

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
MUNICIPAL CHARITIES OF DOVER**

MUNICIPAL CHARITIES OF DOVER

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charity are the relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage. The charity aims to do this via the provision of almshouse accommodation.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This year has been a difficult year for the charities due to the pandemic. The almshouses have continued to be occupied at capacity for most of the year. Safety precautions have had to be implemented from March 2020 to try and keep the pandemic virus from the residents and to make conditions safe for staff and trustees. A trustee meeting was held in January as per usual. This was to be the last meeting until December (due to government restrictions and the vulnerability of many of the trustees to the virus) when one was held with a combination of video and telephone conferencing. The Charity Commission were informed that the trustees would be allowing the taking of votes on resolutions by mail. Important matters were discussed by email and phone and the chair of the trustees became an important focal point for communication. Staff began to work part of the time from home, when possible, and a small budget was spent on facilitating this. Restrictions were placed on visitors to the almshouses - only support bubbles, deliveries and professional service, this was difficult but in 2020 only one resident died due to the pandemic virus and they contracted the virus whilst in hospital. Interviews with prospective new residents became video phone calls between trustees and applicant facilitated by the staff team. This way we were able to continue our charitable activity. It was decided that the Charities for the first time should give two cash grants to other organisations in the town helping out the poor in this difficult time so the Dover Foodbank and the local Age Concern food delivery service both received £5000, the charity commission was informed. New garden furniture was purchased to allow residents to spend time in the fresh air together and with visitors during the summer months and several "morale" deliveries were arranged to all residents to combat the isolation.

Due to the closure of schools and shoe shops the Grigg boot gift will be awarded in the spring as the shops reopen.

In the Autumn works begun in the previous February were finally completed with five porches being considerably refurbished at Gorley house and the paving on the grounds of Albany House and Battle of Britain Flats being improved along side a new bin area away from the buildings.

The replacement of old water cylinders and stop cocks continued as needed and when made possible by the government's restrictions put in place to curb the spread of the pandemic virus.

The Scheme Manager and Deputy Scheme Manager remain the main point of contact between the Charity and the beneficiaries. The Executive Officer has been in contact with residents by phone and at outdoor meetings.

The occupancy levels of the almshouses as at 31 December 2020 were:

Albany House	36 out of 37
Battle of Britain Homes	29 out of 29
Gorely House	22 out of 22

All almshouse residents pay maintenance contributions by monthly standing order. The amount of the residents' contribution is set taking into consideration the local housing allowance paid to benefits claimants, so that almshouse accommodation is available to poor people and therefore meets the requirement for demonstrating public benefit.

During the year, a waiting list for accommodation developed and trustees visited as many applicants as was practicable so that voids could be avoided in the case of almshouses becoming vacant. Four internal transfers took place. Thirteen new applicants were appointed as almshouse beneficiaries according to the established criteria for eligibility.

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Financial position

The accountants provide a monthly statement of income and expenditure and a rolling cashflow forecast and, from time-to-time, financial forecasts for the following year and for a 5-year period. The reports and forecasts are an increasingly useful tool, appreciated by the Trustees and management.

The Charity's unrestricted fund ran at a surplus with the programme of refurbishment and modernisation of the almshouses being partially funded out of permanent endowment with the approval of the Charity Commission.

The Charity's objects mean that periodically major capital projects are undertaken. These can be in the form of new buildings, large extensions or extensive renovations to existing freehold property. In order to fund the maintenance and repair of the almshouse properties from its own resources, the Municipal Charities holds cash, cash investments and an investment property to generate revenue income and capital for planned projects. Opportunities for grants, including grants in kind and loans, from statutory authorities and other funders are investigated in order to ensure that the Charities' reserves are used to best possible advantage.

The guideline formulae figures provided by the Almshouse Association for general maintenance, cyclical maintenance and extraordinary repairs were used to develop planned programmes of works to almshouse buildings, using quinquennial condition surveys. This amount is uplifted by 25% to allow for routine maintenance contracts.

Grigg Christmas Boot Gift : the Trustees will decide year-by-year on the amount of funds to be distributed, topped up from general charitable income.

Investment policy and performance

The investment policy of the Charity is to maintain a substantial investment in the Charities Official Investment Fund.

When managed efficiently the maintenance contributions generated from the charity's almshouse beneficiaries provide a modest surplus over the normal running costs of the almshouses. Good financial planning and budget controls have meant that this surplus is a normal occurrence.

