

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 2023

THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

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**THE GLOUCESTER CHARITIES TRUST
INFORMATION AND ADVISORS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 Limited (trading as Investec Wealth & Investment (UK))
30 Gresham Street
London
EC2V 7QN

Brewin Dolphin Limited (trading as RBC Brewin Dolphin)
St James' Square
Cheltenham
GL50 3PR

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 2023**

TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2023.

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 offering a range of services (day, independent living and residential) to meet market demand.
- To ensure high quality service delivery in our residential homes
- 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 ensure GCT is fit for the future to deliver a financially and operationally sustainable organisation.
- 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.

**THE GLOUCESTER CHARITIES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Reference and Administrative Information

Principal Office: Montpellier House, Montpellier, Gloucester GL1 1LF.

Mr S Ayland	Mr G Howell
Mrs L Campbell (appointed 17.03.2023)	Mrs G Johnson (appointed 19.11.2023)
Mrs A Conder	Mr G Limbrick (resigned 21 July 2023)
Mr M Collins	Dr J Lugg
Dr I Donald (resigned 19 January 2023)	Ms D Melvin (resigned 17 March 2023)
Mr T L Haines	Mrs G Payne
Mrs C Harber (Vice Chair)	Mr R Stubbins (appointed 19.01.2024)
Mr S Heath (Chair)	Miss P Tracey
Mr L Hensley	Mr M White
Mr W Hewer (appointed 22.09.2023)	Mr C Youngson (ceased 6 April 2023)

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.

Rathbones (incorporating Investec Wealth & Investment) provide investment services to the Trustees.

RBC 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.

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

During 2022/2023 The Board of Trustees met bi-monthly to carry out the business of the Charity. 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, Guild House Residential Home, and Magdalen House Residential Home (formerly Magdalen House Nursing Home) as well as the Kimbrose Club. The Trust therefore offers a range of services which support individuals living independently right through to those requiring full time 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, tasty food eaten and where there is the opportunity to discover new things to do.

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 £14,500 to individuals in the year via the Relief in Need and Gloucester District Nursing Charity schemes. There have not been as many applications during the year as expected, which is surprising given the exceedingly difficult circumstances so many individuals have found themselves in. We are working with other grant giving Charities in 2024 to try to reach more individuals and deserving causes. We continue to follow the swifter grant approval process which was approved by the Board and set up in 2020 to ensure we can provide immediate support wherever possible. All grants awarded are ratified by the full Board at our bi-monthly meetings.

Review of achievements and performance for the year

It is fair to say that this year has been another particularly challenging one, and we are grateful and appreciative to our core of dedicated staff who have worked hard throughout to ensure our residents and members have been well looked after and supported.

During the year, following a lengthy period of review, the Board made the difficult decision to deregister its Treatment of Disease, Disorder & Injury (TDDI) activity with CQC for Magdalen House, which meant the home was no longer able to operate as a nursing home. The reasons for this were largely financial but also due to the huge difficulty in recruiting and retaining nurses of the calibre GCT expects from these professionals. The use of Agency nurses was not feasible in the long term, so we worked with Adult Social Care Brokerage and the Commissioning Team to make the necessary transition. This was an extremely upsetting time for all concerned, however the staff supported residents admirably throughout the process, always ensuring the needs of the residents were their priority.

Magdalen is now operating as a Residential home, and we are in the process of upskilling and training our staff Team to ensure they are confident and competent in the way in which the new service provision must run. We have restructured our staffing to meet the needs of the service. This means we have appointed a Head of Care, Shift Leaders, and Senior Care & Support Assistants, all from within our existing Team. This is indicative of our strategy

to develop our in-house talent to reach their full potential. Our Head of Operations has attained Registered Manager status which means she has been instrumental in leading the staff team throughout the transition period and continues to do so. We plan to recruit a suitably qualified and experienced Registered Manager to take over from her during 2024.

As a result of the TDDI deregistration decision, a detailed proposal was submitted by our Property Managers to completely reconfigure, repurpose, and improve our ground floor space. This was completed prior to Christmas in 2023, mostly in-house, and is now a space to be extremely proud of. Our residents are enjoying the new, improved facilities and we are looking forward to hosting an Open Day in February 2024 to highlight our wonderful home.

We have not had as many recruitment difficulties in the year as we had previously, which has meant we have a more stable, consistent workforce which is of obvious benefit to our residents and GCT. We remain a Living Wage accredited employer which has resulted in a significant increase in our staffing costs which we acknowledge is thoroughly deserved by our staff.

