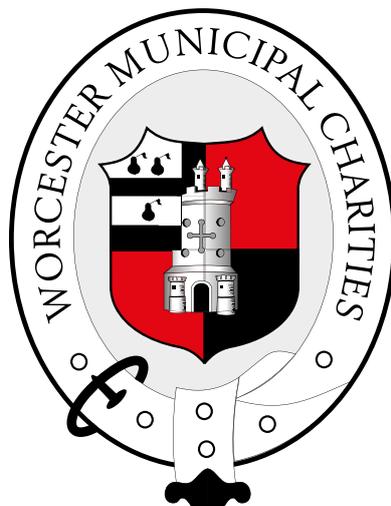


WORCESTER MUNICIPAL CHARITIES (CIO)

Registered Charity No.1166931 • Member of the Almshouse Consortium
Registered Housing Association No.4855 • Member of the Almshouse Association No.159



Predecessor charities
founded 1559 & 1836

TRUSTEES' ANNUAL REPORT 1st JANUARY – 31st DECEMBER 2023

This is the eighth Annual Report of the Charity which was created specifically by the Trustees in 2016 as the replacement Charity for Worcester Municipal Exhibitions Foundation (Education) and Worcester Consolidated Municipal Charity (Relief in Need & Almshouses), whose business, staff, assets and liabilities were vested in the new Charity on 1st July 2016, as a "Charitable Incorporated Organisation" which has very similar objects to the two unincorporated predecessor Charities which it replaced.

The Trustees present their report and the audited financial statements of the Charity for the twelve months' period ended 31st December 2023 ("The Period"). The Trustees have adopted the provisions of the Charities SORP "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 (CFRS 102) and the Housing SORP; Accounting by Registered Social Housing Providers update 2018."

The financial statements for the Charity have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Statements of Recommended Practice.

All enquiries to the Registered Office

Worcester Municipal Charities (CIO)
Kateryn Heywood House
Berkeley Court, The Foregate
Worcester WR1 3QG
Telephone: 01905 317117
Fax: 01905 619979

Office Administration:

Maggie Inglis, Sarah Bradnick, Margaret Green
Email: admin@wmcharities.org.uk

Office Accounts:

Carlo Barentsen, Sarah Bradnick
Email: accounts@wmcharities.org.uk

Website: www.wmcharities.org.uk



Berkeley's Hospital Chapel and Almshouses - Grade 1 Listed Building

Providing sheltered housing for seven residents, the Charity's offices, and the redundant Chapel, now used as a meeting room for Trustees, residents and also available for other charities to use free, providing they meet certain conditions such as not holding more than 1 year's income in reserve.

WORCESTER MUNICIPAL CHARITIES (CIO)

"The Charity"

REPORT FOR THE 12 MONTHS' PERIOD ENDED 31st DECEMBER 2023 ("The Period")

For ease of understanding "the Charity" also refers generally to the two predecessor charities in respect of events prior to 1st July 2016

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Note – In 2020 the Charity published "**While the World Endureth**", a history of the Trust since 1559. Copies are available from the office @ cost price £27, or can be viewed on the website: <http://www.wmcharities.org.uk>

1. CONSTITUTIONAL CHANGES LEADING TO THE PRESENT DAY

- a) After Henry VIII dissolved the monasteries (1536 - 40) the new Church of England's behaviour inspired little confidence and benefactors began leaving money in trust to the local Municipal Corporations instead. Kateryn Heywood, the first such local donor, in her will of 1559, "gave unto the Corporation of Worcester, 100 marks, to be delivered to the Chamber of the said City, to the end that it might be bestowed in lands for the poor people for ever." Many other local benefactors followed suit, leading to the creation by Robert Youle in 1560 of the **St. Thomas's Day (or General) Charities**. They invested in properties and, from the rental income, handed out doles of two shillings per family, to a disorderly queue at the Guildhall on St. Thomas' Day December 21st, "Winter Solstice", the appointed day. The money was distributed indiscriminately, without reference to assessed need, (other than thirst!) and it was always possible to re-join the disorderly queue outside the Guildhall. This "**very objectionable scheme**" was discontinued in 1867.
- b) The Municipal Corporations comprised self-appointed freemen and aldermen, and widespread concern nationally grew about their ability to manage the charities properly and honestly. Charity Commissioners were appointed in the first part of the 19th Century to inspect all the public charities throughout the land, and their national inquiries and discovery of widespread abuse of Trust led directly to the passing of the "Municipal Corporation Reform Act" in 1835. In Worcester all the money and property that remained from the original 27 charitable bequests was then transferred from the old un-elected Corporations to new independent bodies of charity trustees, initially appointed by the Lord Chancellor in 1836.
- c) In 1899 they were consolidated into one holding Charity, **the Worcester Consolidated Municipal Charity**. Of these 27 charities, the 6 primarily educational charities, were consolidated into the **Worcester Municipal Exhibitions Foundation** in 1909. Both charities were managed together by the same single body of Trustees from 1913 onwards.
- d) On 4th May 2016 Worcester Municipal Charities CIO ("WMC (CIO)") was registered with the Charity Commission with registration no.1166931, and on vesting day 1st July 2016, the business, staff and all the assets and liabilities of the two predecessor charities were handed over to the new Charity, followed by the former ones being wound up.

