

LICHFIELD MUNICIPAL CHARITIES
Registered Charity Number: 254299

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Dains LLP
Chartered Accountants
St Johns Court
Wiltell Road
Lichfield
Staffordshire
WS14 9DS

**LICHFIELD MUNICIPAL CHARITIES
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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference and administrative information

Trustees:

The Charity trustees who served during the year and their appointing bodies are:

J Russell	Chairman	Co-optative
W M Henwood	Vice chairman	Co-optative
D F Baker	Expired 17 May 2021	Ex- officio
L E Benham	Terminated 8 June 2021	Co-optative
J M Eagland		Co-optative
C P Earnshaw	Appointed 8 June 2021	Co-optative
J A Greaves		Lichfield City Council
D Greatorex		Lichfield City Council
P S Jones		Lichfield City Council
C J McNeill		Co-optative
T J Roach		Co-optative
N G Sedgwick		Co-optative
C R Stokes		Co-optative
M A Warfield		Co-optative
R P Yardley	Appointed 17 May 2021	Ex- officio

Principal Address: S R James
The Clerk
Lichfield Municipal Charities
St Mary's Chambers
5 Breadmarket Street
Lichfield
WS13 6LQ

Website: www.lichfieldmunicipal.org.uk

Registered Charity Number: 254299

Principal Bankers: CAF Bank Ltd
25 Kings Hills Avenue
Kings Hill
West Malling
ME19 4JQ

Independent Examiner: A P Morris FCA
of Dains LLP
Chartered Accountants
St Johns Court
Wiltell Road
Lichfield
Staffs
WS14 9DS

Investment Advisers: Brewin Dolphin Securities Ltd
9 Colmore Row
Birmingham
B3 2BJ

**LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)
Report of the Trustees for the year ended 31 December 2021**

The trustees present their report along with the financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 7 and comply with the Charity Commission Scheme, the Charities Act 2011 and 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 effective 1 January 2019.

Structure, Governance and Management

History, Objectives and Activities for the Public Benefit

Lichfield Municipal Charities was established in 1654 and is now regulated by a Charity Commission Scheme which was sealed on 24 September 1982. The Charity is an unincorporated association. The Charity does not actively fundraise and seeks to continue its philanthropic work through the careful stewardship of its existing resources.

Lichfield Municipal Charities comprises of thirteen Almshouses known as William Lunn Homes which are situated in Lichfield. Four are suitable for single persons and the remaining nine are suitable for married couples. The Almshouses are available for occupation by poor inhabitants of the City of Lichfield.

After paying the costs of maintaining the property and expenses incidental to the administration of the Charity, any surplus is available for the relief of need, either generally or individually of persons resident in the area of the former City of Lichfield as constituted on 31 March 1974.

Management and Governance

Following an amendment during 2013, the Scheme provides for the appointment of 14 trustees, 1 ex-officio, 3 nominative and 10 co-optative. The ex-officio trustee is the Mayor of the City of Lichfield. The three nominative trustees are appointed by Lichfield City Council. Nominative trustees serve for a period of four years. Co-optative trustees serve for a period of five years. New co-optative trustees are identified from people within the local community who have the necessary skills and interest and are appointed by the remaining trustees.

The induction process for any newly appointed trustee comprises an initial meeting with the board of trustees at which an information pack is provided. This includes a copy of the governing document, a copy of the most recent annual report and accounts, copy minutes of previous trustees' meetings and a copy of the Charity Commission Guidance 'The Essential Trustee' and 'Charities and Public Benefit'.

The trustees normally meet four times a year to consider the Charity's affairs and as and when appropriate the broad strategy and area of activity for the Charity, including consideration of grant making, investments, reserves and risk management policies and performance.

The day to day administration of the Charity is delegated to the Clerk.

Risk Review

The trustees have examined the major internal and external risks which the Charity faces and confirm that systems have been established to minimise these risks.

Grant making policy and procedures

The Charity is well known in the City and invites applications from individuals and organisations. Each application is considered on its own merits.

Grant application forms are available from the Clerk whose address is shown on page 1 or from the website, www.lichfieldmunicipal.org.uk

**LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

Achievements and Performance

During the year building work commenced to remodel four of the units into three larger ones. This project will be completed during 2022.

Other charitable expenditure during the year totalled £15,800. A detailed breakdown of this figure is given in note 4 to the accounts.