Following a review of our non-core assets, the sale of Mill farm was progressed, and the farm was sold yielding nearly £3m, of which the Trustees have agreed some substantial spends on asset and resource improvements in addition to service development.

As always, we have strived to provide the best possible care and support to all our residents and members. The year has been a particularly difficult one financially for the Trust due to experiencing higher than expected levels of voids in our homes and flats. The significant increases in energy prices and in our salaries contributed significantly to much higher direct costs and overheads than in previous years.

During the year, the Trust completed the works on Montpellier House for use as its Head Office. Montpellier House, which had been unoccupied for several years, required a completed refurbishment so that it would work efficiently and effectively for us. We moved into our superbly appointed offices on 17th January 2023. It should be noted that a large part of the refurbishment was carried out by our very talented in-house team which restricted our ability to carry out some planned works in other areas, although there were some major improvements and refurbishments completed during the year too.

During the year it became clear that we were not going to be able to continue with Magdalen House as a nursing home. The costs of providing nursing care were not commensurate with the funding offered by Adult Social Care and, as an organisation, we were not willing to compromise the health and wellbeing of our residents. The decision to deregister as a nursing home was one which was taken after numerous other strategies to continue were tried.

Our coffee shop, No76 has had a very impressive first year resulting in us needing to become VAT registered. We have hugely positive feedback from those who visit 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 4.00pm and are always open to the idea of increasing hours and days. We try to work with local suppliers and make every effort to improve sustainability and our green credentials.

Our Day Service, Kimbrose Club, had a particularly good year where we have maintained a high level of membership and provided an excellent, much needed and appreciated service. This must be attributed to the excellent staff team who work there. We always receive excellent feedback regarding the service, and it is a key part of what we, at GCT, offer.

Recruitment and retention have been more successful in Guild House and Magdalen House during the year, and we have maintained a core staff team who provide that consistency and continuity which is key to the efficient and effective running of all our services. Regrettably, we had to rely upon the significant use of Agency Nurses to maintain our regulatory compliance as we were unable to recruit and retain Nurses of the calibre we expect to care for our residents. 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. We honoured our commitment to our staff as an accredited Living Wage employer which resulted in a significant pay increase for many of them. A further increase is to be awarded from April 2024 in line with that of the Living Wage. Our minimum wage will be £12 per hour, which we hope will enable us to attract more people into the health and social care sector.

We have completed extensive improvement and refurbishment works at Magdalen House and now have a superb ground floor lounge, events, and activity space of which we are extremely proud. All our ground floor bedrooms have been equipped with new, bespoke furniture, have decorative panelling installed and painted in a range of calming, contemporary shades. We are in the process of completing the bedroom refurbishment on our upper floor and have exciting plans to improve and enhance the dining experience of our residents. We are holding an Open Day on February 14th to highlight the rebirth of Magdalen House as a residential care home.

Guild House has had its roof renewed during the year and a new, improved care call system installed for the benefit of our residents. Our rooms have also been refurbished, as and when they become vacant, to the same specification as those in Magdalen House. We also have plans to repurpose the ground floor space and add an extension to the rear of the home, subject to planning permission.

We had hoped to complete a refurbishment of our Kimbrose Club during the year, but this was not achieved. We are, therefore, planning to do so in 2024. The proposed improvements will be beneficial to both members and staff alike.

A refurbished lift project has taken place at our St Margarets Almshouse site; this has been a welcomed improvement for our residents in our upper floor flats. We have, wherever, possible, carried out flat refurbishments as and when they become vacant. We have had a steady stream of new applicants since our year-end, and it is hoped that we will maintain higher levels of occupancy during the next year. A long overdue review of our WMCs was actioned in August 2023. This has resulted in a substantial uplift in our weekly charges which are to be implemented from January 2024. The majority of the uplift will be the responsibility of Gloucester City Council through Housing Benefit entitlement.

During the year we purchased a property next to St Margarets for the purpose of creating a much-needed communal space for the residents and for those who use our Chapel. The ground floor of the property will be refurbished and provide lounge / dining and activity space for residents as well as a kitchen and toilet facilities. Upstairs will be a separate one-bedroom flat which will be completely reconfigured and refurbished so it can be let on a commercial basis.