2. THE "CHARITABLE OBJECTS" OF THE WMC (CIO) ARE:

- (a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;
- (b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and
- (c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.
- (d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

The Trustees believe the charitable objects collectively constitute the public benefit requirement of the Charity Commission.

3. "CONSTITUTIONAL GRANT" PRESCRIBED BY THE TRUST DEEDS

By virtue of the intention of the original benefactors and the original constitutions of the predecessor charities, the following grant is automatically payable each year:

"Nought point one per cent (0.1%) of the "Net" income of the CIO from its permanent endowment assets income of the CIO, or as near as may be applied, shall be applied in augmenting the income of the charity called Palmer's Educational Foundation in the Ancient Parish of Suckley in the County of Worcestershire."

The Trustees have agreed that "If 0.1% is less than £950 it will be increased to that amount.

Two Trustees of this Charity, Brenda Sheridan and Margaret Jones are nominated as trustees to the "John Palmer" Charity.

4. ADMINISTRATION OF THE TRUSTEE BODY

The Charity is administered by 17 Trustees.

Four are "appointed" by Worcester City Council; four are "nominated" by major beneficiary "stakeholder" charities, chosen in a ballot of the Trustees every 3 years; and nine "independent Trustees" are "appointed" by the Independent Trustees and the Worcester City Council Appointed Trustees, being "persons who through residence, occupation, employment or otherwise, have special knowledge of Worcester City".

Upon appointment, new Trustees receive an introductory tour of the Charity's office along with advice and information about the organisation. They are provided with copies of the Constitution and Rules, the Annual Report and Accounts, a History of the Charity, and a reference to the Charity Commission's publication CC3 "the Essential Trustee," which includes a trustee job description.

The 17 Trustees of the Charity during The Period were as follows:

Paul Griffith I, (Chairman), Geraint Thomas Ch (Vice Chairman), Roger Berry I, Tracy Biggs N Richard Boorn N, Paul Denham I, Jill Desayrah N, Graham Hughes I, Margaret Jones I, Mel Kirk Ch, Roger Knight N, Jonathan Newey I, Sue Osborne Ch, Margaret Panter Ch, Ron Rust I, Martyn Saunders I, Brenda Sheridan I.

(Two Trusteeships expired in the period, Jenny Barnes and Alan Tidy and they were replaced by Tracy Biggs N and Jill Desayrah N)

"I" nine independent co-opted by the Board for 5 years;

"N" four nominated by the City Council for 4 years;

"Ch" four nominated to the Trustees by the 4 chosen major beneficiary "stakeholder" charities for 3 years i.e. Armchair, (Furniture Re-Cycling) Citizens Advice Worcester, MAGGS Day Centre for the Homeless and Worcester Heritage & Amenity Trust (Tudor House Museum). The Trustees will appoint the nominees if considered suitable with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

5. COMPOSITION OF THE TRUSTEE BODY AND THE ADMINISTRATION

The Trustees include people with experience in e.g. Social Services, Business Management, Child Care, Adult Care, Education, Housing, the Magistracy, Commerce, Finance, Planning, the Law, Property and Social Security. The Board of Trustees meet monthly, except in August and December, oversees the policy making of the Charity, scrutinises payments and bank balances, monitors the finances and reviews and approves the Grants Sub-Committee's recommendations.

The Board carries out annual inspections of the property owned on a rotational basis - there are two whole day inspections a year, with each property being visited once in every two years. The properties are all vested in the CIO as “Custodian” Charity.

