

Charity Registration No: 205177
Regulator of Social Housing Registration No: AO215

THE GLOUCESTER CHARITIES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

**THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

C O N T E N T S

	Page
INFORMATION AND ADVISORS	1
REPORT OF THE TRUSTEES	2
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	14
STATEMENT OF COMPREHENSIVE INCOME	17
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CHANGES IN RESERVES	19
CASH FLOW STATEMENT	20
NOTES TO THE FINANCIAL STATEMENTS	22

**THE GLOUCESTER CHARITIES TRUST
INFORMATION AND ADVISORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Registered Office and Principal Place of Business

Century House
100 London Road
Gloucester
GL1 3PL

Bankers

NatWest Bank plc
21 Eastgate Street
Gloucester
GL1 1NH

Solicitors

Tayntons LLP
Clarence Chambers
8-12 Clarence Street
Gloucester
GL1 1DZ

Lodders Solicitors LLP
Glensanda House
1 Montpellier Parade,
Cheltenham
GL50 1UA

Auditor

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Investment Managers

Investec Wealth & Investment
2 Gresham Street
London
EC2V 7QP

Brewin Dolphin Limited
The Lypiatts
Lansdown Road
Cheltenham
GL50 2JA

Registered Charity Number

205177

Regulator of Social Housing Registration Number

AO215

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2021.

Aims and Objectives

The aims of the Charity are:

- Provision of quality sheltered accommodation at an affordable cost
- Extra care facilities for frail Almshouse residents
- Administer, effectively the Relief in Need branch of the Charity

The Trust beneficiaries are older people in need in the County of Gloucestershire. The beneficiary selection policy is in accordance with the provisions of The Scheme, which is the governing document of the Trust.

The Trust also separately administers the former Gloucester District Nursing Charity (which was united with the Trust in 2008).

The aims of Gloucester District Nursing Charity are:

- The relief of persons in need resident in the area of benefit who are convalescent, disabled, or infirm by relieving their suffering or assisting their recovery
- The relief of nurses who are in need and are resident in the area of benefit; and
- The relief of any retired nurses who are in need and who were formerly employed by the Gloucester District Nursing Society

In exceptional cases the Trustees may grant relief to persons otherwise eligible who are resident outside the said area but in the opinion of the Trustees ought nevertheless for sufficient reason to be treated as if resident therein or who are located for the time being within that area.

Our Strategic Aims

- To grow and become a leading, strategic, and influential housing, care, and support services provider for older people
- To operate and further develop exceptional Almshouses offering additional care and support to maintain independent living,
- To ensure high quality service delivery in our residential and nursing homes specialising in dementia; end of life; and palliative care
- To expand our specialist dementia day care services in line with market demand to support those living independently as well as our own residents
- To support our local communities through our Relief in Need grant giving
- To build our own internal strengths and capabilities to increase our impact ensuring our organisational structure can deliver our strategic plan
- To pursue our other objectives whilst maintaining and improving the financial viability of the Trust

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Reference and Administrative Information

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

Mr Martin Collins (Chairman)	Miss Dawn Melvin
Mrs Gill Payne	Mr Lee Hensley
Mr Terry Haines	Mrs Angela Conder (appointed 23.07.2021)
Mrs Christine Harber	Miss Pam Tracey
Mr Stephen Heath (Vice Chairman)	Mr Martyn White
Mr Graham Howell	Mr Colin Youngson
Mr Graham Limbrick	Dr Ian Donald
Mr Graham Locke	Dr Jan Lugg
Mr Stephen Ayland	Mr Brian Large (retired 23.07.2021)
Mrs Jackie Matthews	

The day to day running of the Trust affairs is managed by the Chief Executive, Mrs Kathryn Lewis.

Hazlewoods LLP provides audit services and related advice to the Trustees.

Tayntons Solicitors and Ladders Solicitors provide legal services and related advice to the Trustees.

NatWest Bank Plc provides financial services to the Trustees.

Investec Wealth & Investment provide investment services to the Trustees.

Brewin Dolphin provide investment services to the Trustees for the Gloucester District Nursing Charity funds.

Custodian Trustee – The Official Custodian

McCartneys LLP act as Land Agents for the Trust.

Structure, Governance and Management

The Charity is an unincorporated Charity (registration number 205177) with an unincorporated body of Trustees. The governing document of the Charity is The Scheme dated 4 April 1997 as amended by Scheme dated 16 December 1997 and Scheme dated 30 April 2001 registered with the Charity Commission. The Charity is a registered charity, an Almshouse charity, and a Registered Provider (RP). The Charity is registered with the Regulator of Social Housing, the Care Quality Commission (CQC) and is a member of the Almshouse Association.

The body of Trustees, when complete, consists of 18 Trustees of which nine are nominated Trustees and nine co-optative Trustees. The co-optative Trustees are individuals who through residence, occupation, or employment in or near the City of Gloucester have a specialist knowledge or interest in the work of the Charity. Of the nominated Trustees seven should be appointed by the Council of the City of Gloucester and two by the Committee of the Freemen of the City of Gloucester. The Trust has a Trustee Recruitment and Selection Policy and a separate Trustee Induction Policy which are reviewed every two years. Trustees are provided with an information pack upon joining the Trust which contains the most recent audited financial statements, the latest management account information, minutes of the two most recent General Meetings, a short history of the Trust, the Trust Schemes, and a copy of Charities Commission booklet CC3 – The Essential Trustee What you need to know, and a list of the year's forthcoming meetings. In addition, they are also issued with any policies with which they need to comply, the Code of Governance and the Terms of Reference of the various sub-committees.

Trustees can be co-opted by existing Trustees if they have the relevant skills, knowledge and background that enable them to meet an existing skills gap on the Board of Trustees.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

During 2020/2021 The Board of Trustees met bi-monthly to carry out the business of the Charity. Due to the covid-19 restrictions, most of our Board meetings were held virtually using Microsoft Teams. GCT's Board has several sub-committees, Audit and Governance, Finance and Property and Welfare (Staff and Residents) which comprise of Trustees with a specialist knowledge or skill in a particularly relevant area. These committees meet approximately 4-6 times per year and take forward recommendations to the main meetings of the full Trustee Board. Employees of the Charity report to the main Board of Trustees at the bi-monthly meetings or through a monthly information pack and may refer recommendations for the consideration and approval of all Trustees.

