

LICHFIELD MUNICIPAL CHARITIES
Registered Charity Number: 254299

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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

**LICHFIELD MUNICIPAL CHARITIES
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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Reference and administrative information

Trustees:

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

W M Henwood	Chairman from 7 March 2022	Co-optative
J Russell	Chairman to 7 March 2022	Co-optative
T J Roach	Vice chairman	Co-optative
J Checkland	appointed 17 May 2022	Ex- officio
J M Eagland		Co-optative
C P Earnshaw		Co-optative
J A Greaves		Lichfield City Council
D Greatorex		Lichfield City Council
P S Jones		Lichfield City Council
C J McNeill		Co-optative
N G Sedgwick		Co-optative
R Shaw	appointed 8 March 2022	Co-optative
C R Stokes		Co-optative
M A Warfield		Co-optative
R P Yardley	terminated 17 May 2022	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 Audit Ltd
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 2022 (CONTINUED)
Report of the Trustees for the year ended 31 December 2022**

The trustees present their report along with the financial statements of the Charity for the year ended 31 December 2022. 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.

Following the remodelling project, which was completed during 2022, Lichfield Municipal Charities now comprises twelve Almshouses known as William Lunn Homes, which are situated in Lichfield. All are suitable for 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 2022 (CONTINUED)**

Achievements and Performance

During the year building work was completed to remodel four of the units into three larger ones. Other charitable expenditure during the year totalled £8,543. 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 investment portfolio suffered over the year to 31 December 2022 due to the onset of the war in Ukraine and the sharp increase in interest rates, which led to a total return from the portfolio of -7.06%.

This compares with a return of -6.31% in the Brewin Dolphin Category 6 index and -8.10% in the PIMFA balanced index over the same period.

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

Reserves Policy

Charity funds at 31 December 2022 totalled £2,793,769 and comprised permanent endowment £1,931,256, extraordinary repairs fund £106,194 and unrestricted reserves £756,319.

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 7 March 2023 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 2022 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 Audit Ltd
St John's Court
Wiltell Road
Lichfield
Staffordshire
WS14 9DS

Date: March 7, 2023

LICHFIELD MUNICIPAL CHARITIES
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2022 £	Total 2021 £
Income and endowments from:						
Charitable activities						
Maintenance contributions receivable		44,655			44,655	45,372
Investments						
Income from listed investments	2	41,804	2,743		44,547	44,945
Deposit interest and similar income		163			163	7
Rental income		365			365	365
Other						798
Total		86,987	2,743		89,730	91,487
Expenditure on:						
Almshouse running costs	3	30,608			30,608	28,930
Other charitable expenditure	4	8,543			8,543	15,800
Investment management charges	5	2,323	627	7,354	10,304	10,771
Insurance etc re land at Darnford		324			324	321
Clerk's salary		14,935			14,935	14,375
Independent examiner's fees		2,604			2,604	2,436
Sundry expenses		1,251			1,251	1,143
Depreciation - Solar panels		977			977	977
Total		61,565	627	7,354	69,546	74,753
Gains/(losses) on investments	10	(37,794)	(13,969)	(135,920)	(187,683)	224,497
Net income/(expenditure)		(12,372)	(11,853)	(143,274)	(167,499)	241,231
Net movement in funds		(12,372)	(11,853)	(143,274)	(167,499)	241,231
Reconciliation of funds:						
Total funds brought forward		768,691	118,047	2,074,530	2,961,268	2,720,037
Total funds carried forward		756,319	106,194	1,931,256	2,793,769	2,961,268

**LICHFIELD MUNICIPAL CHARITIES
BALANCE SHEET
31 DECEMBER 2022**

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2022 £	Total 2021 £
Fixed Assets						
Freehold Land and Buildings	7	284,565		680,000	964,565	860,831
Solar Panels	8	2,934			2,934	3,911
Investment Property	9			7,500	7,500	7,500
Listed Investments	10	385,179	106,155	1,252,477	1,743,811	1,989,237
		672,678	106,155	1,939,977	2,718,810	2,861,479
Current Assets						
Debtors	11	3,804			3,804	4,728
Balances at Bank:						
Deposit		25,810			25,810	80,784
Current		64,895	195	(6,882)	58,208	22,784
Total current assets		94,509	195	(6,882)	87,822	108,296
Liabilities						
	12					
Creditors: Amounts due within 1 year		10,868	156	1,839	12,863	8,507
Net Current Assets		83,641	39	(8,721)	74,959	99,789
Net Assets		756,319	106,194	1,931,256	2,793,769	2,961,268
The funds of the charity:						
Permanent endowment				1,931,256	1,931,256	2,074,530
Extraordinary repairs fund			106,194		106,194	118,047
Unrestricted income funds		756,319			756,319	768,691
		756,319	106,194	1,931,256	2,793,769	2,961,268