The performance of the Charities Official Investment Fund units has been satisfactory after taking into account current market conditions.

Reserves policy

Income reserves at 31 December 2020 amounted to £2,317,737 (2019 - £2,100,047). In addition to this there is a permanent endowment fund of £6,645,558 (2019 - £6,556,041) of which £1,114,932 (2019 - £1,230,936) is available for expenditure following the approval of a special resolution by the Charity Commission. Sufficient income reserves are held.

FUTURE PLANS

The Trustees will review the Charity's vision, mission statement and strategic plan annually. The Summary Information Return of Aims, Objectives and Achievements will be updated with the intention of seeking assurance of compliance with the Charities Act 2011 and associated secondary legislation. Trustees will continue to add to the rolling strategic plan and will review the internal controls and finance risk assessments to make sure they are fit for purpose. Risk management will continue to be addressed.

There is the intention to continue with the improvement of the almshouses through a phased refurbishment over the next few years. The construction of the flats on Cowgate Hill may also commence in the coming year funded by funds available for expenditure as referred to above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by Schemes dated 22 October 1984 and 10 February 1997.

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational and decision making structure

The Municipal Charities of Dover is a charity registered in England, number 236140, whose principal objects are to support the poor in Dover by means of the provision of almshouse accommodation.

The Board comprises six Trustees who are co-opted and five who are nominated by the local authority. On 16 December 2010 the board of trustees was incorporated under the name of "The Incorporated Trustees of the Municipal Charities of Dover". The Trustees do not draw any remuneration from the Charity but are entitled to be reimbursed for expenses incurred.

As at 31 December 2020 there was one vacancy for a co-optative Trustee.

A skills audit had previously identified shortages of knowledge and experience of Human Resources, Estate Management and Health and Safety amongst the Trustees and these shortfalls are taken into consideration when co-opting a new trustee. Trustees have also sought knowledge with the appointment of professionals in these fields to advise the board when appropriate. Induction programmes and documents for new trustees are prepared by the Executive Officer. Away days incorporating training and strategic planning are available to trustees annually as a minimum. A Code of Conduct for trustees has been adopted.

The Board of Trustees has overall responsibility for achieving the aims and objectives of the organisation. The Trustees meet quarterly, with the Clerk, the Executive Officer and the Accountants being in attendance, to review the strategy and performance of the charity and to set objectives, operating plans and budgets. Three Trustee committees: Audit and Finance, Human Resources, and Almshouse, exist to provide specific support and guidance. Each committee provides a report to the Board of Trustees at its next quarterly meeting. The frequency of committee meetings and the topics discussed depend on the needs of the organisation.

The Officers, comprising the Clerk, the Executive Officer and the Scheme Manager, are paid employees of the Charity and have four main delegated functions:

- 1 to implement the policies adopted by the Trustees for the fulfilment of the Charity's objects
- 2 to advise the Trustees in matters relevant to their expertise
- 3 to manage the Charity's activities in accordance with the Trustees' wishes
- 4 to ensure compliance with statutory requirements and best practice

The strategic and operational management of the Charity's business is delegated to the Executive Officer. The operational management of the almshouses and their residents is assumed by the Scheme Manager. The Scheme Manager attends meetings of the Board of Trustees and its committees by invitation.

Relationships with other bodies

The Municipal Charities of Dover has a contract with Shepway LifeLine for the provision of an out-of-hours emergency call response system. The Scheme Manager has contact, as required, with Social Services, Age UK and care agencies.

The Municipal Charities of Dover have, occasionally, held discussions with Dover District Council on new developments. The Executive Officer attends meetings with other almshouse charities across Kent for the benefit of sharing knowledge. The Municipal Charities is a member of the Almshouse Association and the Larger Almshouse group.

The Scheme Manager is invited, from time-to-time, to participate in consultations with health and social services about care of the elderly in the community, in particular those suffering from dementia.

Risk management

The Trustees routinely assess the risks facing the Charity with the assistance of the Officers. These risks are both financial and operational. The operational risks are mitigated by a careful staff selection and monitoring policy, while the constant review of the investment portfolios will protect against the risk that the Charity would not generate enough income to provide accommodation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

236140

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal address

Mogul House
5-6 Chapel Place
DOVER
Kent
CT17 9AS

Trustees

Mr B M Scott
Mrs S R Nicholas
R S Walkden
Mrs M C Cox
Mrs P M Brivio
Mrs P M Beresford
Mrs M L Gordon
J M Smith
Mrs A Jenner
E Biggs (appointed 8.12.20)

The board of trustees is incorporated under the name of "The Incorporated Trustees of the Municipal Charities of Dover".