The day to day running of the Trust is delegated to the Chief Executive supported by a Senior Management Team.

The Trust also operates an Advisory Committee which consists of the Chair, Vice Chair and one other Trustee to which the Chief Executive can refer should a decision need to be made urgently.

The Trustees are required under charity legislation and Homes England to prepare financial statements that give a true and fair view of the charity's performance during and at the end of the financial year.

Public Benefit

The Trust's main charitable aim is to provide good quality, affordable accommodation for older people from the County of Gloucestershire to meet the variety of needs which this client group presents. The Trust owns and manages 137 sheltered housing flats at four locations within Gloucester, both Guild House Residential Home and Magdalen House Nursing Home as well as the Kimbrose Club. The Trust therefore operates a circle of care which supports individuals living independently right through to those requiring Nursing care. The accommodation and care provided by the flats and Homes is open to the community of Gloucestershire subject to meeting the Trust's admission criteria. In addition, the Trust also offers a dedicated day care facility, The Kimbrose Club. The Club is open to older people (residents and non-residents) living with dementia, memory loss or depression and anxiety.

The Club is intended to accommodate those who live independently and have no personal care requirements. It is a lively, vibrant place where friendships are made, good food eaten and where there is the opportunity to discover new things to do. Sadly, the Club had to change the way in which we supported our members in the year so that we adhered to covid-19 guidance. This meant we were unable to support more than 15 members at any one time and had to maintain social distance etc. As in the previous year there was a period where we had to close (January and February 2021), however we reopened successfully and have remained open since March 2021.

The above meets the public benefit criteria and falls within the Charities Act 2006 charitable purpose defined as "relief of those in need by reasons of youth, age, ill-health, disability, financial hardship or other disadvantage". All the Trust's charitable activities focus on directly improving the lives of older people by providing a range of housing and care options. The Trust's Relief in Need activities also clearly meet the public benefit criteria and are available to non-residents, of any age, subject to the requirements of the governing document.

In the furtherance of these aims the Board, as the Charity Trustees, have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

The Trust awarded grants to the value of £83,956 to individuals in the year via the Relief in Need and Gloucester District Nursing Charity schemes. There has been a steady number of applications during the year which is still indicative of the very difficult circumstances so many individuals have found themselves in. We have continued to follow a swifter grant approval process which was approved by the Board and set up in 2020 to ensure we were able to provide immediate support wherever possible.

Review of achievements and performance for the year

It must be noted that due to the coronavirus pandemic we had to continue to make significant changes to the way in which we conducted our operational activities in the year; there were numerous difficulties to overcome and some of our planned projects had to be placed on hold. We had the huge task of implementing strict covid testing regimes throughout our operations followed by the legal requirement that all staff in our sector had to be double vaccinated by 1st November 2021. We have found new ways of working to deal with the ongoing coronavirus situation and have been innovative and flexible in our approaches but have had to lockdown our Homes on several occasions due to having 2 or more staff / residents test positive for covid. This has prevented us from achieving anything like full occupancy as we have not been able to accept new residents when we have been closed.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

It is fair to say that this year has been another very challenging one, and we are so grateful and appreciative to our dedicated staff team who have worked so hard throughout to ensure our residents have been well looked after and supported. It is a sad fact that there are staff vacancies in both our Homes, which is something that we have not had much experience of in previous years, and recruitment and retention of staff is at its most difficult. The Health & Social Care sector has lost its appeal, partly due to the appalling publicity received during the pandemic and partly as staff are leaving due to physical and mental exhaustion; some want a job where they can simply switch off at the end of each day. We cannot match the pay and conditions of staff in the NHS so we are doing all we can to promote our positive workplace culture and focusing on staff wellbeing.

We had significant changes to our management teams in our regulated services during the year with the retirement of one Registered Manager and the resignation of another. This caused some problems for a while which meant our Head of Operations and Compliance became the Registered Manager in both services whilst recruitment and subsequent probation / interim periods are satisfied.

Items brought forward from 2019/2020 – progress report

1. Secure planning permission to develop our Hewmar House site and build an enhanced sheltered housing scheme – Outcome: *Planning permission on this development was eventually secured in December 2021. The Trust is now looking to sell the site as a development opportunity.*
2. Create an additional flat at St Marks by making use of an under-utilised lounge and kitchen. Outcome: *This has been placed on hold due to other projects being prioritised.*
3. Create a contemporary open plan lounge / dining / kitchen room at St Marks in the downstairs communal area. Outcome: *This has been placed on hold due to the reasons listed in 2 above.*
4. Replace the care call system at all remaining Almshouse sites – Outcome: *We have installed new call systems at all our sheltered sites.*
5. Continue our programme of upgrading lighting to LED throughout the Trust – Outcome: *Ongoing as and when rooms and flats are vacated.*
6. Carry out various resurfacing projects throughout the Trust – Outcome: *Completed.*
7. Close monitoring of Brexit and the impact it may have on our ability to operate our services. Outcome: *Although Brexit has happened, the impact of this is hard to assess and will be ongoing.*

Planned works 2020/2021 – progress report

In addition to our extensive programme of planned and preventative maintenance and cyclical maintenance, we managed to complete / progress the following capital expenditure works in 2020/2021:

1. 8 flat extension block to Brunswick Road – not progressed. Detailed feasibility study required to ascertain viability of project.
2. Replacement of both lifts at St Bartholomews – completed.
3. Installation of updated care-call systems at St Margarets, St Marks & St Philips – completed.
4. Remodelling of 2 bedsits at St Margarets and creation of an additional flat using existing facilities – planning pre-app discussions were not favourable. Project not proceeding.
5. Install a new master suite locking system for the Almshouses – completed.
6. Continue our programme of refurbishment and upgrading of all our accommodation – ongoing.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Performance Review

As previously mentioned, this year has been another extremely challenging one. We have, however, strived to ensure we have provided the highest standards of care and support for our residents with an emphasis on their overall wellbeing. This has included the provision of additional staff hours to provide more in-house social activities and resident engagement as there has been little opportunity to go out on trips or have outside entertainment and events involving relatives and other visitors. We have ensured our residents who live independently have been well supported through our welfare calls, meal delivery services and the in-house shopping service we developed to ensure all our residents had access to food, at reasonable prices, delivered free to their doors. All these initiatives continued for part of the year after which restrictions were relaxed. This was extremely well received by those residents as was the regular "treats" we organised such as cream teas, fish and chips etc.