A Grants Sub-Committee - meets monthly, to deal with the individual applications for grants that require detailed consideration. The Chairman and Vice Chairman have joint delegated authority to make grants up to £1,000 in an emergency (£2,000 over Christmas).

6. PROFESSIONAL ADVISERS AND STAFF OF THE CHARITY

The Charity retains Solicitors Hallmark Whatley Hulme, Chartered Surveyors GJS Dillon, Chartered Surveyors ARC Ltd., Architects Lett & Sweetland, Auditors Kendall Wadley LLP, and Unity Trust Plc as Bankers. (Full details of the Professional Advisers are on page 28).

The Trustees wish to place on record their thanks to all these officials for their work in helping the Charity to deliver a worthwhile service to Worcester’s needy citizens. Thanks are also due to the staff pictured:

Top left to right Carlo Barentsen (Accountant), Adrian Robinson (Property Business Manager), Bottom left to right Maggie Inglis (Office Manager), Margaret Green and Sarah Bradnick (Administrators) who together run the Charity office on a day-to-day basis.



7. THE "MISSION" STATEMENT, THE PUBLIC BENEFIT REQUIREMENT AND EQUAL OPPORTUNITIES

Public Benefit

The Trustees' “Mission” is to seek to achieve the public benefit objects set out in the Trust Deed, in compliance with the Charity Commission's guidance, and in the most efficient and effective way. The Charity attempts to earn as much as reasonably possible from its investments, and spends its income (after the expense of administration) on the Charity’s Public Benefit Objects.

Equal Opportunities

The Trustees do not discriminate against anyone in respect of employment and the provision of services because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Permitted Discrimination

The Equality Act 2010 allows a charity to limit its benefits to people who share what are called "protected characteristics" i.e. those who are entitled to be considered in respect of granting the benefits the Charity offers. In other words:

- **the governing document restricts benefits to people with a shared protected characteristic i.e. relief in financial need and/or educational need, and**
- **the benefits are provided in order to ameliorate these particular disadvantages, or need, linked to that protected characteristic**

8. A SUMMARY OF WHAT THE CHARITY ACHIEVED IN 2023

A. Major Events/Decisions by the Trustees

- **Inglethorpe Court** - 4 new flats for the single homeless, created in partnership with the Hopmarket Trust, opened formally by Robin Walker MP and Adrian Gregson the Mayor of Worcester on January 13th 2023. (Pictured on page12)
- **Tudor House Museum** - Secured a free grant of a 999 years lease from the City Council.
- **Continued the grants to 7 organisations**, being those that the Trustees believe:-
 - a) **provide the most help to the poorest, in greatest need in Worcester** : - Maggs Day Centre for the Homeless, Worcester Citizens Advice and Armchair (Furniture Re-Cycling), who have all been provided with free/subsidised premises and grants to assist with their work; and Worcester Community Trust towards their services in community centres and its outreach work.
 - b) **provide free education in Worcester** :- the Tudor House Museum, All Sorts of Performing Arts and DanceFest, the first two of which were also provided with rent-free accommodation.
- Following the Government's closure of the **Social Fund** in 2013 the Charity won a contract with the City Council to manage the purchase and distribution of white goods in Worcester worth £186,291(net) (2022 £146,892 net), as part of the replacement **Discretionary Welfare Assistance Scheme** ("DWAS"). The Charity won the contract again in 2017, which has been rolled over four times until 2023. The Charity does not charge the Council for this project in recognition of the relief it brings to the Charity's own grants' budget.
- The Charity increased staff salaries by 7% and regular grants to charities by 7%.
- **Extraordinary Repairs** - The Charity owns and leases a considerable number of ancient properties with very high maintenance costs. These have included continuing the major repairs to the 18th Century Berkeley's Almshouses and refurbishment of two retirement almshouses at Nash's and Wyatt's Almshouses. In addition the roof at Castle House needed completely replacing due to serious water ingress. All in all £287,899 (net) was spent on property repairs in 2023.

B. Annual Revenue Income and Expenditure

Revenue income of £1,424,235 was received, mainly rent from properties (2022 £1,429,147). Expenditure was £1,535,491 (2022 £1,478,042)

C. Summary of Property Owned

- a) There are two Sheltered Housing "retirement" sites (32 almshouses) and eleven "affordable Housing sites" (68 flats) for the single homeless.
- b) The Charity owns 16 Commercial Investment Properties with rental income.
- c) 6" functional" properties are leased to charities on peppercorn rents as "facilities in kind" (see page 15)

D. Rent Reviews and Accommodation Charges

Sheltered Housing accommodation charges were reviewed and scheduled rent reviews were completed.