Auditors

Batchelor Coop Limited
Statutory Auditor
The New Barn
Mill Lane
Eastry
SANDWICH
Kent
CT13 0JW

Bankers

National Westminster Bank plc
25 Market Square
DOVER
Kent
CT16 1ND

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
WEST MALLING
Kent
ME19 4JQ

Solicitors

Excello Law
5 Chancery Lane
London
WC2A 1LG

Accountants

McCabe Ford Williams
Chartered Accountants
Charlton House
Dour Street
DOVER
Kent
CT16 1BL

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Property Managers

Smith-Woolley & Perry
43 Castle Hill Avenue
FOLKESTONE
Kent
CT20 2RB

Officers

Executive officer	S Manning, Mogul House, Chapel Place, Dover. CT17 9AS
Clerk	M Diomedede, 5 Chancery Lane, London, WC2A 1LG
Scheme manager	C J Bentley, Mogul House, Chapel Place, Dover. CT17 9AS

CUSTODIAN TRUSTEE

The Municipal Charities of Dover are the custodians of the Grigg Christmas Boot Gift which provides footwear for school age children.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

MUNICIPAL CHARITIES OF DOVER
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Mrs S R Nicholas - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUNICIPAL CHARITIES OF DOVER

Opinion

We have audited the financial statements of Municipal Charities of Dover (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUNICIPAL CHARITIES OF DOVER

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the susceptibility of the Charity's financial statements to material misstatement including how fraud might occur.

We identified important laws and regulations which are significant in the context of the Charity including those covering taxation, theft, social landlords, health and safety and employment legislation and Covid-19 support scheme terms and conditions.

We developed and maintained our understanding of these laws and regulations through mandatory professional education.

We reviewed the Charity's procedures not only for ensuring it remains within the law, but also how it seeks to prevent becoming a victim of internal and external irregularities including fraud.

We believe our audit team, through training and experience, to be competent and capable of identifying and recognising non-compliance and we ensure they have access to professional specialists at all times to assist them in their judgement.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MUNICIPAL CHARITIES OF DOVER**

Use of our report

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

Batchelor Coop Limited
Statutory Auditor
The New Barn
Mill Lane
Eastry
SANDWICH
Kent
CT13 0JW

Date:

MUNICIPAL CHARITIES OF DOVER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		10,000	-	-	10,000	-
Charitable activities						
Relating to almshouses		367,356	-	-	367,356	371,294
Investment income	3	9,323	-	-	9,323	12,600
Total		386,679	-	-	386,679	383,894
EXPENDITURE ON						
Raising funds	4	1,980	-	-	1,980	2,106
Charitable activities	5					
Relating to almshouses		291,774	-	111,635	403,409	583,034
Miscellaneous charities		10,765	-	-	10,765	862
Other		14,757	-	-	14,757	17,321
Total		319,276	-	111,635	430,911	603,323
Net gains on investments		152,336	-	200,372	352,708	665,546
NET INCOME		219,739	-	88,737	308,476	446,117
Transfers between funds	16	(780)	-	780	-	-
Net movement in funds		218,959	-	89,517	308,476	446,117
RECONCILIATION OF FUNDS						
Total funds brought forward		2,128,120	-	6,556,041	8,684,161	8,238,044
TOTAL FUNDS CARRIED FORWARD		2,347,079	-	6,645,558	8,992,637	8,684,161

The notes form part of these financial statements

MUNICIPAL CHARITIES OF DOVER

BALANCE SHEET 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	3,718,386	3,712,748
Investments			
Investments	11	3,962,186	3,609,478
Investment property	12	145,000	145,000
		<hr/>	<hr/>
		7,825,572	7,467,226
CURRENT ASSETS			
Debtors	13	5,806	8,323
Cash at bank and in hand		1,171,723	1,224,993
		<hr/>	<hr/>
		1,177,529	1,233,316
CREDITORS			
Amounts falling due within one year	14	(10,464)	(16,381)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,167,065	1,216,935
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,992,637	8,684,161
		<hr/>	<hr/>
NET ASSETS		8,992,637	8,684,161
		<hr/>	<hr/>
FUNDS	16		
Unrestricted funds		2,347,079	2,128,120
Endowment funds		6,645,558	6,556,041
		<hr/>	<hr/>
TOTAL FUNDS		8,992,637	8,684,161
		<hr/>	<hr/>