The Trust had more vacant flats and lower occupancy in our sheltered accommodation during the year than previously experienced, which was largely attributed to us not offering accommodation for several months and only visiting sites to carry out essential works. This meant a delay in carrying out works in flats requiring refurbishment.

We also experienced significantly higher than budgeted voids in our Nursing Home, Magdalen House and in our Residential Home, Guild House which was mainly due to our no admissions policy and a decision made to ensure staff resources were not being unduly stretched. Magdalen House was still able to offer occasional respite care when it was safe to do so in accordance with our strict covid-19 prevention measures.

The promotion of the circle of care offered by the Trust continues to be a key feature of our service. We are always looking at ways in which to add more into our Circle of Care and our much-anticipated social enterprise project at The York, now known as No.76, is certainly going to enhance it further. We are planning an opening event in March 2022, and we are very excited at the potential impact this venture may have in our local community.

We were very appreciative of the Grants which we received from Gloucestershire County Council; these have helped us support our staff team, enhance resident engagement, and facilitate safe visits for relatives throughout the pandemic to date

Recruitment and retention have been exceptionally difficult in Guild House and Magdalen House during the year; however, we have managed to maintain a core staff team. We have, regrettably had to rely upon Agency staff to maintain safe staffing levels and negotiated some fixed term contracts so that we had the same staff work for us which means we have been able to provide continuity of care and support to all our residents, which is of vital importance to us. As always, the staff team have done a wonderful job in caring for and meeting the needs of our residents and members and we are extremely appreciative of the dedication and commitment they continue to give under the most difficult of circumstances.

Magdalen House Team are still to complete the Gold Standard Framework training for end-of-life care as the training programme has been considerably disrupted by the Covid-19 pandemic. We are utilising the learning gained to date to ensure we offer the very best standards of end-of-life care.

We have made use of the opportunity where there have been vacant rooms at Guild House and Magdalen House to refurbish them to include new flooring, LED lighting upgrades and complete redecoration so they are ready to be occupied when a new resident wishes to move in.

To ensure the retention of our key staff the Trust is continually looking to increase our range of well-being initiatives to implement. Our Trust Wellbeing Lead publishes monthly Wellbeing Newsletters which contain a host of tips and advice for staff to follow and often contain a small gift for staff as a token of our appreciation. Our staff will benefit from discounted prices at No.76 and we are looking at other ways in which we can improve their conditions of employment too.

Our Kimbrose Club has had a very difficult year due to having to close in January and February 2021. We were able to reopen in March 2021 after an extensive range of risk assessments was completed and criteria were met. We are delighted to have remained open since. Our staff have done an excellent job in making the Club stimulating and enjoyable for our members whilst adhering to the numerous restrictions imposed.

We have not progressed our programme of brand awareness of the Trust promoting GCT as there have been other far greater priorities needing to be addressed. We have continued to develop and improve upon the range of qualitative and quantitative information provided to our Trustees to assist them in the governance decisions and to provide them with assurances that the Trust is being well managed.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

In financial terms the Trust has not had a particularly successful year in overall terms of the operational activities however the performance of its investments has been better than in the previous year. We have completed our Value for Money (VFM) metrics for inclusion in the accounts as we are now required to do and there are no concerns noted when comparing them to the previous year.

We have had our investment properties valued and for most of them this has resulted in a significant increase in the value of our assets. It is the intention of the Trust to continue to review the use of its non-core assets in line with our strategic plan and we have a Strategy Day planned in June 2022 to develop this further.

We managed to hold a full Board Strategy Day which was extremely useful and helped us focus on the priorities for the next 12 months and beyond. One of the main decisions to come out of the day was the decision to consider the sale of non-core assets to release funds for operational projects and service development.

Staff training has, again, focused largely upon e-learning as we were unable to conduct face to face training or attend external training courses etc. We were not able to progress fully with the implementation of our Positive Workplace Culture training in 2020/2021 so this is now being reviewed by our Head of Operations and Compliance and Staff Relations Manager who will be instrumental in developing, implementing, and embedding the agreed culture strategy during 2021/2022.

The Trust conducted several key reviews throughout the year including the review of its Risk Summary and the corresponding action plans to mitigate risks in certain areas. The Strategic Plan has been reviewed and further updated particularly considering the events of the year. The Head of Operations and Compliance will work with the operational Managers to create detailed individual business plans to dovetail with the overarching GCT plan.

In terms of its non-core assets, the Trust has continued to work closely with our Land Agent to support the Tenants to make improvements to the farms they occupy. We entered another Lease with Hartpury College at Okle Clifford Farm which gives both parties security for the next 10 years.

Future Plans

We are intending to do the following this year, in addition to some of the items we were not able to progress previously:

- We plan to further develop, implement, and embed our well-being initiatives for staff and appoint Wellbeing Champions to support our work on further developing a positive workplace culture.
- There will be considerable work carried out to ensure our quality and audit systems are effective and provide assurances to the Board of Trustees that the management of the organisation is being competently and efficiently carried out with an updated suite of management information tools. We have further refined the suite of information provided to the Board so that it consists of essential qualitative and quantitative information for them to meet their governance obligations effectively.
- Our Head of Operations and Compliance will be instrumental in the major review and revision of our QA and Audit systems throughout the organisation.
- We will be conducting reviews into our training programmes to ensure they enable us to equip staff with the necessary skills and knowledge to meet our residents care and support needs.
- We will carry out further work on developing and implementing detailed business plans for each of our areas of operation which align with the overall strategic plans of the Trust

Risks

The Trustees have considered the financial and operational risks to which the Trust is potentially exposed and have introduced policies and management structures to mitigate them. The biggest risk to us is the ongoing impact of covid-19 coupled with trying to overcome the difficult in recruiting and retaining high calibre staff. All our care home residents have received both covid-19 vaccinations and their boosters. Our staff are all double vaccinated as required to work in Social Care.