A Quinquennial inspection of our historic Almshouses was conducted in the year, and we are working with our Architects to prioritise their recommendations arising from the plan. This will be a long-term project and is likely to incur a considerable amount of money.

We have progressed our programme of brand awareness of the Trust promoting GCT, and our Property Care Manager drafted a Marketing Plan for all GCT services which has been partially implemented during the year. We are now at the stage of ordering our new signage and our new website is close to completion.

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 Trustees are provided with a range of key performance indicators and assurance information through the monthly information pack which is sent to them in addition to the regular reporting at each of the sub-committees and the main Board meetings. Our in-house quality and audit monitoring has been assisted by the implementation of a digital audit system and a range of other reporting mechanisms. As far as is practicable, GCT has digitised its systems and processes where they improve efficiency and quality of service.

In financial terms the Trust has not had a successful year in terms of the operational activities. As previously referred to, this is due to three factors: high voids, high staff costs and high energy costs. The performance of our investments has been better than in the previous year and we have received a satisfactory level of income from them. The Trust did not review its investment management services in 2023 due to other priorities taking precedent. 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.

As planned, the decision to sell Mill Farm, one of our non-core assets to release funds for operational projects and service development, came to fruition. We were able to sell the farm in lots which yielded a significant sum of money. A sizeable proportion of the sales proceeds have been set aside for the refurbishment and upgrade of both Guild House and Magdalen House which is in progress. We also have an extensive summary of project and property development plans pertaining to all our service which will be prioritised throughout the year.

The sale of Hewmar House, another of our non-core assets fell through during the year, however we have since sold the property again and the sale is progressing.

Our former Head Office, Century House, is being leased to a local organisation with them having an option to purchase. It is hoped that this will come to fruition.

We secured the renewal of planning permission on the plot at the rear of our Brunswick Road flats. It has not been decided how to proceed with this. It will be another item for discussion at our Strategy Day in June.

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. It has been decided that a different approach will be adopted to the way in which risks are monitored. This will be implemented in 2024.

The Strategic Plan is to be refreshed in February 2024 due to the significant changes which have taken place at Magdalen House. The focus is on ensuring GCT is an organisation which is fit for the future, operationally and financially. This will involve investing in our care and support services, investing in our staff and volunteers, and increasing awareness of our grant giving, supporting as many individuals and worthy causes as we can. The CEO, Head of Operations and the Compliance Manager have also worked closely with the operational Managers to create detailed individual business plans for the next 12 months which align with the overarching GCT strategic plan.

In terms of its non-core assets, the Trust is selling the last remaining property we own in Worcestershire. We have received an offer for the cottage and the sale is proceeding.

The Trust still holds income producing non-core assets which will be reviewed at the Strategy Day to be held in June 2024.

Future Plans

We are intending to do the following this year in addition to other items which were not progressed in 2022/2023:

- 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.
- We will review our staffing structure, roles, responsibilities, and staff numbers and update our staffing plans accordingly.
- We will review our Code of Governance and complete a self-assessment of all the evidence required to provide assurance of good governance.
- We will review our Terms of Reference for our sub-committees to ensure they align with good governance.
- All our Policies will be reviewed and updated.
- We have arranged for an external inspection of our residential homes to ascertain our CQC compliance and assist us with any changes needing to be made following CQC's single assessment framework implementation. The inspector will also conduct a gaps analysis at Magdalen House to ensure there has not been anything missed in our transition from a nursing to residential service.
- We will consider our mandatory training, determine what this is to be for 2024, and implement a detailed training plan for each staff member which consists of a three day to ensure they are up to date with their training and knowledge and skills are enhanced.
- We will progress the actions needed to achieve our strategic aims and objectives.
- Progress against service business and strategic plans will be monitored and reported.
- We will continue with our phased refurbishment and project development plans for Guild House, Magdalen House, and our sheltered accommodation.
- We will draw up a plan to create fit for purpose IT, data, and digital capability.
- We will conduct a further review of non-core assets to ensure they are fully utilised to benefit GCT's core activities.
- We will prioritise and group the recommendations arising out of the Quinquennial inspection of our Almshouses, to ensure repairs are planned and completed efficiently and resourced effectively used.
- We will review our Marketing Plan and implement further aspects of it with a view to increasing awareness of GCT and supporting with the maintaining and developing of income streams.
- We will conduct a Quinquennial inspection of our St Margarets chapel and review its recommendations.
- 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 2024

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 high levels of occupancy especially as Magdalen House is effectively a new service which needs to be built up. We must also ensure we have a stable management team leading in our service areas. We have not been successful in recruiting Registered Managers who share the same ethos and commitment to our residents and staff as we expect. If we do not have effective leadership, we will not achieve our goals.