Financial Review

Investment Policy and Performance

The Charity derives its income from its portfolio of investments and a small holding of land. The investment portfolio is managed by external fund managers on a discretionary basis to achieve a balanced return from income and capital growth by accepting a moderate level of risk. The total return from the portfolio over the twelve months was 15.33% compared with a return of 13.77% in the Brewin Dolphin Category 6 index. The PIMFA balanced index returned 12.54% over the same period.

The trustees monitor the performance of the fund on a quarterly basis.

Reserves Policy

Charity funds at 31 December 2021 totalled £2,961,269 and comprised permanent endowment £2,074,530, extraordinary repairs fund £118,047 and unrestricted reserves £768,692.

The trustees aim to maintain such reserves as are necessary for the future repair, improvement and refurbishment of the Almshouses and to finance working capital requirements.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning and setting their grant making policy for the year and have complied with their duties under the Charities Act 2011.

Trustees' Responsibilities in Relation to the Financial Statements

Law applicable to charities in England Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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 the Trustees on 8 March 2022 and signed on their behalf by:

W Henwood

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LICHFIELD MUNICIPAL CHARITIES

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 5-9.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A P Morris FCA
Chartered Accountant
of Dains LLP
St John's Court
Wiltell Road
Lichfield
Staffordshire
WS14 9DS

Date: March 8, 2022

**LICHFIELD MUNICIPAL CHARITIES
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021**

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2021 £	Total 2020 £ <i>(As restated)</i>
Income and endowments from:						
Charitable activities						
Maintenance contributions receivable		45,372			45,372	44,659
Investments						
Income from listed investments	2	42,247	2,698		44,945	41,961
Deposit interest and similar income		7			7	92
Rental income		365			365	365
Other		798			798	71
Total		88,789	2,698		91,487	87,148
Expenditure on:						
Almshouse running costs	3	28,930			28,930	39,760
Other charitable expenditure	4	15,800			15,800	14,491
Investment management charges	5	2,619	654	7,498	10,771	10,032
Insurance etc re land at Darnford		321			321	292
Clerk's salary		14,375			14,375	13,900
Independent examiner's fees		2,436			2,436	2,382
Sundry expenses		1,143			1,143	747
Depreciation - Solar panels		977			977	977
Total		66,601	654	7,498	74,753	82,581
Gains/(losses) on investments	10	36,063	1,303	187,131	224,497	14,214
Net income/(expenditure)		58,251	3,347	179,633	241,231	18,781
Net movement in funds		58,251	3,347	179,633	241,231	18,781
Reconciliation of funds:						
Total funds brought forward		687,993	114,700	1,894,897	2,697,590	2,701,256
Prior year adjustment	13	22,447			22,447	
Total funds carried forward		768,691	118,047	2,074,530	2,961,268	2,720,037

LICHFIELD MUNICIPAL CHARITIES
BALANCE SHEET
31 DECEMBER 2021

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2021 £	Total 2020 £ <i>(As restated)</i>
Fixed Assets						
Freehold Land and Buildings	7	180,831		680,000	860,831	702,447
Solar Panels	8	3,911			3,911	4,888
Investment Property	9			7,500	7,500	7,500
Listed Investments	10	475,320	118,016	1,395,901	1,989,237	1,772,472
		660,062	118,016	2,083,401	2,861,479	2,487,307
Current Assets						
Debtors	11	4,728			4,728	3,869
Balances at Bank:						
Deposit		80,784			80,784	80,776
Current		29,525	194	(6,935)	22,784	167,850
Total current assets		115,037	194	(6,935)	108,296	252,495
Liabilities						
	12					
Creditors: Amounts due within 1 year		6,408	163	1,936	8,507	19,765
Net Current Assets		108,629	31	(8,871)	99,789	232,730
Net Assets		768,691	118,047	2,074,530	2,961,268	2,720,037
The funds of the charity:						
Permanent endowment				2,074,530	2,074,530	1,894,897
Extraordinary repairs fund			118,047		118,047	114,700
Unrestricted income funds		768,691			768,691	710,440
		768,691	118,047	2,074,530	2,961,268	2,720,037

These financial statements were approved by the Board of Trustees on 8 March 2022 and signed on their behalf by:

W Henwood

T J Roach

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies

a Basis of Accounting

The financial statements have been prepared in accordance with 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 (FRS102) effective 01/01/2019, the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements comply with FRS 102.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

b Freehold Land and Buildings

Freehold Land and Buildings are included at their reinstatement value for insurance purposes as at July 2004. Remodelling and refurbishment costs incurred in 2020 and 2021 have been capitalised. The property is to be revalued on completion of the project.

c Investment Property

Investment property has been valued by the trustees at open market value subject to existing use.

d Listed Investments

Listed investments are stated at market value.

e Funds

The income fund comprises those funds which the trustees are free to use in accordance with the charitable objects.