Our financial controls are designed to minimise the risk of fraud or other losses and are regularly reviewed and updated. The Trust has appropriate insurance coverage for the activities in which it is involved. The Trust's reserves policy allows the Trust to continue operating for several years with a trading deficit if the Trustees decide this is warranted. This is particularly the case in the creation of new services which will take several years to break even. Risk management is embedded in all areas of the Trust's operations as a key activity that is to be continually reviewed and assessed.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Trust has a detailed Key Risk Summary which is regularly updated by the CEO in conjunction with the relevant sub-committee and reviewed by the Audit & Governance Committee on a six-monthly basis as well as by each individual committee where they review the risks specifically associated with the remit of that committee.

Investment policy and objectives

The investment policy provides for a broad-based portfolio of both financial and property investments to provide income for the Relief-in-Need branches, and security of endowed capital. This is particularly relevant when Trustees are looking at the potential cost of the major development projects which they have commissioned. The importance of keeping the reserves at a level which is sufficient to fund the future upkeep and development of Trust properties continues to be a major consideration for Trustees. The Trust also aims to maximise the income on temporarily invested restricted funds.

The Charity Commission Scheme dated 4 April 1997 empowers the Trustees to make such arrangements as they think fit for any investments of the Charity to be held by a corporate body which is incorporated in England and Wales as the Trustees' nominee. We will continue to work in the coming year with our investment managers Investec Wealth & Investment and Brewin Dolphin.

Clear investment direction is provided to the Investment Managers at the annual review meeting; however, the Trustees have not felt it necessary or appropriate to give specific instructions regarding the extent that social, environmental, or ethical considerations are taken into account, in relation to the retention and realisation of investments.

The Trust reviewed its Investment Management options during 2017 and decided not to make any changes at that time. It is likely that the Investment Management options will be considered again in 2022.

Reserves policy

Under the Housing SORP 2014 designated funds are no longer permitted and must revert to normal unrestricted reserves. The unrestricted reserves of the Trust therefore include those previously designated as either Cyclical Maintenance Fund (CMF) or Extraordinary Repair Fund (ERF) reserves.

The Trustees are satisfied that the reserves held are commensurate with the scale of operations. Most of the Trust's fixed assets are held either in our housing or investment properties therefore the level of reserves is commensurate with the contingency required to ensure the ongoing business of the Trust. Details of the levels of reserves at the year end, and the policies attached to each reserve, can be found in notes 14 to 16 of these financial statements.

Key Value of Money Metrics

In April 2018 the Regulator of Social Housing has introduced a requirement of small registered social housing landlords to include their Value for Money (VFM) metrics in their annual financial statements.

Below are the seven metrics for the Trust. Figures are in Pounds Sterling.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Metric 1 – Reinvestment %

This metric looks at the investment in properties as a percentage of the value of the total properties held (THP – Total Housing Properties). The reinvestment activities include development and/or acquisition of new properties and major maintenance works carried out in our existing properties (i.e. central heating upgrades, new kitchens and bathrooms installations etc).

	2020/21	2019/20
Development of New Properties (THP)		
Newly build properties acquired (THP)		
Works to Existing (THP)	384,119	108,339
Divided by:		
Housing Properties at net book value	2,625,653	2,321,053
Outcome	15%	5%

Metric 2 – New Supply Delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at 30 September 2021.

	2020/21	2019/20
a. Social Housing Units		
Total Social Housing Units Developed or Newly Built Units Acquired In-Year	0	0
Divided by Total Social Housing Units (inc. Shared Ownership)	137	137
Outcome	0%	0%
b. Non-Social Housing Units		
Total Non-Social Units Developed or Newly Built Units Acquired In-Year (Owned). (Total non-social rental housing units owned, non-social leasehold units owned, new outright sale units developed or acquired).		
Divided by Total and Non-Social Housing Units Owned (Period End). (Total social housing units owned, total non-social rental housing units owned, social leasehold units owned, non-social leasehold units owned (Period end))	0	0
Outcome	0%	0%

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Metric 3 – Gearing %

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

	2020/21	2019/20
Total of:		
Short-Term Loans	4,037	3,618
Long-Term Loans	379,147	383,184
Less Cash and Cash Equivalents	(1,579,509)	(1,636,789)
Amounts Owed to Group Undertakings		
Finance Lease Obligations		
Divided by:		
Housing Properties at net book value	2,625,753	2,321,050
Outcome	-46%	-54%

Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.

	2020/21	2019/20
Operating Surplus / (Deficit) (Overall)	311,749	298,834
Less Gain / (loss) on disposal of fixed assets (housing properties)		
Less Amortised Government grant		
Plus Interest receivable		
Less Capitalised major repairs expenditure for period	(384,119)	(108,339)
Plus Total depreciation charge for period	147,803	141,259
Divided by:		
Interest Capitalised		
Plus Interest payable and financing costs	42,735	43,110
Outcome	177%	770%

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Metric 5 – Headline Social Housing Cost Per Unit

	2020/21	2019/20
Total of:		
Management Costs	72,911	77,308
Service Charge Costs	157,565	151,425
Routine Maintenance Costs	98,189	100,551
Planned Maintenance Costs	53,557	26,762
Major Repairs Expenditure		
Capitalised Major Repairs Expenditure for Period	384,119	108,339
Other Social Housing Letting Costs	520,020	557,149
Community Services	9,983	643
Other Social Housing Activities		
Divided by:		
Total Social Housing Units Owned and Managed at the Period End	137	137
Outcome	9,462	7,461

Metric 6 – Operating Margin %

The Operating margin demonstrates the profitability of operating assets before exceptional expenses are considered.

The Association's operating margin shows that the organization uses its resources efficiently. The social housing lettings excludes the social housing grant amortization.

