

**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 2022**

**THE GLOUCESTER CHARITIES TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**THE GLOUCESTER CHARITIES TRUST  
INFORMATION AND ADVISORS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Registered Office and Principal Place of Business**

Montpellier House  
Montpellier  
Gloucester  
GL1 1LF

**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 2022**

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**TRUSTEES' REPORT**

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2022.

**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 2022**

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**Reference and Administrative Information**

Principal Office: Up to 16 January 2023, the principal office was Century House, 100 London Road, Gloucester GL1 3PL. Since 16 January 2023, the principal office is Montpellier House, Montpellier, Gloucester GL1 1LF.

Mr S Ayland	Mr G Limbrick
Mrs A Conder (appointed 17 September 2021)	Mr G Locke (resigned 25 March 2022)
Mr Martin Collins (Chair)	Dr J Lugg
Dr I Donald	Mrs J Matthews (resigned 20 May 2022)
Mr T L Haines	Ms D Melvin
Mrs C Harber	Mrs G Payne
Mr Steve Heath (Vice Chair)	Miss P Tracey
Mr L Hensley	Mr M White
Mr G Howell	Mr C Youngson

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 Freeman 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  
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During 2021/2022 The Board of Trustees met bi-monthly to carry out the business of the Charity. Due to the lifting of covid-19 restrictions, most of our Board meetings were held face to face. GCT's Board has several sub-committees, Governance and Risk Management (formerly Audit and Governance), Finance and Property (which has adopted the Audit responsibilities associated with the former Audit & Governance Committee) 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. Due to the impact of covid-19, the Club was almost restarted from scratch as some of our members had moved into residential care and some were still fearful of contracting covid-19.

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 £59,089 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 are able to provide immediate support wherever possible.

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**Review of achievements and performance for the year**

It must be noted that due to the impact of the coronavirus pandemic we still had to continue to make 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 especially where they involved either of the regulated services. 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 requirement for all staff to be vaccinated did not impact on us too greatly regarding the loss of our existing staff, however it did impact on our ability to recruit new staff and we have had a very challenging year recruiting and retaining staff. We have become an Accredited Living Wage employer which we believe demonstrates our commitment to paying our staff a fair rate of pay for the work they do for us.

It is fair to say that this year has been another very challenging one, and we are grateful and appreciative to our core of dedicated staff who have worked hard throughout to ensure our residents have been well looked after and supported. We have had a successful recruitment period over the past few months and now have very few staff vacancies. We are determined to ensure we retain good staff and are mindful of the need for us to maintain staff wellbeing.

We had had yet more significant changes to our management teams during the year with the resignation of one Registered Manager, a Deputy Manager and our Head of Operations and Compliance. In addition, our Finance Manager also moved on to a new role. This resulted in some changes within our exiting management team where individuals have taken on additional responsibilities to ensure business continuity. We have now recruited a new Registered Manager and Deputy Manager for our Nursing Home and have a part time Finance Manager in post. The Head of Operations and Compliance role has been split and two of our team have interim responsibility for these vital areas.

**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. **The Trust continues to look for a buyer.**
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.**

**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 – **Planning permission had to be renewed as it expired in the year. Permission was granted in January 2023 for 8 x 1 bedroom flats and 1 x 3 bedroom maisonette. The Trust will now consider how best to move forward with this project.**
2. Continue our programme of refurbishment and upgrading of all our accommodation – **ongoing.**

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**Performance Review**

We have, as always, strived to ensure we have provided the highest standards of care and support for our residents with an emphasis on their overall wellbeing. Unfortunately, the Trust had more vacant flats and lower occupancy in our sheltered accommodation during the year than previously experienced, which was largely attributed to our focus being required elsewhere, namely, to complete our major project to change The York into what has become No76, our superb coffee house. This meant a delay in carrying out works in flats requiring refurbishment.

