

LICHFIELD MUNICIPAL CHARITIES
Registered Charity Number: 254299

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

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 2023**

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**LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Reference and administrative information

Trustees:

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

W M Henwood	Chairman	Co-optative
C P Earnshaw	Vice chairman from 5 September 2023	Co-optative
T J Roach	Vice chairman	Co-optative
J Checkland	terminated June 2023	Ex- officio
J M Eagland		Co-optative
M Field	appointed October 2023	Lichfield City Council
J A Greaves		Lichfield City Council
D Greatorex		Lichfield City Council
Dr A Hughes	appointed June 2023	Ex- officio
P S Jones	terminated June 2023	Lichfield City Council
C J McNeill	resigned April 2024	Co-optative
J Russell		Co-optative
N G Sedgwick		Co-optative
R Shaw	terminated June 2023	Co-optative
C R Stokes		Co-optative
M A Warfield	terminated November 2023	Co-optative

Principal Address: S R James
The Clerk Lichfield Municipal Charities
Bank House Farm
Woodhouses
Yoxall
Staffs
DE13 8NR

Website: www.lichfieldmunicipal.org.uk

Registered Charity No: 254299

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

Independent Examiner: M Gurney FCCA, DChA
of Dains Audit Ltd
Chartered Accountants
St Johns Court
Wiltell Road
Lichfield
WS14 9DS

Investment Advisers: RBC Brewin Dolphin
6th floor, The Chatwin Building
81, Colmore Row
Birmingham
B3 2BA

LICHFIELD MUNICIPAL CHARITIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)
Report of the Trustees for the year ended 31 December 2023

The trustees present their report along with the financial statements of the Charity for the year ended 31 December 2023. 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 2023 (CONTINUED)**

Achievements and Performance

Following the refurbishment project, new solar panels have been installed at the Almshouses. Other charitable expenditure during the year totalled £10,011. 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 generated a total return of 6.5% net of fees over the course of the year.

This compares with a return of 11.1% for the RBC Brewin Dolphin Category 6 index and 7.5% for 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 2023 totalled £2,977,855 and comprised permanent endowment £1,986,801, extraordinary repairs fund £111,104 and unrestricted reserves £879,950.

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 4 June 2024 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 2023 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.

M Gurney FCCA, DCha
of Dains Audit Ltd
St John's Court
Wiltell Road
Lichfield
Staffordshire
WS14 9DS

Date: June 4, 2024

**LICHFIELD MUNICIPAL CHARITIES
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023**

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2023 £	Total 2022 £
Income and endowments from:						
Charitable activities						
Maintenance contributions receivable		52,857			52,857	44,655
Investments						
Income from listed investments	2	49,055	4,274		53,329	44,547
Deposit interest and similar income		2,312			2,312	163
Rental income		365			365	365
Donations and Legacies						
Legacy - R S Owen		85,918			85,918	
Roger Hinton's Charity		900			900	
Other donation		200			200	
Total		191,607	4,274		195,881	89,730
Expenditure on:						
Almshouse running costs	3	34,302			34,302	30,608
Other charitable expenditure	4	10,011			10,011	8,543
Investment management charges	5	2,314	614	7,365	10,293	10,304
Insurance etc re land at Darnford		326			326	324
Clerk's salary		15,882			15,882	14,935
Independent examiner's fees		2,874			2,874	2,604
Sundry expenses		1,591			1,591	1,251
Impairment review		2,934			2,934	
Depreciation - Solar panels		2,691			2,691	977
Total		72,925	614	7,365	80,904	69,546
Gains/(losses) on investments	10	4,949	1,250	62,910	69,109	(187,683)
Net income/(expenditure)		123,631	4,910	55,545	184,086	(167,499)
Net movement in funds		123,631	4,910	55,545	184,086	(167,499)
Reconciliation of funds:						
Total funds brought forward		756,319	106,194	1,931,256	2,793,769	2,961,268
Total funds carried forward		879,950	111,104	1,986,801	2,977,855	2,793,769

LICHFIELD MUNICIPAL CHARITIES
BALANCE SHEET
31 DECEMBER 2023

	Note	Income Fund £	Extraordinary Repairs Fund £	Endowment Fund £	Total 2023 £	Total 2022 £
Fixed Assets						
Freehold Land and Buildings	7	284,565		680,000	964,565	964,565
Solar Panels	8	24,220			24,220	2,934
Investment Property	9			7,500	7,500	7,500
Listed Investments	10	540,197	110,826	1,307,616	1,958,639	1,743,811
		848,982	110,826	1,995,116	2,954,924	2,718,810
Current Assets						
Debtors	11	6,350			6,350	3,804
Balances at Bank:						
Deposit		18,081			18,081	25,810
Current		17,280	432	(6,479)	11,233	58,208
Total current assets		41,711	432	(6,479)	35,664	87,822
Liabilities						
	12					
Creditors: Amounts due within 1 year		10,743	154	1,836	12,733	12,863
Net Current Assets		30,968	278	(8,315)	22,931	74,959
Net Assets		879,950	111,104	1,986,801	2,977,855	2,793,769
The funds of the charity:						
Permanent endowment				1,986,801	1,986,801	1,931,256
Extraordinary repairs fund			111,104		111,104	106,194
Unrestricted income funds		879,950			879,950	756,319
		879,950	111,104	1,986,801	2,977,855	2,793,769