Our financial controls are designed to minimise the risk of fraud or other losses and are regularly reviewed and updated. We appointed a new Finance Manager during the year, and she is making improvements in the way in which the Finance Department operates, and the information produced for management and Trustee purposes. 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 Magdalen House effectively is now, which may 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. The Key Risk Register is to be split into a Strategic Risk Register and an Operational Risk Register in 2024.

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 2024. The board has set up an Investment Committee consisting of four appointed Trustees who, along with the CEO, have authority to act on behalf of the Trust.

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
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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).

	2022/23	2021/22
Development of New Properties (THP)	-	-
Newly build properties acquired (THP)	-	-
Works to Existing (THP)	139,578	85,237
Divided by:		
Housing Properties at net book value	2,788,165	2,635,642
Outcome	5%	3%

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 2023.

	2022/23	2021/22
a. Social Housing Units		
Total Social Housing Units Developed or Newly Built Units Acquired In-Year	-	-
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))	-	-
Outcome	0%	0%

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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.

	2022/23	2021/22
Total of:		
Short-Term Loans	5,028	4,499
Long-Term Loans	369,579	374,648
Less Cash and Cash Equivalents	(2,583,316)	(1,331,810)
Divided by:		
Housing Properties at net book value	2,691,381	2,635,642
Outcome	-82%	-36%

**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.

	2022/23	2021/22
Operating Surplus	50,256	94,243
Less Gain / (loss) on disposal of fixed assets (housing properties)	-	-
Less Amortised Government grant	-	-
Plus Interest receivable	-	-
Less Capitalised major repairs expenditure for period	(139,578)	(85,235)
Plus Total depreciation charge for period	181,271	176,170
Divided by:		
Interest Capitalised	-	-
Plus Interest payable and financing costs	41,939	42,735
Outcome	219%	433%

**THE GLOUCESTER CHARITIES TRUST
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Metric 5 – Headline Social Housing Cost Per Unit

	2022/23	2021/22
Total of:		
Management Costs	99,432	150,201
Service Charge Costs	825,699	622,710
Routine Maintenance Costs	32,968	55,642
Planned Maintenance Costs	93,443	109,365
Bad Debts	1,604	670
Depreciation of housing properties	181,271	176,170
Other Social Housing Costs	-	-
Divided by:		
Total Social Housing Units Owned and Managed at the Period End	137	137
Outcome	9,010	8,137

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.

	2022/23	2021/22
a. Social Housing Lettings	4%	8%
b. Overall	-12%	-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.

	2022/23	2021/22
Operating Surplus / (Deficit) inc. Gain / (Loss) on Disposal of Fixed Assets (Housing Properties)	50,256	94,243
Divided by:		
Total Assets less Current Liabilities	24,568,434	23,269,548
Outcome	0%	0%

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 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Registered Social Housing Legislation and the Charities Act 2022 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, Charities Act 2022, the Statement of Recommended Practice – Accounting by Registered Social Landlords and the Accounting Requirements for Registered Social Landlords General Determination 2022. 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.

25/3/2024

Approved and authorised for issue by the Trustees on



Mr Martin Collins – Chairman of the Finance Committee



Mr Stephen Heath – Chairman of Trustees

THE GLOUCESTER CHARITIES TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of The Gloucester Charities Trust for the year ended 30 September 2023 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 2023 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 2022, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 2023
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 2022

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 2022 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 2023
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.

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 30 September 2023 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 2022. 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: 25/3/2024

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 2023**

	Note	2023 £	2022 £
TURNOVER	2	4,976,694	4,654,453
COVID income	2	5,291	108,819
Operating costs	2	<u>(5,583,748)</u>	<u>(4,906,138)</u>
OPERATING (DEFICIT)	2	(601,763)	(142,866)
Surplus on disposal of tangible fixed assets		61,186	172,252
Surplus on disposal of fixed asset investments		<u>189,205</u>	<u>(90,414)</u>
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME AND INTEREST		(351,372)	(61,028)
Interest receivable and other income	6	149,764	154,259
Interest payable and similar charges	7	<u>(47,962)</u>	<u>(47,818)</u>
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE CHANGES IN MARKET VALUE OF INVESTMENTS		(249,570)	45,413
Movement in fair value of investments		<u>(23,748)</u>	<u>(556,998)</u>
(DEFICIT) FOR THE YEAR		(273,318)	(511,585)
Unrealised surplus on revaluation of investment property		1,600,892	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,327,574</u>	<u>(511,585)</u>