During the year the Trust also purchased Montpellier House for its Head Office. The previous building was no longer large enough to meet our needs. Montpellier House, which had been unoccupied for several years, required a completed refurbishment so that it would work efficiently and effectively for us. The extensive project was completed in January 2023, and we moved into our superbly appointed offices on 17<sup>th</sup> January. A large part of the refurbishment was carried out in house which further restricted our ability to carry out some planned works in other areas.

We experienced significantly higher than budgeted voids in our Nursing Home, Magdalen House and in our Residential Home, Guild House which was mainly due to on-off closure and not being able to admit residents at numerous times throughout the year. There was also a conscious decision made to ensure staff resources were not being unduly stretched whilst recruitment was underway. Magdalen House was still able to offer occasional respite care when it was safe to do so. Our focus for the next year is to improve our resident occupancy rate in both homes.

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 the completion of our social enterprise project at The York, now known as No.76, has enhanced it further. We have had hugely positive responses to the opening of the coffee shop, and we have a steady stream of regular customers, many of whom live locally in supported housing or work in the NHS. We currently open Monday to Friday from 7.30am to 4.30pm. We are delighted to work with local suppliers and make every effort to improve sustainability and our green credentials.

We were very appreciative of the further 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.

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. Regrettably, we have, had to rely upon the significant use of Agency staff to maintain safe staffing levels. 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. As previously mentioned, we have shown our commitment to them by becoming an Accredited Living Wage employer. Our most recent staff survey indicates that the Trusts efforts to look after our staff have been well received.

The Magdalen House Team have successfully completed the Gold Standard Framework training for end-of-life care, an achievement of which we are extremely proud. We are utilising all the learning gained to date to ensure we offer the very best standards of end-of-life care.

We have made use of the opportunities 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.

Our Kimbrose Club has had a difficult year too. Membership numbers were restricted to fifteen for much of the year and the continued requirement to wear masks proved to be very challenging when communicating with our members who live with dementia. However, the staff team have coped admirably and, despite us having to virtually start the Club again from scratch, the membership has built up and our excellent reputation means we receive regular referrals to the service.

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  
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In financial terms the Trust has not had a successful year in overall terms of the operational activities. Additionally, the performance of its investments has been significantly poorer than in the previous year. The Trust will be reviewing its investment management services in 2023 and every effort will be made to improve occupancy and revenue streams.

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.

It is the intention of the Trust to continue to review the use and ownership of its non-core assets in line with our strategic plan and we held another full Board Strategy Day in June 2022 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 sell Mill Farm, one of our non-core assets to release funds for operational projects and service development. A considerable amount of this will be set aside for the refurbishment and upgrade of both Guild House and Magdalen House. We have an extensive summary of project and property development plans which will be prioritised throughout the year.

The Trust conducted several key reviews throughout the year including the six-monthly 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 the Compliance Manager are working with the operational Managers to create detailed individual business plans for the next 12 months which will align with the overarching GCT plan.

In terms of its non-core assets, the Trust has continued to work closely with our Land Agent to market and sell Mill Farm in lots. This has been a successful activity and all the lots are sold and contracts exchanged. The overall effect of the sale means we will generate approximately £3 million for GCT to use for the continued development of our core services and provide an amount to set aside for the future.

#### **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 to support our work on further developing a positive workplace culture.
- There will be further 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.
- We are planning a major review and revision of our QA and Audit systems throughout the organisation.
- We will be implementing the changes required in our staff 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.
- We will complete phased refurbishment programmes for Guild House, Magdalen House and our sheltered accommodation to improve them and ensure they are future proofed.
- Creation of a bespoke IT plan to improve the efficiency and effectiveness of GCT's internal and external systems
- We will conduct a further review of non-core assets to ensure they are fully utilised to benefit GCT's core activities.
- A Quinquennial inspection of our listed buildings is planned in April 2023, the recommendations of which will be considered by the Board.
- Marketing and PR activities increased to promote GCT in order to improve resident / membership numbers
- We will review our grant giving scheme with a view to ensuring it is more accessible to those who meet the criteria and will derive benefit from it.
- GCT is currently reviewing its governance structure; this will be closely scrutinised on the Strategy Day in 2023

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**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 maintaining occupancy coupled with the care cap compliance requirement of the Care Act 2014 which is due to be implemented in October 2023.