	2020/21	2019/20
a. Social Housing Lettings	25%	25%
b. Overall	3%	6%

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Metric 7 – Return on Capital Employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.

	2020/21	2019/20
Operating Surplus / (Deficit) inc. Gain / (Loss) on Disposal of Fixed Assets (Housing Properties)	156,963	261,977
Share of Operating Surplus / (deficit) in Joint Ventures/Associates		
Divided by:		
Total Assets less Current Liabilities	23,809,669	20,991,744
Outcome	1%	1%

Commentary

We are conscious of our obligations to provide value for money in the services we provide, as evidenced in the metrics included in these financial statements. The metrics above are applicable to the Almshouse activities of the charity, and therefore the information provided relates solely to the Almshouses where relevant.

The Almshouses are just one part, albeit a very important one, of the overall care activities of the charity. Unlike most providers of social housing, the charity derives most of its income from other activities. As a result, it is difficult to benchmark the metrics as the activities of the charity are relatively unique. The trustees do, however, consider the metrics to be within their expectations and show a very positive outlook for the Almshouse activities and the charity as a whole.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Registered Social Housing Legislation and the Charities Act 1993 require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Charity's affairs and of its income and expenditure for the period. In preparing those financial statements, the Trustees are required to: -

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Scheme of the Charity Commissioners dated 4 April 1997 by which the Charity was constituted, Section 1 to the Housing Act 2006, Regulation 4 of the Charities Accounts and Reports Regulations 1995, the Statement of Recommended Practice – Accounting by Registered Social Landlords and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

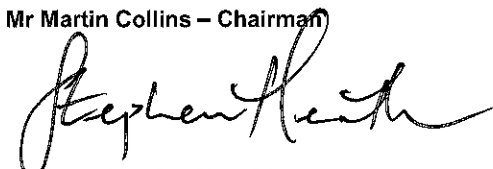
Auditors

Hazlewoods acted as auditors during the year.

Approved and authorised for issue by the Trustees on 30/03/2022



Mr Martin Collins – Chairman



Mr Steve Heath – Vice Chairman

**THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Opinion

We have audited the financial statements of The Gloucester Charities Trust for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard

Opinion on other matters prescribed by the Charities Act 2011

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all of the information and explanations we require for our audit.

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Howard

Martin Howard (Senior Statutory Auditor)

Date: 30/3/2022

**For and on behalf of Hazlewoods LLP
Statutory Auditors**

Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

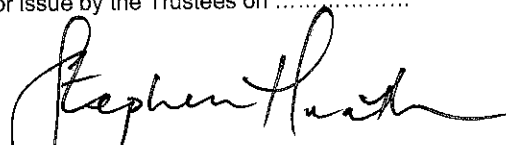
**THE GLOUCESTER CHARITIES TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
TURNOVER	2	4,420,290	4,413,718
COVID income		154,468	159,772
Operating costs	2	<u>(4,417,795)</u>	<u>(4,311,513)</u>
OPERATING SURPLUS	2	156,963	261,977
Surplus / (deficit) on disposal of tangible fixed assets		9,973	(7,376)
Surplus / (deficit) on disposal of fixed asset investments		<u>65,318</u>	<u>(175,981)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME AND INTEREST		232,254	78,620
Interest receivable and other income	6	144,483	148,434
Interest payable and similar charges	7	<u>(49,416)</u>	<u>(49,896)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE CHANGES IN MARKET VALUE OF INVESTMENTS		327,321	177,158
Movement in fair value of investments		<u>745,138</u>	<u>(119,488)</u>
SURPLUS FOR THE YEAR		1,072,459	57,670
Unrealised surplus on revaluation of investment property		1,772,702	888,858
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,845,161</u>	<u>946,528</u>

These financial statements were approved and authorised for issue by the Trustees on 30/03/2022



Mr Martin Collins
Chairman of Trustees
The Gloucester Charities Trust



Mr Steve Heath
Vice Chairman of Trustees
The Gloucester Charities Trust

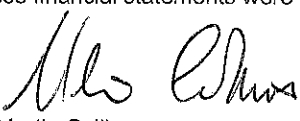
The Trust's results relate wholly to continuing activities.

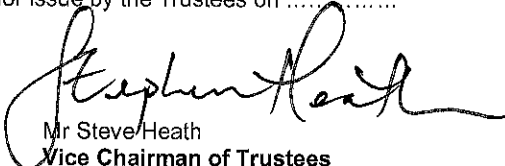
The notes on pages 22 to 35 form part of these financial statements.

**THE GLOUCESTER CHARITIES TRUST
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021	2020
FIXED ASSETS			
Housing properties		2,625,755	2,321,050
Extra care facilities		3,206,473	3,274,552
Investment properties		10,229,167	8,323,564
Other assets		<u>390,358</u>	<u>483,015</u>
Tangible fixed assets	8	16,451,753	14,402,181
Investments	9	<u>6,071,856</u>	<u>5,234,967</u>
		22,523,609	19,637,148
CURRENT ASSETS			
Debtors	10	153,131	136,732
Cash at bank and in hand		<u>1,579,509</u>	<u>1,636,789</u>
		1,732,640	1,773,521
CREDITORS: amounts falling due within one year	11	<u>(446,999)</u>	<u>(418,925)</u>
NET CURRENT ASSETS		<u>1,280,870</u>	<u>1,354,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,809,250</u>	<u>20,991,744</u>
CREDITORS: amounts falling due after more than one year	12	<u>1,885,093</u>	<u>1,912,748</u>
FINANCING AND RESERVES			
Restricted reserves	14	1,188,944	1,154,549
Unrestricted funds	16	18,546,090	15,871,498
Endowment funds	15	<u>2,189,123</u>	<u>2,052,949</u>
		<u>21,924,157</u>	<u>19,078,996</u>
		<u>23,809,250</u>	<u>20,991,744</u>

These financial statements were approved and authorised for issue by the Trustees on 30/03/2022


Mr Martin Collins
Chairman of Trustees
The Gloucester Charities Trust


Mr Steve Heath
Vice Chairman of Trustees
The Gloucester Charities Trust

The notes on pages 22 to 35 form part of these financial statements.