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

.....
S R Nicholas - Trustee

MUNICIPAL CHARITIES OF DOVER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

The Municipal Charities of Dover is an unincorporated charity registered in England. The charity's registered number, principal address and nature of operations can be found in the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

These financial statements combine the accounts of all funds which are governed by the terms of the trust deeds dated 22 October 1984 and 10 February 1997 including all charities using the name of Municipal Charities of Dover. They are all separately constituted and the financial statements have been presented in this form in order to give financial information about the activities which have been carried on in the name of Municipal Charities of Dover.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government grants for the purpose of giving immediate financial support with no related future costs are recognised as income when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

The freehold properties, comprising the almshouses, are included at an existing use value. Adjustments to freehold properties in between valuations are included at cost. Details of the original costs of many of the properties has been lost and due to the length of time the Charity has held the properties the original costs would be meaningless.

Furniture and equipment has been included in the accounts at a brought forward cost based on an insurance valuation established in 1989. From 1993 the additional costs have been capitalised and the balance will be written off over its expected useful life at 15% on a reducing balance basis.

Depreciation is charged to the Fund in which the assets are held.

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Impaired assets are written down to their recoverable amount being the higher of the net realisable value and the value in use. Impairment losses are treated as additional depreciation and included in the Statement of Financial Activities. The revised carrying amount of the asset is depreciated over its remaining useful economic life.

Investment property

The freehold investment properties are included at an open market value. They are subject to an external professional valuation every five years. In the intervening years internal consideration is given as to whether there have been material movements in the values.

Other investments are included at their mid market value as at the year end. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The Charity's unrestricted general fund can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Transfers are made from general funds to designated and restricted funds when appropriate and available in order to achieve the objects of the Charity. Transfers are made from the Permanent Endowment "Almshouse" Fund only to appropriate Almshouse replacement funds.

Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund.

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents receivable	6,019	5,891
Deposit account interest	3,304	6,709
	<hr/>	<hr/>
	9,323	12,600
	<hr/>	<hr/>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

4. RAISING FUNDS

Investment management costs

	2020	2019
	£	£
Rates and insurance	400	390
Bank charges and other fees	676	748
Repairs (net of contributions)	418	504
Managing agent's fees	486	464
	<u>1,980</u>	<u>2,106</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities £	Totals £
Relating to almshouses	403,409	-	403,409
Miscellaneous charities	765	10,000	10,765
	<u>404,174</u>	<u>10,000</u>	<u>414,174</u>

6. SUPPORT COSTS

	Governance costs £
Other resources expended	<u>14,757</u>

Support costs, included in the above, are as follows:

	2020 Other resources expended £	2019 Total activities £
Auditors' remuneration	2,250	2,220
Clerk's salary	5,607	5,417
Accountancy	6,900	9,684
	<u>14,757</u>	<u>17,321</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. STAFF COSTS

Remuneration was paid as follows:

	2020 £	2019 £
Wages	105,778	98,124
Social security costs	3,931	4,837
Pension costs	3,258	3,025
	<u>112,967</u>	<u>105,986</u>

No employee received more than £60,000 in either year.

The average number of employees in the year was:

Management and administration	3	3
Wardens	2	2
Maintenance and cleaning	1	-

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Relating to almshouses	371,294	-	-	371,294
Investment income	<u>12,600</u>	<u>-</u>	<u>-</u>	<u>12,600</u>
Total	383,894	-	-	383,894
EXPENDITURE ON				
Raising funds	2,106	-	-	2,106
Charitable activities				
Relating to almshouses	290,407	-	292,627	583,034
Miscellaneous charities	862	-	-	862
Other	<u>17,321</u>	<u>-</u>	<u>-</u>	<u>17,321</u>
Total	310,696	-	292,627	603,323
Net gains on investments	<u>301,237</u>	<u>-</u>	<u>364,309</u>	<u>665,546</u>
NET INCOME	374,435	-	71,682	446,117
Transfers between funds	<u>647</u>	<u>-</u>	<u>(647)</u>	<u>-</u>
Net movement in funds	375,082	-	71,035	446,117
RECONCILIATION OF FUNDS				
Total funds brought forward	1,753,038	-	6,485,006	8,238,044
TOTAL FUNDS CARRIED FORWARD	<u><u>2,128,120</u></u>	<u><u>-</u></u>	<u><u>6,556,041</u></u>	<u><u>8,684,161</u></u>