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 Trust has a detailed Key Risk Register which is regularly updated by the CEO and management team in conjunction with the relevant sub-committee and reviewed by the Governance and Risk Management Committee (formerly known as Audit and Governance) 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.

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. The Investment Management options are to be reviewed in 2023.

**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 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 for 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  
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**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).

	<b>2021/22</b>	<b>2020/21</b>
Development of New Properties (THP)	-	-
Newly build properties acquired (THP)	-	-
Works to Existing (THP)	85,237	384,119
<b>Divided by:</b>		
Housing Properties at net book value	2,635,642	2,625,755
<b>Outcome</b>	<b>3%</b>	<b>15%</b>

**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 2022.

	<b>2021/22</b>	<b>2020/21</b>
<b>a. Social Housing Units</b>		
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
<b>Outcome</b>	<b>0%</b>	<b>0%</b>
<b>b. Non-Social Housing Units</b>		
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).	0	0
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
<b>Outcome</b>	<b>0%</b>	<b>0%</b>

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**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.

	<b>2021/22</b>	<b>2020/21</b>
<b>Total of:</b>		
Short-Term Loans	4,499	4,037
Long-Term Loans	374,648	379,147
Less Cash and Cash Equivalents	(1,331,810)	(1,579,509)
<b>Divided by:</b>		
Housing Properties at net book value	2,635,642	2,625,755
<b>Outcome</b>	<b>-36%</b>	<b>-46%</b>

**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.

	<b>2021/22</b>	<b>2020/21</b>
Operating Surplus	94,243	293,749
Less Gain / (loss) on disposal of fixed assets (housing properties)	-	-
Less Amortised Government grant	-	-
Plus Interest receivable	-	-
Less Capitalised major repairs expenditure for period	(85,235)	(384,119)
Plus Total depreciation charge for period	176,170	147,803
<b>Divided by:</b>		
Interest Capitalised	-	-
Plus Interest payable and financing costs	42,735	42,735
<b>Outcome</b>	<b>433%</b>	<b>134%</b>

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**Metric 5 – Headline Social Housing Cost Per Unit**

	<b>2021/22</b>	<b>2020/21</b>
<b>Total of:</b>		
Management Costs	150,201	72,911
Service Charge Costs	622,710	554,564
Routine Maintenance Costs	55,642	38,255
Planned Maintenance Costs	109,365	113,491
Bad Debts	670	3,201
Depreciation of housing properties	176,170	147,803
Other Social Housing Costs	-	6,214
<b>Divided by:</b>		
Total Social Housing Units Owned and Managed at the Period End	137	137
<b>Outcome</b>	<b>8,137</b>	<b>6,835</b>

**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 amortisation.

	<b>2021/22</b>	<b>2020/21</b>
a. Social Housing Lettings	8%	24%
b. Overall	-3%	3%

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**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.

	<b>2021/22</b>	<b>2020/21</b>
Operating Surplus / (Deficit) inc. Gain / (Loss) on Disposal of Fixed Assets (Housing Properties)	94,243	293,749
<b>Divided by:</b>		
Total Assets less Current Liabilities	23,269,548	23,809,250
<b>Outcome</b>	<b>0%</b>	<b>1%</b>

**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.

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**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 ~~22.03.2023~~



**Mr Martin Collins – Chairman**



**Mr Steve Heath – Vice Chairman**

**THE GLOUCESTER CHARITIES TRUST  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

---

**Opinion**

We have audited the financial statements of The Gloucester Charities Trust for the year ended 30 September 2022 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 2022 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 2022  
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 2022  
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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assesses the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 August 2022 has been undertaken;
  - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
  - Challenging assumptions and judgements made by management in its significant accounting estimates.