E The Grants Sub-Committee met 12 times in 2023

Education, Relief in Need, Hardship or Distress Grants

- (a) A constitutional grant of £1,080 was awarded by the Charity to the John Palmer's Educational Foundation in Suckley
- (b) The Grants Committee awarded relief in need and educational grants to organisations and individuals totaling £415,376, (2022 £373,995), and helped administer the City Council's DWAS relief in need grants worth £186,291, (2022 £146,892 net), to individuals in need (details page 13).
- (c) In 2012 The Charity agreed to fund a Money Management Advice Post annually, based at Citizens Advice Worcester which continues to provide excellent communication and grant administration between us in respect of mutual clients with financial problems. He also provides financial literacy advice. During 2022/2023 The Money Management Adviser interviewed 93 individual clients helping them to deal with 307 activities relating to benefits, energy/water bills, finances, employment and debt issues. In addition the Money Management Adviser assisted a further 131 individuals supporting them with multiple issues at our Worcester 'Open-Door Drop-in Advice Service' sessions. The Local Citizens Advice Debt and Money Service also advised and assisted 1494 clients, to reschedule or receive a 'write off' of debts amounting to more than £875,636 in total, across all their services. In addition the Debt Caseworkers obtained other financial gains for clients of £357,696 in total across all their services.
- (d) In 2013 The Charity agreed to help fund a free Legal Advice Scheme annually in partnership with the Citizens Advice and originally the Worcester Law School, now the University, whose students provide supervised free legal advice to poor people. In 2022/2023 the project assisted 197 clients and the total financial gains obtained for clients as a result of this project, were in excess of £461,664, during the year. In addition, Citizens Advice Worcester assisted clients to obtain financial gains of £2.5 million from all Citizens Advice services delivered in Worcester. This greatly increased the ability of all the clients assisted to manage financially.
- (e) In 2023 the Committee awarded education grants of: £19,207 to DanceFest, £15,214 to All Sorts of Performing Arts, and £42,822, (50/50 Education and Respite for carers), to Worcester Community Trust providing educational facilities, and youth facilities in Worcester (see page 13).
- (f) The Committee agreed to continue leasing the **Tudor House Museum**, to Worcester Heritage and Amenity Trust at a nominal rent, together with an annual grant of £40,248 to help pay the salaries of a part-time curator and part-time assistant.
- (g) The Committee awarded 1 grant of £1,000 (2022, 2 grants totalling £1,671) to individuals in need of financial assistance with their education (see page 13).

9. ALMSHOUSES - AFFORDABLE HOUSING FOR THE RETIRED AND THE NON-RETIRED HOMELESS

The Charity owns two complexes of Retirement Almshouses:

- (i) **Berkeley Court, The Foregate - 7 flats and**
- (ii) **Nash's and Wyatt's Court, New Street - 25 flats**

The former Berkeley's Chaplain's house became the Charity's administrative offices in 2013 and the former Nurse's house became the resident warden's house at the same time.

The former Chapel was converted to a community/meeting room in 1997 and is available for use by charities and non-profit making organisations, usually without charge depending on their reserves' levels not exceeding one year's income.

The residents' accommodation charges were reviewed in The Period. All bar one of the residents received Housing Benefit. In The Period two residents left and three were appointed.

Resident Part-time Wardens: Julie Clayton, continues to provide a very high standard of first line support and care-taking at Nash's and Wyatt's. In 2022 we welcomed Darren Dodd to Berkeley Court who was appointed with his partner Gillian. They have settled in well, and contributed very positively to the new shared wardens' service for the two sites.

Applicants for sheltered housing are eligible for an Almshouse flat if they have lived in Worcester for more than 12 months, are retirement age, receive a low income and entitled to housing benefit. Special consideration will be given if their present accommodation is inadequate and in need of an on-site Warden for security, advice and support. On admission, they should be capable of living independently and should not have substantial savings or a property that could be sold, producing sufficient funds to buy somewhere suitable. If a vacancy arises and there is no one eligible on the Charity's waiting list the accommodation will be advertised in the local press under accommodation available.



Berkeley Court, Foregate Street - 7 flats



Nash's and Wyatt's Court, New Street - 25 flats

General repairs and maintenance of the Sheltered Housing have been carried out throughout The Period. Testing and servicing of all gas appliances is carried out annually.