The permanent endowment represents those assets which must be held permanently by the charity. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of that fund. Investment management charges relating to the fund are charged against that fund.

The extraordinary repairs fund is a designated reserve which represents amounts set aside to carry out major repairs on the freehold buildings.

2 Income from Listed Investments

In 2020 income from listed investments totalled £41,961, of which £38,955 represented unrestricted income funds and £3,006 represented the extraordinary repairs fund.

3 Almshouse Running Costs

	2021	2020
	£	£
	(As restated)	
Insurance	1,404	1,364
Garden Maintenance	4,280	4,114
Water, Council Tax and Electric	12,402	8,393
Lifeline and Smoke Alarm System	111	634
Repairs and Renewals	5,007	16,516
Professional fees re proposed additional Almshouse	4,800	7,527
Sundry Expenses	926	1,212
	<u>28,930</u>	<u>39,760</u>

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

4 Other Charitable Expenditure

	2021	2020
	£	£
Grants to Organisations	5,000	5,500
Grants to 23 individuals (2020 - 22)	10,800	8,991
	<u>15,800</u>	<u>14,491</u>
Grants to Organisations were as follows:		
Nether Stowe School	5,000	
Lichfield Food Bank		500
St Giles Hospice		5,000
	<u>5,000</u>	<u>5,022</u>

5 Investment management charges

In 2020 the expenditure on investment management charges totalled £10,032 of which £6,665 was from the endowment fund, £664 from the extraordinary repair fund and £2,703 from unrestricted income funds.

6 Trustees Remuneration and Expenses and Related Party Transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them. An Annual Dinner was held for trustees at a cost of £642 (2020-£580). No expenses were paid to any trustee during the year.(2020- nil)

7 Freehold Land and Buildings

	2021	2020
	£	£
		(As restated)
13 Bungalows known as William Lunns Homes		
At 1 January 2021	702,447	680,000
Add remodelling/refurbishment expenditure	158,384	22,447
	<u>860,831</u>	<u>702,447</u>

8 Solar Panels

	2021	2020
	£	£
At cost	<u>9,773</u>	<u>9,773</u>
Depreciation at 1 January 2021	4,885	3,908
Depreciation charge for the year	977	977
Depreciation at 31 December 2021	<u>5,862</u>	<u>4,885</u>
Net book value at 31 December 2021	<u>3,911</u>	<u>4,888</u>

The solar panels were financed by a donation from Low Carbon Lichfield and are being depreciated over 10 years on a straight line basis.

9 Investment Property

	2021	2020
	£	£
Land at Darnford-At 1 January 2021 and 31 December 2021	<u>7,500</u>	<u>7,500</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Listed Investments

	2021	2020
	£	£
Listed UK Investments	1,934,566	1,704,842
Investment Portfolio Cash	54,671	67,630
	<u>1,989,237</u>	<u>1,772,472</u>

	Income Fund	Extraordinary Repairs Fund	Endowment Fund	Total 2021	Total 2020
	£	£	£	£	£
Investments held at 01.01.21	431,766	91,750	1,181,326	1,704,842	1,829,511
Additions at cost	59,742	19,972	48,870	128,584	304,339
Disposals at carrying value	(74,741)		(48,616)	(123,357)	(443,222)
Add net gain/(loss) on revaluation	36,063	1,303	187,131	224,497	14,214
Investments held at 31.12.21	<u>452,830</u>	<u>113,025</u>	<u>1,368,711</u>	<u>1,934,566</u>	<u>1,704,842</u>

All investments are quoted on the London Stock Exchange and are carried at their market value.
 Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

11 Debtors

	2021	2020
	£	£
Maintenance Contributions Receivable	618	1,032
Other Debtors and Prepayments	1,224	360
Investment Income	2,886	2,477
	<u>4,728</u>	<u>3,869</u>

12 Creditors

	2021	2020
	£	£
Creditors and accrued expenses	<u>8,507</u>	<u>19,765</u>
Permanent endowment	1,936	1,771
Extraordinary repairs fund	163	166
Unrestricted income funds	<u>6,408</u>	<u>17,828</u>
	<u>8,507</u>	<u>19,765</u>

13 Prior year adjustment

The professional fees incurred in 2020 relating to the remodelling project have been capitalised.

14 Future Commitment

The remodelling of four Almhouses into three larger units was in progress at the year end.
 The estimated costs to completion totalled approximately £115,000.