**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.



**Stephanie Hayman (Senior Statutory Auditor)**

**Date:** 22/3/2023

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

Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT

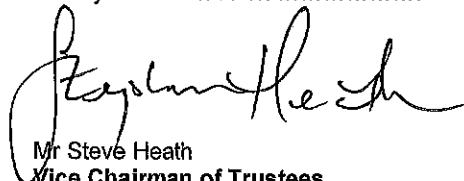
**THE GLOUCESTER CHARITIES TRUST  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>TURNOVER</b>	2	4,654,453	4,420,290
<b>COVID income</b>	2	108,819	154,468
Operating costs	2	<u>(4,906,138)</u>	<u>(4,417,795)</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	2	(142,866)	156,963
Surplus on disposal of tangible fixed assets		172,252	9,973
(Deficit)/surplus on disposal of fixed asset investments		<u>(90,414)</u>	<u>65,318</u>
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME AND INTEREST</b>		(61,028)	232,254
Interest receivable and other income	6	154,259	144,483
Interest payable and similar charges	7	<u>(47,818)</u>	<u>(49,416)</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE CHANGES IN MARKET VALUE OF INVESTMENTS</b>		45,413	327,321
Movement in fair value of investments		<u>(556,998)</u>	<u>745,138</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		(511,585)	1,072,459
Unrealised surplus on revaluation of investment property		-	1,772,702
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(511,585)</u>	<u>2,845,161</u>

These financial statements were approved and authorised for issue by the Trustees on 22.03.2023



Mr Martin Collins  
Chairman of Trustees  
The Gloucester Charities Trust



Mr Steve Heath  
Vice Chairman of Trustees  
The Gloucester Charities Trust

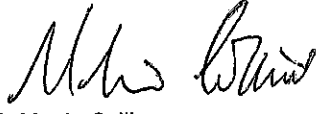
The Trust's results relate wholly to continuing activities.

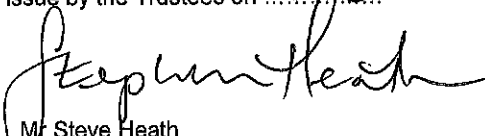
The notes on pages 22 to 35 form part of these financial statements.

**THE GLOUCESTER CHARITIES TRUST  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>FIXED ASSETS</b>			
Housing properties		2,635,642	2,625,755
Extra care facilities and head office		4,181,044	3,206,473
Investment properties		10,058,394	10,229,167
Other assets		<u>319,755</u>	<u>390,358</u>
Tangible fixed assets	8	17,194,836	16,451,753
Investments	9	<u>5,227,699</u>	<u>6,071,856</u>
		22,422,535	22,523,609
<b>CURRENT ASSETS</b>			
Stock		1,635	-
Debtors	10	192,414	153,131
Cash at bank and in hand		<u>1,331,810</u>	<u>1,579,509</u>
		1,525,859	1,732,640
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(678,847)</u>	<u>(446,999)</u>
<b>NET CURRENT ASSETS</b>		<u>847,013</u>	<u>1,285,641</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>23,269,548</u>	<u>23,809,250</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>1,856,975</u>	<u>1,885,093</u>
<b>FINANCING AND RESERVES</b>			
Restricted reserves	14	1,166,756	1,188,944
Unrestricted funds	16	18,175,923	18,546,090
Endowment funds	15	<u>2,069,894</u>	<u>2,189,123</u>
		21,412,573	21,924,157
		<u>23,269,548</u>	<u>23,809,250</u>

These financial statements were approved and authorised for issue by the Trustees on **22.03.2023**

  
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 2022**

<b>2022</b>	<b>Restricted Reserves £</b>	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
Balance at 1 October 2021	1,188,944	18,546,090	2,189,123	21,924,157
Total comprehensive income	(22,188)	(370,168)	(119,229)	(511,585)
<b>Balance at 30 September 2022</b>	<b>1,166,756</b>	<b>18,175,922</b>	<b>2,069,894</b>	<b>21,412,572</b>

