the value of that land shall be paid to the Trustees of RCCE to be held as permanent endowment and the income used for its general purposes, provided that this clause will apply only if the land in question is sold and the proceeds of sale are used to purchase replacement land for the provision of Almshouses within a reasonable time.

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Investment property

	Investment property £	Mitre Pub £	Total £
Valuation			
At 1 January 2021	111,524,000	735,000	112,259,000
Disposals at carrying value	(3,767,000)	-	(3,767,000)
Surplus/(deficit) on revaluation	4,948,300	(10,000)	4,938,300
At 31 December 2021	<u>112,705,300</u>	<u>725,000</u>	<u>113,430,300</u>

Investment property

On 31 December 2021, HML LAM (Chartered Surveyors) undertook a desktop valuation of the properties for the year ending 31 December 2021. It was their opinion that there had been an overall increase in value of the property portfolio by 5% during 2021 (2020 - 4% increase).

16. Fixed asset investments

	Capital endowment funds £	Development fund £	Total £
Cost or valuation			
At 1 January 2021	14,782,637	232,174	15,014,811
Additions at cost	25,111	1,733,371	1,758,482
Revaluations	1,433,324	154,094	1,587,418
At 31 December 2021	<u>16,241,072</u>	<u>2,119,639</u>	<u>18,360,711</u>
Net book value			
At 31 December 2021	<u>16,241,072</u>	<u>2,119,639</u>	<u>18,360,711</u>
At 31 December 2020	<u>14,782,637</u>	<u>232,174</u>	<u>15,014,811</u>

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Debtors

	2021 £	2020 £
Due within one year		
Rent receivable	102,107	115,417
Prepayments and accrued income	731,304	36,080
	<u>833,411</u>	<u>151,497</u>

Included within prepayments and accrued income is an amount of £682,500 relating to a deposit on a property to be purchased in the year ended 31 December 2021.

18. Current asset investments

	2021 £	2020 £
Extraordinary repair funds	<u>5,960,793</u>	<u>3,171,680</u>

Listed investments

The market value of the listed investments at 31 December 2021 was £5,960,793 (2020 - £3,171,680).

The balance at the year end includes additions of £1,986,176 (2020 - £1,977,813) and revaluations gains of £802,937 (2020 - £181,101).

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	31,001	32,455
Other taxation and social security	12,355	12,988
Other creditors	5,362	5,362
Accruals and deferred income	196,144	144,452
	<u>244,862</u>	<u>195,257</u>
	2021 £	2020 £
Deferred income		
Deferred income at 1 January	73,985	78,935
Resources deferred during the year	71,693	73,985
Amounts released from previous periods	(73,985)	(78,935)
Deferred income at 31 December	<u>71,693</u>	<u>73,985</u>

At the Balance Sheet date the Charity was holding funds received in advance for rent relating to the next financial year.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Almshouse property fund	4,184,587	-	-	(4,184,587)	-	-
Extraordinary repair fund	1,193,867	-	-	(1,193,867)	-	-
Development reserve	696,742	-	-	(696,742)	-	-
Major repairs reserve	1,100,000	-	-	(1,100,000)	-	-
	<u>7,175,196</u>	<u>-</u>	<u>-</u>	<u>(7,175,196)</u>	<u>-</u>	<u>-</u>
General funds						
Almshouse fund	3,386,039	4,248,732	(3,817,557)	3,504,232	957,031	8,278,477
Pension reserve	(3,000)	-	2,000	-	-	(1,000)
	<u>3,383,039</u>	<u>4,248,732</u>	<u>(3,815,557)</u>	<u>3,504,232</u>	<u>957,031</u>	<u>8,277,477</u>
Total Unrestricted funds	<u>10,558,235</u>	<u>4,248,732</u>	<u>(3,815,557)</u>	<u>(3,670,964)</u>	<u>957,031</u>	<u>8,277,477</u>
Endowment funds						
Almshouse fund - General	<u>130,662,226</u>	<u>-</u>	<u>-</u>	<u>3,670,964</u>	<u>6,414,050</u>	<u>140,747,240</u>
Restricted funds						

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Welfare charities	-	25,200	(25,200)	-	-	-
Total of funds	141,220,461	4,273,932	(3,840,757)	-	7,371,081	149,024,717