THE GLOUCESTER CHARITIES TRUST
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2021	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2020	1,154,549	15,871,498	2,052,949	19,078,996
Total comprehensive income	34,395	2,674,592	136,174	2,845,161
Balance at 30 September 2021	1,188,944	18,546,090	2,189,123	21,924,157

2020	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2019	1,090,321	14,930,068	2,112,079	18,132,468
Total comprehensive income	64,228	941,430	(59,130)	946,528
Balance at 30 September 2020	1,154,549	15,871,498	2,052,949	19,078,996

THE GLOUCESTER CHARITIES TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021	2020 £
Net cash generated from operating activities (note i)	490,216	689,539
Cash flow from investing activities		
Purchase of investment securities	(708,115)	(1,043,760)
Sale and maturity of investment securities	681,682	1,044,979
Purchase of tangible fixed assets	(628,397)	(2,005,330)
Sales proceeds from disposal of tangible fixed assets	15,886	400
Interest received	-	5,210
	(638,944)	(1,998,501)
Cash flow from financing activities		
Dividends received	144,483	143,224
Interest paid	(49,416)	(49,896)
Repayment of borrowings	(3,619)	(3,244)
	91,448	90,084
Net change in cash and cash equivalents (note ii)	(57,280)	(1,218,878)
Cash and cash equivalents at beginning of year	1,636,789	2,855,667
Cash and cash equivalents at end of year	1,579,509	1,636,789

	2021 £	2020 £
i) ANALYSIS OF CASH FLOWS		
Cash flow from operating activities		
Surplus for the year before revaluation of investments	327,321	177,158
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	345,610	332,999
(Increase) / Decrease in debtors	(20,152)	29,640
Increase in creditors	31,414	88,542
Surplus/ (deficit) on sale of tangible fixed assets	(9,973)	7,376
Surplus / (deficit) on sale of fixed asset investments	(65,318)	175,981
Adjustments for investing or financing activities:		
Government grants utilised in the year	(23,619)	(23,619)
Interest payable	49,416	49,896
Interest received	-	(5,210)
Dividends received	(144,483)	(143,224)
Net cash generated from operating activities	490,216	689,539

The notes on pages 22 to 35 form part of these financial statements.

THE GLOUCESTER CHARITIES TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

ii) ANALYSIS OF NET DEBT

	At 1 October 2020 £	Cash flow £	Non-cash movement £	Total 2021 £
Cash at bank and in hand	1,636,789	(57,280)	-	1,579,509
Debt due within one year	(3,618)	3,618	(3,618)	(3,618)
Debt due in more than one year	(383,184)	-	3,618	(379,566)
Net debt	1,249,987	(53,662)	-	1,196,325

**THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard (FRS 102) and the Housing SORP 2014; Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis of accounting

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, rounded to the nearest pound, being the functional currency of the primary economic environment in which the Trust operates.

Turnover

Turnover represents weekly maintenance contributions, nursing home fees, residential home fees and commercial rent-receivable.

Going concern

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities.

Critical accounting judgements and key sources of estimation uncertainty

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

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation, with the exception of investment properties which are shown at open market value. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following rates per annum:

Freehold housing properties	See below
Refurbishments	5%-12.5%
Office fixtures and fittings	20%
Motor vehicles	25%
Nursing Home and Day Centre fixed equipment	10%-20%

**THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 ACCOUNTING POLICIES (continued)

Housing properties

The Trust accounts for its expenditure on housing properties using component accounting. Under component accounting, in addition to the structure, the housing property is divided into those major components which are considered to have substantially different useful economic lives as follows:

Main Fabric	100 years
Roof	50 years
Windows and doors	20 years
Bathrooms	10 years
Electrics	20 years
Lifts	20 years
Heating	15 years
Kitchens	10 years

As required by FRS 102, the Trust has reviewed the useful economic lives of its housing properties and depreciates the property accordingly.

The Trust capitalises work to existing properties which results in an increase in the net rental income, including a reduction in maintenance costs, or results in significant extension to the useful economic life of the property.

Where property components with a separate identifiable life are replaced, the new components are capitalised with new life and the old components, if any, are written off.

Housing properties in the course of construction are stated at cost and are not depreciated.

Social Housing Grant and Other Capital Grants

Where developments have been financed wholly or partly by Social Housing Grant "SHG" (formerly "HAG"), the grants are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

SHG and HAG is repayable under certain circumstances, primarily following sale of a property but will normally be restricted to proceeds of sale, if this is lower than the initial grant received.

Government Grant

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Capitalisation of interest

Interest on mortgage loans financing new developments is capitalised up to the date of practical completion of the scheme.

Leased assets

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Investments

Investments are stated at market value and are in accordance with the valuation reports received from the Investment Managers.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES (continued)

Trade debtors

Trade debtors are amounts due from customers for the rental of Housing properties.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

The Trust is of charitable status and therefore exempt from taxation. Irrecoverable VAT on expenditure is included as part of the cost of the item of expenditure to which the VAT relates.

Pension costs

The Charity operates a defined contribution pension scheme. Contributions are charged to the income and expenditure accounts as they become payable in accordance with the rules of the scheme.

Legacy income

Legacy income is recognised in the income and expenditure account on a receivable basis.

Restricted reserves

These are detailed in note 14 to the financial statements.

Endowment Funds

These are detailed in note 15 to the financial statements.

Financial instruments

The trust only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets or financial liabilities.