<b>2021</b>	<b>Restricted Reserves £</b>	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
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
<b>Balance at 30 September 2021</b>	<b>1,188,944</b>	<b>18,546,090</b>	<b>2,189,123</b>	<b>21,924,157</b>

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 2022**

	<b>2022</b>	<b>2021</b> £
<b>Net cash generated from operating activities (note i)</b>	379,540	490,216
<b>Cash flow from investing activities</b>		
Purchase of investment securities	(1,018,507)	(708,115)
Sale and maturity of investment securities	1,215,252	681,682
Purchase of tangible fixed assets	(1,448,640)	(628,397)
Sales proceeds from disposal of tangible fixed assets	522,252	15,886
Interest received	-	-
	<u>(729,643)</u>	<u>(638,944)</u>
<b>Cash flow from financing activities</b>		
Dividends received	154,259	144,483
Interest paid	(47,818)	(49,416)
Repayment of borrowings	(4,037)	(3,619)
	<u>102,404</u>	<u>91,448</u>
<b>Net change in cash and cash equivalents (note ii)</b>	(247,699)	(57,280)
<b>Cash and cash equivalents at beginning of year</b>	<u>1,579,509</u>	<u>1,636,789</u>
<b>Cash and cash equivalents at end of year</b>	<u>1,331,810</u>	<u>1,579,509</u>

	<b>2022</b> £	<b>2021</b> £
<b>i) ANALYSIS OF CASH FLOWS</b>		
<b>Cash flow from operating activities</b>		
Surplus for the year before revaluation of investments	45,413	327,321
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	355,557	345,610
Increase in debtors	(39,283)	(20,152)
Increase in creditors	231,386	31,414
Increase in stock	(1,635)	-
Surplus on sale of tangible fixed assets	(172,252)	(9,973)
Deficit / (Surplus) on sale of fixed asset investments	90,414	(65,318)
<b>Adjustments for investing or financing activities:</b>		
Government grants utilised in the year	(23,619)	(23,619)
Interest payable	47,818	49,416
Dividends received	(154,259)	(144,483)
<b>Net cash generated from operating activities</b>	<u>379,540</u>	<u>490,216</u>

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 2022**

**ii) ANALYSIS OF NET DEBT**

	<b>At 1 October 2021 £</b>	<b>Cash flow £</b>	<b>Non-cash movement £</b>	<b>Total 2022 £</b>
Cash at bank and in hand	1,579,509	(247,699)	-	1,331,810
Debt due within one year	(4,037)	4,037	(4,499)	(4,499)
Debt due in more than one year	(379,147)	-	4,499	(374,648)
<b>Net debt</b>	<b>1,196,325</b>	<b>(243,662)</b>	<b>-</b>	<b>952,663</b>

**THE GLOUCESTER CHARITIES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**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 2022**

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**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 2022**

---

**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 became 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 2022**

---

**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 2022**

**2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

<b>2022</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating Surplus/(Deficit)</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Social housing lettings (see note 3)	1,209,001	(1,114,758)	94,243
Grant income	23,619	-	23,619
<b>Activities other than social housing</b>			
Investment property lettings	329,894	-	329,894
Charitable giving	-	(59,089)	(59,089)
Administration costs	-	(215,025)	(215,025)
Kimbrose Club	181,876	(204,861)	(22,985)
Extra-care facility	2,862,341	(3,235,208)	(372,867)
Other income	156,541	(77,197)	79,344
<b>Total</b>	<b>4,763,272</b>	<b>(4,906,138)</b>	<b>(142,866)</b>
<b>2021</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating Surplus/(Deficit)</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Social housing lettings (see note 3)	1,230,188	(936,439)	293,749
Grant income	22,583	-	22,583
<b>Activities other than social housing</b>			
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
<b>Total</b>	<b>4,574,758</b>	<b>(4,417,795)</b>	<b>156,963</b>

All income is generated within the United Kingdom.