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Totals £
COST			
At 1 January 2020	3,661,803	203,536	3,865,339
Additions	7,800	6,447	14,247
	<hr/>	<hr/>	<hr/>
At 31 December 2020	3,669,603	209,983	3,879,586
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2020	-	152,591	152,591
Charge for year	-	8,609	8,609
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	161,200	161,200
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2020	3,669,603	48,783	3,718,386
	<hr/>	<hr/>	<hr/>
At 31 December 2019	3,661,803	50,945	3,712,748
	<hr/>	<hr/>	<hr/>

The freehold properties were valued by N Marston MRICS of Smith-Woolley & Perry in May 2015 on the basis of current use and occupation. The Trustees consider this valuation to be indicative of the fair value of the properties at 31 December 2020.

11. FIXED ASSET INVESTMENTS

	COIF charity funds £
MARKET VALUE	
At 1 January 2020	3,609,478
Unrealised gains and losses	352,708
	<hr/>
At 31 December 2020	3,962,186
	<hr/>
NET BOOK VALUE	
At 31 December 2020	3,962,186
	<hr/>
At 31 December 2019	3,609,478
	<hr/>

There were no investment assets outside the UK.

The majority of the investment portfolio is held in Charities Official Investment Fund accumulation units with the remainder being Charities Official Investment Fund fixed interest income units.

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020	
and 31 December 2020	145,000
NET BOOK VALUE	
At 31 December 2020	145,000
At 31 December 2019	145,000

The freehold investment properties were subject to a five year revaluation in December 2014 / February 2015. The properties were valued by D J Thackray MRICS of Caxtons Chartered Surveyors on a open market basis. The Trustees consider this valuation to be indicative of the fair value of the remaining property at 31 December 2020.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Rents due	477	477
Due from residents	4,829	5,546
Other debtors	500	2,300
	<u>5,806</u>	<u>8,323</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Owed to suppliers	4,745	7,267
Other creditors and accruals	5,719	9,114
	<u>10,464</u>	<u>16,381</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds	2019 Total funds
	£	£	£	£	£
Fixed assets	29,342	-	3,689,044	3,718,386	3,712,748
Investments	1,714,452	-	2,392,734	4,107,186	3,754,478
Current assets	613,749	-	563,780	1,177,529	1,233,316
Current liabilities	(10,464)	-	-	(10,464)	(16,381)
	<u>2,347,079</u>	<u>-</u>	<u>6,645,558</u>	<u>8,992,637</u>	<u>8,684,161</u>

MUNICIPAL CHARITIES OF DOVER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	1,813,157	189,951	(1,271)	2,001,837
Extraordinary Repair Fund	306,473	29,994	-	336,467
Grigg shoe	8,490	(206)	491	8,775
	<u>2,128,120</u>	<u>219,739</u>	<u>(780)</u>	<u>2,347,079</u>
Endowment funds				
Almshouses fund (permanent)	5,325,105	196,941	8,580	5,530,626
Almshouses fund (available for expenditure per resolution)	1,230,936	(108,204)	(7,800)	1,114,932
	<u>6,556,041</u>	<u>88,737</u>	<u>780</u>	<u>6,645,558</u>
TOTAL FUNDS	<u>8,684,161</u>	<u>308,476</u>	<u>-</u>	<u>8,992,637</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	386,405	(318,511)	122,057	189,951
Extraordinary Repair Fund	-	-	29,994	29,994
Grigg shoe	274	(765)	285	(206)
	<u>386,679</u>	<u>(319,276)</u>	<u>152,336</u>	<u>219,739</u>
Endowment funds				
Almshouses fund (permanent)	-	(3,431)	200,372	196,941
Almshouses fund (available for expenditure per resolution)	-	(108,204)	-	(108,204)
	<u>-</u>	<u>(111,635)</u>	<u>200,372</u>	<u>88,737</u>
TOTAL FUNDS	<u>386,679</u>	<u>(430,911)</u>	<u>352,708</u>	<u>308,476</u>