25/3/2024

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



Mr Martin Collins
**Chairman of Finance Committee
The Gloucester Charities Trust**



Mr Stephen Heath
**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 2023

	Note	2023	2022
FIXED ASSETS			
Housing properties		2,691,382	2,635,642
Extra care facilities and head office		4,829,084	4,181,044
Investment properties		8,949,394	10,058,394
Other assets		<u>289,976</u>	<u>319,755</u>
Tangible fixed assets	8	16,759,836	17,194,836
Investments	9	<u>5,549,299</u>	<u>5,227,699</u>
		22,309,135	22,422,535
CURRENT ASSETS			
Stock		1,635	1,635
Debtors	10	138,484	192,414
Cash at bank and in hand		<u>2,583,316</u>	<u>1,331,810</u>
		2,723,435	1,525,859
CREDITORS: amounts falling due within one year	11	<u>(464,136)</u>	<u>(678,847)</u>
NET CURRENT ASSETS		<u>2,259,299</u>	<u>847,013</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>24,568,434</u></u>	<u><u>23,269,548</u></u>
CREDITORS: amounts falling due after more than one year	12	<u>1,828,287</u>	<u>1,856,975</u>
FINANCING AND RESERVES			
Restricted reserves	14	1,198,883	1,166,756
Unrestricted funds	16	19,408,275	18,175,923
Endowment funds	15	<u>2,132,989</u>	<u>2,069,894</u>
		<u>22,740,147</u>	<u>21,412,573</u>
		<u><u>24,568,434</u></u>	<u><u>23,269,548</u></u>

25/3/2024

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


Mr Martin Collins
Chairman of Finance Committee
The Gloucester Charities Trust


Mr Stephen Heath
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 2023

2023

	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
Balance at 1 October 2022	1,166,756	18,175,923	2,069,894	21,412,573
Total comprehensive income	32,127	1,232,352	63,095	1,327,574
Balance at 30 September 2023	1,198,883	19,408,275	2,132,989	22,740,147

2022

	Restricted Reserves £	Unrestricted Funds £	Endowment Funds £	Total £
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)
Balance at 30 September 2022	1,166,756	18,175,922	2,069,894	21,412,572

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 2023

	2023	2022 £
Net cash (absorbed by) generated from operating activities (note i)	(393,157)	379,540
Cash flow from investing activities		
Purchase of investment securities	(1,546,160)	(1,018,507)
Sale and maturity of investment securities	1,390,017	1,215,252
Purchase of tangible fixed assets	(1,240,156)	(1,448,640)
Sales proceeds from disposal of tangible fixed assets	2,943,700	522,252
Interest received	8,649	-
	<u>1,556,050</u>	<u>(729,643)</u>
Cash flow from financing activities		
Dividends received	141,115	154,259
Interest paid	(47,962)	(47,818)
Repayment of borrowings	(4,540)	(4,037)
	<u>88,613</u>	<u>102,404</u>
Net change in cash and cash equivalents (note ii)	1,251,506	(247,699)
Cash and cash equivalents at beginning of year	<u>1,331,810</u>	<u>1,579,509</u>
Cash and cash equivalents at end of year	<u>2,583,316</u>	<u>1,331,810</u>

	2023 £	2022 £
i) ANALYSIS OF CASH FLOWS		
Cash flow from operating activities		
(Deficit) for the year before revaluation of investments	(249,570)	45,413
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	393,534	355,557
Increase in debtors	53,930	(39,283)
Increase in creditors	(215,239)	231,386
Increase in stock	-	(1,635)
Surplus on sale of tangible fixed assets	(61,186)	(172,252)
(Surplus)/deficit on sale of fixed asset investments	(189,205)	90,414
Adjustments for investing or financing activities:		
Government grants utilised in the year	(23,619)	(23,619)
Interest payable	47,962	47,818
Interest Receivable	(8,649)	-
Dividends received	(141,115)	(154,259)
Net cash (absorbed by)/generated from operating activities	<u>(393,157)</u>	<u>379,540</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 2023

ii) ANALYSIS OF NET DEBT

	At 1 October 2022 £	Cash flow £	Non-cash movement £	Total 2023 £
Cash at bank and in hand	1,331,810	1,251,506	-	2,583,316
Debt due within one year	(4,499)	4,540	(5,069)	(5,028)
Debt due in more than one year	(374,648)	-	5,069	369,579
Net debt	952,663	1,256,046	-	2,947,867

**THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 2022.

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 2023

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 2023

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 2023

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 2023

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

2023	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Social housing lettings (see note 3)	1,284,673	(1,234,417)	50,256
Grant income	23,619	-	23,619
Activities other than social housing			
Investment property lettings	267,970	-	267,970
Charitable giving	-	(63,644)	(63,644)
Administration costs	-	(263,849)	(263,849)
Kimbrose Club	223,299	(241,748)	(18,449)
Extra-care facility	3,089,965	(3,653,937)	(563,972)
Other income	92,459	(126,153)	(33,694)
Total	4,981,985	(5,583,748)	(601,763)
2022	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£	£	£
Social housing lettings (see note 3)	1,209,001	(1,114,758)	94,243
Grant income	23,619	-	23,619
Activities other than social housing			
Investment property lettings	236,531	-	236,531
Legacy income	93,363	-	93,363
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
Total	4,763,272	(4,906,138)	(142,866)

All income is generated within the United Kingdom.

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3 PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Supported housing (including housing for older people)	
	2023	2022
	£	£
Income		
Rent receivable net of identifiable service charges	641,418	654,047
Service charge income	622,175	529,116
Government grants taken to income	-	-
Other grants	21,080	25,838
Turnover from social housing lettings	1,284,673	1,209,001
Operating expenditure		
Management	99,432	150,201
Service charge costs	825,699	622,710
Routine maintenance	32,968	55,642
Planned maintenance	93,443	109,365
Bad debts	1,604	670
Depreciation of housing properties	181,271	176,170
Other costs	-	-
Operating expenditure on social housing lettings	1,234,417	1,114,758
Operating surplus on social housing Lettings	50,256	94,243
Void losses	55,485	58,953

During the year ended 30 September 2023, the Charity owned 137 units of social housing accommodation under its own management (2022 - 137).

The average weekly maintenance contribution on social housing accommodation was £93.95 (2022 - £93.95).

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 2023

4 EMPLOYEES

	2023	2022
Average number of employees expressed in full time equivalents	<u>131</u>	<u>123</u>
Employees costs during the year		
Wages and salaries	3,004,310	2,729,429
Social security costs	222,296	204,548
Other pension costs	<u>71,886</u>	<u>62,902</u>
	<u>3,298,492</u>	<u>2,996,879</u>
Emoluments to Chief Executive Officer	<u>106,255</u>	<u>96,446</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 £100,000 and £110,000 and nil paid between £90,000 and £100,000 (2022 – nil paid between £100,000 and £110,000, one paid between £90,000 and £100,000).

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

5 AUDITOR'S REMUNERATION

	2023	2022
	£	£
Remuneration payable to the auditor including Value Added		
Tax was as follows:		
For audit services	<u>11,100</u>	<u>10,740</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

6 INTEREST RECEIVABLE AND OTHER INCOME

	2023	2022
	£	£
Investment income		
Dividend income	141,115	154,259
Interest receivable	8,649	-
	<u>149,764</u>	<u>154,259</u>

7 INTEREST PAYABLE

	2023	2022
	£	£
Interest payable and similar charges		
Housing corporation loans (see note 13)	41,849	42,316
Bank charges payable	6,113	5,502
	<u>47,962</u>	<u>47,818</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 2022	4,489,782	6,155,868	10,058,394	2,641,454	92,607	23,438,105
Additions	139,578	753,476	172,622	174,480	-	1,240,156
Revaluation	-	-	1,600,892	-	-	1,600,892
Disposals	-	-	(2,882,514)	-	-	(2,882,514)
At 30 September 2023	<u>4,629,360</u>	<u>6,909,344</u>	<u>8,949,394</u>	<u>2,815,934</u>	<u>92,607</u>	<u>23,369,639</u>
Depreciation						
At 1 October 2022	1,854,140	1,974,824	-	2,344,112	70,193	6,243,269
Charge for the year	83,838	105,436	-	196,576	7,684	393,534
At 30 September 2023	<u>1,937,978</u>	<u>2,080,260</u>	<u>-</u>	<u>2,540,688</u>	<u>77,877</u>	<u>6,636,803</u>
NET BOOK VALUE						
At 30 September 2023	<u>2,691,382</u>	<u>4,829,084</u>	<u>8,949,394</u>	<u>275,246</u>	<u>14,730</u>	<u>16,940,836</u>
At 30 September 2022	<u>2,635,642</u>	<u>4,181,044</u>	<u>10,058,394</u>	<u>297,342</u>	<u>22,414</u>	<u>17,194,836</u>