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**3 PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

	<b>Supported housing (including housing for older people)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Rent receivable net of identifiable service charges	654,047	640,236
Service charge income	529,116	551,667
Government grants taken to income	-	12,753
Other grants	25,838	25,532
Turnover from social housing lettings	1,209,001	1,230,188
<b>Operating expenditure</b>		
Management	150,201	72,911
Service charge costs	622,710	554,564
Routine maintenance	55,642	38,255
Planned maintenance	109,365	113,491
Bad debts	670	3,201
Depreciation of housing properties	176,170	147,803
Other costs	-	6,214
Operating expenditure on social housing lettings	1,114,758	936,439
Operating surplus on social housing Lettings	94,243	293,749
Void losses	58,953	51,885

During the year ended 30 September 2022, the Charity owned 137 units of social housing accommodation under its own management (2021 - 137).

The average weekly maintenance contribution on social housing accommodation was £93.95 (2021 - £92.57).

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 2022**

**4 EMPLOYEES**

	<b>2022</b>	<b>2021</b>
Average number of employees expressed in full time equivalents	<u>123</u>	<u>121</u>
Employees costs during the year		
Wages and salaries	2,729,429	2,552,360
Social security costs	204,548	175,273
Other pension costs	<u>62,902</u>	<u>60,080</u>
	<u>2,996,879</u>	<u>2,787,713</u>
Emoluments to Chief Executive Officer	<u>96,446</u>	<u>89,576</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. One employee of the trust was paid between £90,000 and £100,000 and nil paid between £80,000 and £90,000 (2021 – nil paid between £90,000 and £100,000, one paid between £80,000 and £90,000).

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

**5 AUDITOR'S REMUNERATION**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration payable to the auditor including Value Added		
Tax was as follows:		
For audit services	<u>10,740</u>	<u>10,200</u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**6 INTEREST RECEIVABLE AND OTHER INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Investment income</b>		
Dividend income	<u>154,259</u>	<u>144,483</u>

**7 INTEREST PAYABLE**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest payable and similar charges</b>		
Housing corporation loans (see note 13)	42,316	42,735
Bank charges payable	<u>5,502</u>	<u>6,681</u>
	<u>47,818</u>	<u>49,416</u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**8 TANGIBLE FIXED ASSETS**

	Housing properties £	Extra-care facility and head office £	Investment properties £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 October 2021	4,404,547	5,186,550	10,229,167	2,558,884	71,737	22,450,885
Additions	85,235	1,080,738	179,227	82,570	20,870	1,448,640
Revaluation	-	-	-	-	-	-
Disposals	-	(111,420)	(350,000)	-	-	(461,420)
At 30 September 2022	4,489,782	6,155,868	10,058,394	2,641,454	92,607	23,438,105
<b>Depreciation</b>						
At 1 October 2021	1,778,792	1,980,077	-	2,184,316	55,947	5,999,132
Charge for the year	75,348	106,167	-	159,796	14,246	355,557
Disposals	-	(111,420)	-	-	-	(111,420)
At 30 September 2022	1,854,140	1,974,824	-	2,344,112	70,193	6,243,269
<b>NET BOOK VALUE</b>						
At 30 September 2022	2,635,642	4,181,044	10,058,394	297,342	22,414	17,194,836
At 30 September 2021	2,625,755	3,206,473	10,229,167	374,568	15,790	16,451,753

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 during the year by the Trustees following consultations with McCartneys LLP, Chartered Surveyors. The historical cost of the investment properties at 30 September 2022 is £5,114,367 (2021 - £5,285,140).