The Trustees believed the single homeless under retirement age were by far the neediest group in Worcester, as there is no statutory priority for local authorities to rehouse the single unintentionally homeless unless they are also assessed as vulnerable.

- The Charity joined the “Almshouse Consortium Ltd” which provides access to grants available from Homes England to help with new housing projects.
- The Charity entered a partnership agreement with Citizens Advice Worcester for their “SmartLets” unit to manage all the intended new flats for the single homeless in return for 15% of the rental income. “SmartLets” already had a successful 13 years’ track record of managing one bed flats for the homeless in private sector and housing association leased properties. Support for the residents was readily available from the Citizens Advice Office nearby as all the new properties were city centre based.
- Following discussions with two of the Charity’s own shop tenants who were suffering financially from the High Street recession, a deal was done to reduce their rents in exchange for surrendering their leases upstairs for conversion to 6 new flats for the single homeless. Subsequently other suitable properties were purchased and converted into one bedroom flats.
- The Charity registered as a Housing Association and registered with the Charity Commission as a CIO (Charitable Incorporated Organisation).
- **In total, between 2013 – 2023, the Charity created a total of 68 new City Centre “affordable rent” almshouses for the single homeless. Commercial property worth £1,512,000 was sold to help finance the project and Homes England awarded housing grants of £1,529,633.**



2013 - 9 Sansome Place
6 studio flats



2014 - 16/17 St. Swithin's Street
6 one bedroom flats over the shops



2016 - 21 The Cross
3 one bedroom flats
over the shops



2017 - 15 St. Swithin's Street
4 bedroom HMO
over the shop



2017 - 19 Foregate Street
5 one bedroom flats, 1 studio
flat & a shop/office



2017 - 59-60 The Tything
2 one bedroom flats
over the shop

2018 - Sir Thomas White Court
conversion of offices and
car park to 10 new one
bedroom flats



2019 - 8 Sansome Place
2 one bedroom flats



2020/21 - "Stillingfleet House", 3-4 Shaw Street, office conversion to 25 one bedroom flats



2022/23 - Ingletorpe Court, office conversion to 4 one bedroom flats

The Grand Opening 13th January 2023 of 4 new flats at Inglethorpe Court, The Hopmarket, in memory of Richard Inglethorpe (Will of 1618)



Plaque outside the entrance. Richard Inglethorpe, in whose memory the 4 flats have been named, was a wealthy benevolent brewer, who originally donated six almshouses to the Charity, now long since gone.

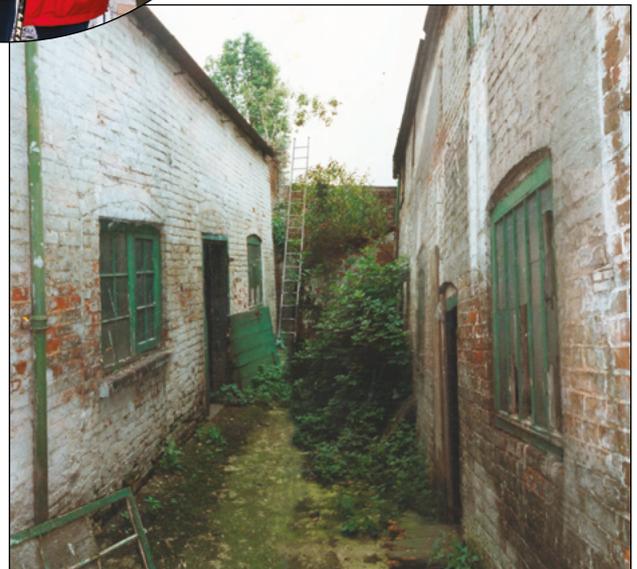
Pictured from left to right: Robin Walker MP. Paul Griffith MBE, Chairman of Trustees. Adrian Gregson, Mayor of Worcester.



The appointed architects for the building works were Lett and Sweetland, with builders D & S Contractors. The very high quality of the conversion and fitting out was generally the subject of much admiration on the day.



The 4 flats were created from two ancient former warehouse annexes for the old Anderson and Virgo's Chemists shop at 12 Foregate Street. When it closed down and became the Good News Shop, the warehouses became surplus to



requirements and deteriorated over the years. They were landlocked, so repairs were problematic and they were taken over by pigeons. For a short time they were used as offices by Citizens' Advice but were no longer needed after the Pandemic.