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. Investment properties were revalued during the year by the Trustees following consultations with McCartneys LLP, Chartered Surveyors and Bruton Knowles. The historical cost of the investment properties at 30 September 2023 is £5,331,295 (2022 - £5,114,367).

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

9 INVESTMENTS

	Total £
At 1 October 2022	5,227,699
Additions	1,546,160
Disposals	(1,200,813)
Change in market value	<u>(23,747)</u>
At 30 September 2023	<u>5,549,299</u>
Cost:	
30 September 2023	<u>4,649,257</u>
<i>30 September 2022</i>	<u><u>4,189,260</u></u>

All investments are quoted.

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

10 DEBTORS

	2023 £	2022 £
Trade debtors	42,680	101,059
Other debtors and prepayments	95,804	91,355
	<u>138,484</u>	<u>192,414</u>

11 CREDITORS – due within one year

	2023 £	2022 £
Trade creditors	170,939	371,653
Other creditors and accruals	262,231	279,076
Deferred income – Social Housing grants	23,619	23,619
Housing loans (note 13)	5,028	4,499
VAT liability	<u>2,319</u>	<u>-</u>
	<u>464,136</u>	<u>678,847</u>

12 CREDITORS – due after more than one year

	2023 £	2022 £
Deferred income – Social Housing grants	1,458,708	1,482,327
Housing loans (note 13)	<u>369,579</u>	<u>374,648</u>
	<u>1,828,287</u>	<u>1,856,975</u>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

13 HOUSING LOANS

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

	2023	2022
	£	£
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	38,427	39,101
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	76,764	77,828
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	71,400	72,367
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	188,016	189,851
	<hr/>	<hr/>
Total secured borrowings	<u>374,607</u>	<u>379,147</u>
Loans are repayable as follows:		
Due within one year	Note 11	5,028
		<hr/>
Due after more than one year:		
Between one and two years		5,613
Between two and five years		21,087
After more than 5 years		342,879
		<hr/>
	Note 12	369,579
		<hr/>
	Note 11 & 12	374,607
		<hr/>

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 RESTRICTED RESERVES

	Relief in Need branch £	Gloucester District Nursing Charity £	Total £
At 1 October 2022	521,863	644,893	1,166,756
Transfer (to) / from profit and loss reserve	(4,305)	27,388	23,083
Direct expenditure	-	-	-
Transfer from revaluation reserve	2,541	6,503	9,044
At 30 September 2023	520,099	678,784	1,198,883

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 2023 £	As at 1 October 2022 £
Expendable Endowment		
Gloucester Relief in Sickness Endowment	477,930	446,507
Permanent Endowment		
Gloucester Relief in Sickness Endowment Fund	196,611	183,467
Nurses Welfare Fund	77,496	72,246
Wheeler Rest Home Repair Fund	196,952	183,674
Endowed Land	1,184,000	1,184,000
	2,132,989	2,069,894

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 2023

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 2023
	£	£	£	£
As at 1 October	686,315	6,245,933	11,243,675	18,175,923
Surplus for the year	-	-	(172,210)	(172,210)
Revaluation of investments	(101,108)	1,600,892	-	1,499,784
Revaluation reserve on disposals	(264,276)	-	264,276	-
Net transfer to endowed funds	(68,316)	-	5,221	(63,095)
Net transfer to restricted funds	(9,044)	-	(23,083)	(32,127)
At 30 September	243,571	7,846,825	11,317,879	19,408,275

THE GLOUCESTER CHARITIES TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	25,125	31,020
Later than one year and not later than five years	10,666	29,115
	<u>35,791</u>	<u>60,135</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £20,583 (2022 - £20,644).

18 LEGAL STATUS

The Trust is a Registered Charity (number 205177) under the Charities Act 2022 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

Subsequent to the year end, Hewmar House was sold for £400,000.