Debt instruments like loans and other receivables and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in non-puttable ordinary shares are measured at cost less impairment for all other investments.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying value and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the trust would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount recognised in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

At each reporting date non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in the reported surplus or deficit.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

2021	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Social housing lettings (see note 3)	1,230,188	(936,439)	293,749
Grant income	22,583	-	22,583
Activities other than social housing			
Investment property lettings	226,038	-	226,038
Charitable giving	-	(83,956)	(83,956)
Administration costs	-	(224,131)	(224,131)
Kimbrose Club	119,335	(196,370)	(77,035)
Extra-care facility	2,824,545	(2,976,899)	(152,354)
Other income	152,069	-	152,069
Total	4,574,758	(4,417,795)	156,963
2020	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Social housing lettings (see note 3)	1,217,259	(918,425)	298,834
Grant income	23,619	-	23,619
Activities other than social housing			
Investment property lettings	156,804	(4,120)	152,684
Charitable giving	-	(88,169)	(88,169)
Administration costs	-	(173,078)	(173,078)
Kimbrose Club	168,716	(265,878)	(97,162)
Extra-care facility	2,861,187	(2,861,843)	(656)
Other income	145,905	-	145,905
Total	4,573,490	(4,311,513)	261,977

All income is generated within the United Kingdom.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Supported housing (including housing for older people)	
	2021	2020
	£	£
Income		
Rent receivable net of identifiable service charges	640,236	635,631
Service charge income	551,667	555,855
Amortised government grants	-	-
Government grants taken to income	12,753	13,867
Other grants	25,532	11,906
Turnover from social housing lettings	1,230,188	1,217,259
Operating expenditure		
Management	72,911	71,744
Service charge costs	554,564	573,521
Routine maintenance	38,255	47,483
Planned maintenance	113,491	79,832
Bad debts	3,201	1,266
Depreciation of housing properties	147,803	141,259
Other costs	6,214	3,320
Operating expenditure on social housing lettings	936,439	918,425
Operating surplus on social housing Lettings	293,749	298,834
Void losses	51,885	46,571

During the year ended 30 September 2021, the Charity owned 137 units of social housing accommodation under its own management (2020 - 137).

The average weekly maintenance contribution on social housing accommodation was £92.57 (2020 - £84.61).

There were no general needs housing or other categories for the social housing lettings.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 EMPLOYEES

	2021	2020
Average number of employees expressed in full time equivalents	<u>121</u>	<u>130</u>
Employees costs during the year		
Wages and salaries	2,552,360	2,526,501
Social security costs	175,273	169,221
Other pension costs	<u>60,080</u>	<u>60,569</u>
	<u>2,787,713</u>	<u>2,756,291</u>
Emoluments to Chief Executive Officer	<u>99,824</u>	<u>104,553</u>

The CEO is an ordinary member of the Trust Group Personal Pension Scheme and there are no special terms applied. The contribution made by the Trust is 8% of gross salary; CEO pays 3% individual contribution, which is the same as all other members of the Pension Scheme. The CEO has no other personal pension agreement to which the Trust makes a contribution.

The above represents the emoluments of the highest paid officer. The Trustees, who constitute the managing body of the trust, received no remuneration therefrom. No employees of the trust were paid between £100,000 and £110,000 in the year and one paid between £90,000 and £100,000 (2020 – One paid between £100,000 and £110,000, nil paid between £90,000 and £100,000).

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

5 AUDITOR'S REMUNERATION

	2021 £	2020 £
Remuneration payable to the auditor including Value Added		
Tax was as follows:		
For audit services	<u>10,200</u>	<u>10,200</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 INTEREST RECEIVABLE AND OTHER INCOME

	2021 £	2020 £
Investment income		
Dividend income	144,483	143,224
Interest	-	5,210
	<u>144,483</u>	<u>148,434</u>

7 INTEREST PAYABLE

	2021 £	2020 £
Interest payable and similar charges		
Housing corporation loans (see note 13)	42,735	43,110
Bank charges payable	6,681	6,786
	<u>49,416</u>	<u>49,896</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8	TANGIBLE FIXED ASSETS	Housing properties £	Extra-care facility and head office £	Investment properties £	Fixtures and fittings £	Motor vehicles £	Total £
	Cost or valuation						
	At 1 October 2020	4,052,668	5,150,357	8,323,564	2,483,700	125,506	20,135,795
	Additions	384,119	36,193	132,901	75,184	-	628,397
	Revaluation	-	-	1,772,702	-	-	1,772,702
	Disposals	(32,240)	-	-	-	(53,769)	(86,009)
	At 30 September 2021	4,404,547	5,186,550	10,229,167	2,558,884	71,737	22,450,885
	Depreciation						
	At 1 October 2020	1,731,618	1,875,805	-	2,027,162	99,029	5,733,614
	Charge for the year	73,302	104,272	-	157,154	10,882	345,610
	Disposals	(26,128)	-	-	-	(53,964)	(80,092)
	At 30 September 2021	1,778,792	1,980,077	-	2,184,316	55,947	5,999,132
	NET BOOK VALUE						
	At 30 September 2021	2,625,755	3,206,473	10,229,167	374,568	15,790	16,451,753
	At 30 September 2020	2,321,050	3,274,552	8,323,564	456,538	26,477	14,402,181

The extra-care facility is a freehold nursing home, a day care centre and a residential home. All other properties above are also freehold. The investment properties are commercially let. Certain investment properties were revalued as at 30 September 2021 by the Trustees following consultations with McCartneys LLP, Chartered Surveyors. The historical cost of the investment properties at 30 September 2021 is £5,285,140 (2020 - £3,517,209).

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 INVESTMENTS

	Total £
At 1 October 2020	5,234,967
Additions	708,115
Disposals	(616,364)
Change in market value	<u>745,138</u>
At 30 September 2021	<u>6,071,856</u>
Cost:	
30 September 2021	<u>3,970,105</u>
<i>30 September 2020</i>	<i><u>3,708,696</u></i>

All investments are quoted.

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

10 DEBTORS

	2021 £	2020 £
Trade debtors	92,420	71,914
Other debtors and prepayments	60,711	64,818
	<u>153,131</u>	<u>136,732</u>

11 CREDITORS – due within one year

	2021 £	2020 £
Trade creditors	175,266	171,586
Other creditors and accruals	244,077	220,102
Deferred income – Social Housing grants	23,619	23,619
Housing loans (note 13)	<u>4,037</u>	<u>3,618</u>
	<u>446,999</u>	<u>418,925</u>

Creditors include £nil (2020 - £16,924) relating solely to housing activities.