**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**9 INVESTMENTS**

	<b>Total £</b>
At 1 October 2021	6,071,856
Additions	1,018,507
Disposals	(1,305,666)
Change in market value	<u>(556,998)</u>
<b>At 30 September 2022</b>	<b><u>5,227,699</u></b>
<b>Cost:</b>	
<b>30 September 2022</b>	<b><u>4,189,260</u></b>
<i>30 September 2021</i>	<i><u>3,970,105</u></i>

All investments are quoted.

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

**10 DEBTORS**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	101,059	92,420
Other debtors and prepayments	91,355	60,711
	<u>192,414</u>	<u>153,131</u>

**11 CREDITORS – due within one year**

	<b>2022 £</b>	<b>2021 £</b>
Trade creditors	371,653	175,266
Other creditors and accruals	279,076	244,077
Deferred income – Social Housing grants	23,619	23,619
Housing loans (note 13)	4,499	4,037
	<u>678,847</u>	<u>446,999</u>

**12 CREDITORS – due after more than one year**

	<b>2022 £</b>	<b>2021 £</b>
Deferred income – Social Housing grants	1,482,327	1,505,946
Housing loans (note 13)	374,648	379,147
	<u>1,856,975</u>	<u>1,885,093</u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**13 HOUSING LOANS**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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	39,101	39,686
Loan secured by mortgage on St Phillips Court Property repayable by equal annual instalments over 60 years at an interest rate of 11.37%, repayment commenced in 1983	77,828	78,780
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	72,367	73,243
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	189,851	191,475
<b>Total secured borrowings</b>	<u><b>379,147</b></u>	<u><b>383,184</b></u>
<b>Loans are repayable as follows:</b>		
Due within one year	Note 11	
	<u>4,499</u>	<u>4,037</u>
<b>Due after more than one year:</b>		
Between one and two years	5,028	4,037
Between two and five years	19,841	16,148
After more than 5 years	<u>349,779</u>	<u>358,962</u>
	Note 12	
	<u>374,648</u>	<u>379,147</u>
	Note 11 & 12	
	<u><b>379,147</b></u>	<u><b>383,184</b></u>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**14 RESTRICTED RESERVES**

	<b>Relief in Need branch £</b>	<b>Gloucester District Nursing Charity £</b>	<b>Total £</b>
At 1 October 2021	566,461	622,483	1,188,944
Transfer (to) / from profit and loss reserve	(25,030)	33,206	(8,176)
Direct expenditure	-	-	-
Transfer from revaluation reserve	(19,568)	(10,796)	(30,364)
<b>At 30 September 2022</b>	<b>521,863</b>	<b>644,893</b>	<b>1,166,756</b>

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**

	<b>As at 30 September 2022 £</b>	<b>As at 1 October 2021 £</b>
<b>Expendable Endowment</b>		
Gloucester Relief in Sickness Endowment	446,507	505,969
<b>Permanent Endowment</b>		
Gloucester Relief in Sickness Endowment Fund	183,467	208,287
Nurses Welfare Fund	72,246	82,144
Wheeler Rest Home Repair Fund	183,674	208,723
Endowed Land	1,184,000	1,184,000
	<b>2,069,894</b>	<b>2,189,123</b>

**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 2022**

**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**

	<b>Investment Revaluation</b>	<b>Property Revaluation</b>	<b>Other</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 October	1,246,414	6,245,933	11,053,743	18,546,090
Surplus for the year	-	-	(98,364)	(98,364)
Revaluation of investments	(413,220)	-	-	(413,220)
Revaluation reserve on disposals	(290,656)	-	290,656	-
Net transfer to endowed funds	113,413	-	5,816	119,229
Net transfer to restricted funds	30,364	-	(8,176)	22,188
<b>At 30 September</b>	<b>686,315</b>	<b>6,245,933</b>	<b>11,243,675</b>	<b>18,175,923</b>

**THE GLOUCESTER CHARITIES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	31,020	37,312
Later than one year and not later than five years	29,115	60,135
	<u>60,135</u>	<u>97,447</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £20,644 (2021 - £21,027).

**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, Mill Farm has been sold for a total consideration of £2,873,000.