These financial statements were approved by the Board of Trustees on 4 June 2024 and signed on their behalf by:

W M Henwood

J Russell

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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 2022 income from listed investments totalled £44,547 of which £41,804 represented unrestricted income funds and £2,743 represented the extraordinary repairs fund.

3 Almshouse Running Costs

	2023 £	2022 £
Insurance	1,672	1,497
Garden Maintenance	7,625	8,519
Water, Council Tax and Electric	7,569	9,127
Lifeline and Smoke Alarm System	680	837
Repairs and Renewals	14,317	9,556
Advertising	-	150
Sundry Expenses	2,439	922
	<u>34,302</u>	<u>30,608</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other Charitable Expenditure

	2023 £	2022 £
Grants to 18 individuals (2022 - 18)	10,011	8,543
	<u>10,011</u>	<u>8,543</u>

5 Investment management charges

In 2022 the expenditure on investment management charges totalled £10,304 of which £7,354 was from the endowment fund, £627 from the extraordinary repair fund and £2,323 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 £495 (2022-£653). No expenses were paid to any trustee during the year.(2022- nil)

7 Freehold Land and Buildings

	2023 £	2022 £
12 Bungalows known as William Lunn's Homes		
At 1 January 2023	964,565	860,831
Add remodelling/refurbishment expenditure		103,734
	<u>964,565</u>	<u>964,565</u>

8 Solar Panels

	2023 £	2022 £
At cost 1 January 2023	9,773	9,773
Additions	26,911	
Cost 31 December 2023	<u>36,684</u>	<u>9,773</u>
Depreciation at 1 January 2023	6,839	5,862
Depreciation charge for the year	2,691	977
Impairment	2,934	
Depreciation at 31 December 2023	<u>12,464</u>	<u>6,839</u>
Net book value at 31 December 2023	<u>24,220</u>	<u>2,934</u>

The solar panels were financed by a donation from Low Carbon Lichfield and were being depreciated over 10 years on a straight line basis. Following the refurbishment project they are no longer in use and have been replaced.

9 Investment Property

	2023 £	2022 £
Land at Darnford-At 1 January 2023 and 31 December 2023	<u>7,500</u>	<u>7,500</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 Listed Investments

	2023	2022
	£	£
Listed UK Investments	1,940,480	1,719,705
Investment Portfolio Cash	18,159	24,106
	<u>1,958,639</u>	<u>1,743,811</u>

	Income Fund	Extraordinary Repairs Fund	Endowment Fund	Total 2023	Total 2022
	£	£	£	£	£
Investments held at 01.01.23	374,746	99,967	1,244,992	1,719,705	1,934,566
Additions at cost	167,277	27,905	258,976	454,158	134,717
Disposals at carrying value	(14,147)	(27,280)	(261,065)	(302,492)	(161,895)
Add net gain/(loss) on revaluation	4,949	1,250	62,910	69,109	(187,683)
Investments held at 31.12.23	<u>532,825</u>	<u>101,842</u>	<u>1,305,813</u>	<u>1,940,480</u>	<u>1,719,705</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).
RBC Brewin Dolphin Limited provide a discretionary management service

11 Debtors

	2023	2022
	£	£
Maintenance Contributions Receivable	685	1,170
Other Debtors and Prepayments	1,373	-
Investment Income	4,292	2,634
	<u>6,350</u>	<u>3,804</u>

12 Creditors

	2023	2022
	£	£
Creditors and accrued expenses	<u>12,733</u>	<u>12,863</u>
Permanent endowment	1,836	1,839
Extraordinary repairs fund	154	156
Unrestricted income funds	<u>10,743</u>	<u>10,868</u>
	<u>12,733</u>	<u>12,863</u>

LICHFIELD MUNICIPAL CHARITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13 Analysis of Net Assets Between Funds

	Accumulated Income Fund	Extraordinary Repairs Fund	Endowment Fund	Total 2022
	£	£	£	£
Fixed Assets	672,678	106,155	1,939,977	2,718,810
Current Assets	94,509	195	(6,882)	87,822
Current Liabilities	(10,868)	(156)	(1,839)	(12,863)
Fund Balance	<u>756,319</u>	<u>106,194</u>	<u>1,931,256</u>	<u>2,793,769</u>