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Almshouse property fund	4,184,587	-	-	-	4,184,587
Extraordinary repair fund	1,012,766	-	-	181,101	1,193,867
Development reserve	696,742	-	-	-	696,742
Major repairs reserve	1,100,000	-	-	-	1,100,000
	<u>6,994,095</u>	<u>-</u>	<u>-</u>	<u>181,101</u>	<u>7,175,196</u>
General funds					
Almshouse fund	2,690,146	4,450,211	(3,797,220)	42,902	3,386,039
Pension reserve	(5,000)	-	2,000	-	(3,000)
	<u>2,685,146</u>	<u>4,450,211</u>	<u>(3,795,220)</u>	<u>42,902</u>	<u>3,383,039</u>
Total Unrestricted funds	<u>9,679,241</u>	<u>4,450,211</u>	<u>(3,795,220)</u>	<u>224,003</u>	<u>10,558,235</u>
Endowment funds					
Almshouse fund - General	<u>125,532,207</u>	<u>-</u>	<u>-</u>	<u>5,130,019</u>	<u>130,662,226</u>
Restricted funds					
Welfare charities	<u>-</u>	<u>4,625</u>	<u>(4,625)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>135,211,448</u></u>	<u><u>4,454,836</u></u>	<u><u>(3,799,845)</u></u>	<u><u>5,354,022</u></u>	<u><u>141,220,461</u></u>

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Statement of funds (continued)

The Almshouse funds are unrestricted and are used to fund activities in furtherance of the Charity's objectives alongside the management and administration. Included within this fund is the Mitre pub originally purchased at £550,000.

During the year the Trustees have reconsidered the disposition of the Charity's funds and have agreed to transfer designated funds into general unrestricted funds as these are not required to be separately analysed.

THE RICHMOND CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,282,931	-	10,282,931
Fixed asset investments	-	18,360,711	18,360,711
Investment property	725,000	112,705,300	113,430,300
Current assets	(2,494,592)	9,691,229	7,196,637
Creditors due within one year	(244,862)	-	(244,862)
Defined benefit pension scheme liability	(1,000)	-	(1,000)
Difference	10,000	(10,000)	-
Total	8,277,477	140,747,240	149,024,717

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	6,076,931	4,353,446	10,430,377
Fixed asset investments	230,031	14,784,780	15,014,811
Investment property	735,000	111,524,000	112,259,000
Current assets	3,714,530	-	3,714,530
Creditors due within one year	(195,257)	-	(195,257)
Defined benefit pension scheme liability	(3,000)	-	(3,000)
Total	10,558,235	130,662,226	141,220,461

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)		7,804,256	6,009,013
Adjustments for:			
Depreciation charges	14	215,746	132,630
Revaluation of investments	11	(7,328,655)	(5,354,022)
Investment income	6	(2,850,523)	(3,227,883)
Loss on disposal of investment property	15	43,512	-
(Increase)/decrease in debtors	17	(675,344)	296,407
Increase/(decrease) in creditors	19	43,035	(9,337)
(Decrease) in defined benefit pension scheme	26	(2,000)	(2,000)
Net cash used in operating activities		(2,749,973)	(2,155,192)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	402,433	391,353
Total cash and cash equivalents	402,433	391,353

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Changes in market value £	At 31 December 2021 £
Cash at bank and in hand	391,353	11,080	-	402,433
Current asset investments	3,171,680	1,986,176	802,937	5,960,793
	3,563,033	1,997,256	802,937	6,363,226

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

25. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to Almshouses	70,906	82,670

26. Pension commitments

The Richmond Charities Almshouses participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the Schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The Scheme is considered to be a multi-employer Scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions.

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with CMI 2018 extended model, with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

26. Pension commitments (continued)

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were set as follows:

Deficit repair contributions as a % of pensionable stipends

	%
1 January 2018 to 31 December 2020	11.9
1 January 2021 to 31 December 2022	7.1

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the Balance Sheet liability over 2020 and over 2021 is set out in the table below.

Movement in defined benefit pension scheme liability

	2021 £	2020 £
Balance at 1 January	3,000	5,000
Deficit contribution paid	(2,000)	(2,000)
Balance at 31 December	1,000	3,000

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

Sensitivity analysis (per annum)

	2021 %	2020 %
Discount rate	0.0	0.2
Price inflation	N/A	3.1
Increase to total pensionable payroll	(1.5)	1.6

The legal structure of the Scheme is such that if another Responsible Body fails, Richmond Charities Almshouse could become responsible for paying a share of that Responsible Body's pension liabilities.

THE RICHMOND CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

27. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Other:		
Not later than 1 year	1,646	1,588
Later than 1 year and not later than 5 years	549	1,985
	<u>2,195</u>	<u>3,573</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	<u>1,646</u>	<u>30,588</u>

28. Related party transactions

Other than Key Management Personnel and Trustee transactions detailed in Notes 12 and 13, there were no related party transactions during the period (2020 - none).