These financial statements were approved by the Board of Trustees on 7 March 2023 and signed on their behalf by:

T J Roach

W Henwood

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 with remodelling and refurbishment costs incurred since that date included at cost. 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 2021 income from listed investments totalled £44,945 of which £42,247 represented unrestricted income funds and £2,698 represented the extraordinary repairs fund.

3 Almshouse Running Costs

	2022	2021
	£	£
Insurance	1,497	1,404
Garden Maintenance	8,519	4,280
Water, Council Tax and Electric	9,127	12,402
Lifeline and Smoke Alarm System	837	111
Repairs and Renewals	9,556	5,007
Professional fees re proposed additional Almshouse	-	4,800
Advertising	150	
Sundry Expenses	922	926
	<u>30,608</u>	<u>28,930</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other Charitable Expenditure

	2022	2021
	£	£
Grants to Organisations: Nether Stowe School	-	5,000
Grants to 18 individuals (2021 - 23)	8,543	10,800
	<u>8,543</u>	<u>15,800</u>

5 Investment management charges

In 2021 the expenditure on investment management charges totalled £10,771 of which £7,498 was from the endowment fund, £654 from the extraordinary repair fund and £2,619 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 £653 (2021-£642). No expenses were paid to any trustee during the year.(2021- nil)

7 Freehold Land and Buildings

	2022	2021
	£	£
12 Bungalows known as William Lunn's Homes		
At 1 January 2021	860,831	702,447
Add remodelling/refurbishment expenditure	103,734	158,384
	<u>964,565</u>	<u>860,831</u>

8 Solar Panels

	2022	2021
	£	£
At cost	<u>9,773</u>	<u>9,773</u>
Depreciation at 1 January 2022	5,862	4,885
Depreciation charge for the year	977	977
Depreciation at 31 December 2022	<u>6,839</u>	<u>5,862</u>
Net book value at 31 December 2022	<u>2,934</u>	<u>3,911</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

	2022	2021
	£	£
Land at Darnford-At 1 January 2022 and 31 December 2022	<u>7,500</u>	<u>7,500</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Listed Investments

	2022	2021
	£	£
Listed UK Investments	1,719,705	1,934,566
Investment Portfolio Cash	24,106	54,671
	<u>1,743,811</u>	<u>1,989,237</u>

	Income Fund	Extraordinary Repairs Fund	Endowment Fund	Total 2022	Total 2021
	£	£	£	£	£
Investments held at 01.01.22	452,830	113,025	1,368,711	1,934,566	1,704,842
Additions at cost	19,072	20,071	95,574	134,717	128,584
Disposals at carrying value	(59,362)	(19,160)	(83,373)	(161,895)	(123,357)
Add net gain/(loss) on revaluation	(37,794)	(13,969)	(135,920)	(187,683)	224,497
Investments held at 31.12.22	<u>374,746</u>	<u>99,967</u>	<u>1,244,992</u>	<u>1,719,705</u>	<u>1,934,566</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

	2022	2021
	£	£
Maintenance Contributions Receivable	1,170	618
Other Debtors and Prepayments	-	1,224
Investment Income	2,634	2,886
	<u>3,804</u>	<u>4,728</u>

12 Creditors

	2022	2021
	£	£
Creditors and accrued expenses	<u>12,863</u>	<u>8,507</u>
Permanent endowment	1,839	1,936
Extraordinary repairs fund	156	163
Unrestricted income funds	<u>10,868</u>	<u>6,408</u>
	<u>12,863</u>	<u>8,507</u>

13 Future Commitment

The refurbishment of one of the almshouses was in progress at the year end.
The estimated costs to completion totalled £3,500.

14 Contingent Asset

The trustees have been notified that the charity is a residuary beneficiary of the estate of the late Mr R S Owe.
The amount due to the charity has not yet been quantified and the trustees have concluded that the conditions for recognition have not been met and accordingly this legacy has not been recognised in these accounts.