12 CREDITORS – due after more than one year

	2021 £	2020 £
Deferred income – Social Housing grants	1,505,946	1,529,564
Housing loans (note 13)	<u>379,147</u>	<u>383,184</u>
	<u>1,885,093</u>	<u>1,912,748</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 HOUSING LOANS

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

	2021 £	2020 £
Loan secured by mortgage on St Margarets Property repayable by equal annual instalments over 60 years at an interest rate of 14.75%, repayments commenced in 1978	39,686	40,194
Loan secured by mortgage on St Philips Court Property repayable by equal annual instalments over 60 years at an interest rate of 11.37%, repayment commenced in 1983	78,780	79,632
Loan secured by mortgage on St Marks Property repayable by equal annual instalments over 60 years at an interest rate of 10.25%, repayments commenced 1984	73,243	74,035
Loan secured by mortgage on St Bartholomews Property repayable by equal annual instalments over 60 years at an interest rate of 10.5%, repayments commenced 1987	191,475	192,941
Total secured borrowings	<u>383,184</u>	<u>386,802</u>
Loans are repayable as follows:		
Due within one year	Note 11 3,618	3,618
Due after more than one year:		
Between one and two years	4,037	4,037
Between two and five years	16,148	15,146
After more than 5 years	<u>359,381</u>	<u>364,001</u>
	Note 12 <u>379,566</u>	<u>383,184</u>
	Note 11 & 12 <u>383,184</u>	<u>386,802</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 RESTRICTED RESERVES

	Relief in Need branch £	Gloucester District Nursing Charity £	Total £
At 1 October 2020	570,320	584,229	1,154,549
Transfer (to) / from profit and loss reserve	9,471	24,776	34,247
Direct expenditure	(37,426)	-	(37,426)
Transfer from revaluation reserve	24,096	13,478	37,574
At 30 September 2021	566,461	622,483	1,188,944

The Relief in Need reserve is made up of the Relief in Need Branch investments and the accumulated surplus of income generated by these investments over Relief in Need expenditure. The reserve may be applied only for the purpose set out in the constitutional scheme of the Charity.

The Gloucester District Nursing Charity reserve is made up of the accumulated surplus of income over expenditure generated by investments.

15 ENDOWMENT FUNDS

	As at 30 September 2021 £	As at 1 October 2020 £
Expendable Endowment		
Gloucester Relief in Sickness Endowment	505,969	438,119
Permanent Endowment		
Gloucester Relief in Sickness Endowment Fund	208,287	179,927
Nurses Welfare Fund	82,144	70,822
Wheeler Rest Home Repair Fund	208,723	180,081
Endowed Land	1,184,000	1,184,000
	2,189,123	2,052,949

Expendable Endowment

An expendable endowment fund is a fund that must be invested to produce income. Depending on the conditions attached to the endowment, the trustees will have a legal power to convert all or part of it into an income fund which can then be spent.

An expendable endowment differs from an income fund in that there is no actual requirement to spend the principal for the purposes of the charity unless or until the trustees decide to. However, income generated from expendable endowment is no different from income generated from permanent endowment and should be spent for the purposes of the charity within a reasonable time of receipt.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 ENDOWMENT FUNDS (continued)

Permanent Endowment

Permanent endowment is property of the charity (including land, buildings, cash or investments) which the trustees may not spend as if it were income.

It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. The trustees cannot normally spend permanent endowment without authority.

The terms of the endowment may permit assets within the fund to be sold and reinvested or may provide that some or all of the assets are retained indefinitely.

Purposes of endowment funds

The Gloucester Relief in Sickness Charity (formerly part of the General and Welfare Fund) and the Gloucester Relief in Sickness Endowment Fund (formerly 14 Clarence Street) were established to relieve cases of persons in need in the area of the City of Gloucester and the parishes immediately adjoining thereto who are sick, convalescent, disabled, handicapped or infirm.

The Nurses Welfare Fund (formerly part of the General and Welfare Fund) was established to provide income for the relief of nurses who are in need and who are resident as above and of retired nurses who are in need and were formerly employed by the Gloucester District Nursing Society.

The Wheeler Rest Home Repair Fund combines the permanent endowments known as the Wheeler Legacy and the Wheeler Legacy Maintenance. These endowments were founded by the will of Violet Eva Wheeler and constituted the property 15, Heathville Road, Gloucester, and a capital sum the income of which is used to be used to meet the objects of the Charity. The property was sold during 2000 and the proceeds reinvested.

Endowed land is held to generate investment income.

16 UNRESTRICTED FUNDS

	Investment Revaluation £	Property Revaluation £	Other £	Total 2021 £
As at 1 October	848,296	4,473,231	10,549,971	15,871,498
Surplus for the year	-	-	327,321	327,321
Revaluation of investments	745,138	1,772,702	-	2,517,840
Revaluation reserve on disposals	(167,851)	-	167,851	-
Net transfer to endowed funds	(141,595)	-	5,421	(136,174)
Net transfer to restricted funds	(37,574)	-	3,178	(34,395)
At 30 September	1,246,414	6,245,933	11,053,742	18,546,090

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	37,312	40,604
Later than one year and not later than five years	60,135	97,448
	<u>97,447</u>	<u>138,052</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £21,027 (2020 - £8,775).

18 LEGAL STATUS

The Trust is a Registered Charity (number 205177) under the Charities Act 2011 and was constituted by way of a Scheme of the Charity Commissioners dated 4 April 1997. The Trust is also a Registered Social Landlord (number AO215) under section 5 of the Housing Associations Act 1985.

19 UNITING DIRECTION

A Uniting Direction was issued by the charity commission in 2009 for Gloucester District Nursing Charity and the Gloucester Charities Trust. The effect of this Uniting Direction was that the entities are registered under a common registration number and the trustees are required to prepare a single set of financial statements for the amalgamated charity.

20 TAXATION

The trust is a Registered Charity and is exempt from UK taxation on its charitable activities, no taxation therefore arises in respect of income.

21 NON-ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

Following the year end, a new head office building was purchased for £750,000. £250,000 has been budgeted for refurbishment ahead of the move there (planned for June 2022).

A new sewerage plant has been installed to serve 1 and 2 Mill Cottages. 1 Mill Cottage has been sold subject to contract.

A new heating system has been installed in Guild House, and a new care call system in St Mark's Almshouse.