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	1,492,869	320,229	59	1,813,157
Extraordinary Repair Fund	251,940	54,533	-	306,473
Grigg shoe	8,229	(327)	588	8,490
	<u>1,753,038</u>	<u>374,435</u>	<u>647</u>	<u>2,128,120</u>
Endowment funds				
Almshouses fund (permanent)	4,958,368	360,272	6,465	5,325,105
Almshouses fund (available for expenditure per resolution)	1,526,638	(288,590)	(7,112)	1,230,936
	<u>6,485,006</u>	<u>71,682</u>	<u>(647)</u>	<u>6,556,041</u>
TOTAL FUNDS	<u>8,238,044</u>	<u>446,117</u>	<u>-</u>	<u>8,684,161</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	383,620	(309,834)	246,443	320,229
Extraordinary Repair Fund	-	-	54,533	54,533
Grigg shoe	274	(862)	261	(327)
	<u>383,894</u>	<u>(310,696)</u>	<u>301,237</u>	<u>374,435</u>
Endowment funds				
Almshouses fund (permanent)	-	(4,037)	364,309	360,272
Almshouses fund (available for expenditure per resolution)	-	(288,590)	-	(288,590)
	<u>-</u>	<u>(292,627)</u>	<u>364,309</u>	<u>71,682</u>
TOTAL FUNDS	<u>383,894</u>	<u>(603,323)</u>	<u>665,546</u>	<u>446,117</u>

Unrestricted funds comprise those funds that the trustees are free to use in accordance with the Charity's objects.

The Extraordinary Repair Fund represents funds set aside by the trustees for the purpose of extending the provision of and modernising the existing provision of almshouses.

The Grigg Shoe Fund provides free footwear to selected primary schools in the Dover area for children in need. Any deficit of income over expenditure in the year is funded by a transfer from the general fund.

The Permanent Endowment Fund relates to the original legacies given to the Charity as revalued and are not available for distribution by the trustees. This was set up to protect income from original bequests and allow expansion of the provision of almshouse accommodation to more people rather than subsidising the rents of a fortunate minority of existing almspeople. During the prior year the Trustees passed a resolution, which was subsequently approved by the Charity Commission, to spend up to the sum of £1,965,000 of the permanent endowment towards and in connection with the construction of new almshouses at Cowgate Hill, Dover, Kent and any remedial works or works of improvement to the Charity's existing almshouses.

MUNICIPAL CHARITIES OF DOVER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

17. CONTINGENT LIABILITIES

During a prior year a derelict freehold property owned by the charity was demolished. It is the intention of the board of trustees to build an almshouse on the land. This will incur a substantial cost to the charity which is not currently quantifiable. As a result of a change in the plans for the building and the need to reapply for planning permission the previous estimate of the costs involved is no longer considered accurate.

18. OTHER FINANCIAL COMMITMENTS

At the year end the charity had financial commitments of £5,314 which had been contracted for but which are not provided for in these financial statements.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

20. PENSION CONTRIBUTIONS

The pension cost in the year amounted to £7,887 (2019 - £7,378) inclusive of employee contributions. Five (2019 - five) members of staff are accruing benefits under this scheme.

MUNICIPAL CHARITIES OF DOVER

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	10,000	-
Investment income		
Rents receivable	6,019	5,891
Deposit account interest	3,304	6,709
	<hr/> 9,323	<hr/> 12,600
Charitable activities		
Residents contributions	367,356	371,294
	<hr/>	<hr/>
Total incoming resources	386,679	383,894
EXPENDITURE		
Investment management costs		
Rates and insurance	400	390
Bank charges and other fees	676	748
Repairs (net of contributions)	418	504
Managing agent's fees	486	464
	<hr/> 1,980	<hr/> 2,106
Charitable activities		
Salaries, etc	115,583	108,290
Repairs and maintenance	227,867	422,588
Rates and insurance	20,953	15,296
Light and heat	11,616	8,593
Office costs	14,115	15,305
TV rentals, licenses, etc	473	447
Payments to beneficiaries	4,170	3,937
Training and subscriptions	788	449
Furniture and equipment depreciation	8,609	8,991
Grants to institutions	10,000	-
	<hr/> 414,174	<hr/> 583,896
Support costs		
Governance costs		
Auditors' remuneration	2,250	2,220
Clerk's salary	5,607	5,417
Accountancy	6,900	9,684
	<hr/> 14,757	<hr/> 17,321
Total resources expended	430,911	603,323
	<hr/>	<hr/>
Net expenditure	<u>(44,232)</u>	<u>(219,429)</u>

This page does not form part of the statutory financial statements