10. GRANTS AWARDED IN 2023 BY THE CHARITY

RELIEF IN NEED AND EDUCATIONAL GRANTS

Grants determined by Constitution	£
Palmer's Educational Foundation	1,080*
0.1% of the Charity's "clear" income or £950 whichever is the greater	

"REVENUE" GRANTS TO ORGANISATIONS

£

Allsorts of Performing Arts	Running Costs	15,214*
Armchair furniture recycling	Running Costs, free furniture - means tested	17,805
Citizens Advice	Running Costs, advice, support, legal aid	192,938~
Dancefest	Dance lessons, (social housing areas)	19,207*
Maggs Day Centre	Running Costs, Worcester day centre, clothing project	33,000
Shopmobility	Running costs, (frozen, as not means tested)	7,000
Worcester Community Trust	Youth work schemes (social housing areas)	42,822*#
WHAT Tudor House Museum	Curator and Learning Officer salaries	40,248*

Total £369,314

* Educational grants

50/50 relief in need and education.

~ Citizens Advice core support costs £115,763 - 60%; legal aid project £33,764 - 17.5%;
money advisor £38,588 - 20%; ethnicity training & language (education) £4,823 - 2.5%;

INDIVIDUAL GRANTS

£

Education grants	1000*
Relief in Need, Carpet Grants and other under £1000	40,913
Relief in Need Grants for white goods under £1,000	4,149
Total £46,062	

The Charity's Grand Total (excluding DWAS) £415,376

DWAS Relief in Need grants under £1,000 for white goods (net) £186,291

The grants included educational grants and the following essential household and personal items: Carpets, Washing Machines, Cookers, Fridges, Fridge Freezers, Clothing Grants, Removal Costs, DRO costs, Fencing and "other household items"

Grand Total £601,667

WORCESTER MUNICIPAL CHARITIES (CIO) GRANTS POLICY

11. Grants for “Relief in Need” and to “Promote Education for Individuals in Need” General Policies & Practices - Advice for Support Workers & Applicants:

It is the Charity's policy not to make a grant if adequate funds are available from:

1. **Family/Friends**
2. **DWAS** for white goods - www.worcester.gov.uk/discretionary-welfare-assistance-scheme
3. **DWP** for a Budgeting Loan - www.gov.uk/budgeting-help-benefits/how-to-claim
4. **Health Authority** for disability aids - www.hacw.nhs.uk/services/service/wheelchair-posture-mobility-service-93/
5. **County Council** for child care and family services - Worcestershire Children First
www.worcestershire.gov.uk/worcestershire-children-first
6. **Student Finance England** for promotion of education - www.gov.uk/apply-for-student-finance/how

The application form must be endorsed to show that all 6 options have been considered and with what result. Failure to do so will mean the application will be deferred to enable these enquiries to be made.

The Grants Committee will consider the income and expenditure sheets of each applicant and their ability to meet their own needs, with budgetary assistance from Citizens Advice Worcester if required.

Applications may be turned down if the applicant has not demonstrated financial hardship, or is seriously mismanaging his/her income by spending excess amounts on luxury items like “Sky TV” rather than on necessities like food and clothes. Individual budgetary advice may be provided by the Citizens Advice Money Adviser in such cases.

To consider, as a condition of any grant to an individual, the possibility of debt advice, usually with help from Citizens Advice Worcester.

Not to commit the Charity to repeat a grant to an individual or organisation.

The Trustees reserve their complete discretion in all cases.

GRANTS FOR RELIEF IN FINANCIAL NEED

Can be considered for people living in Worcester City only.

All applications from an individual for a relief in need grant must be endorsed by a support worker from the statutory or voluntary bodies in Worcester, using the forms available on the Charity's web-site. The support workers are relied upon to provide to applicants such additional help that the applicant may require e.g. in respect of their vulnerability and other needs.

One-off grants can be considered for “essential” items like cookers, fridges, fridge freezers, washing machines, clothes airers, food, clothes, fuel bills, carpeting, a television, a vacuum cleaner, other household items; in exceptional circumstances help may be considered for holidays or holiday activities.

The Trustees judge as “essential” those items that people generally nowadays feel they cannot manage without, and that form part of an expected way of life in today's society. The Charity is a last resort and is unable to help if there is statutory assistance available.

GRANTS TO PROMOTE EDUCATION

Can be considered for people in need, of any age, living in Worcester City, the Parishes of Powick, Bransford and Rushwick, and the Ancient Parish of Leigh.

Applicants for educational grants do not need a support worker but references/reports may be requested from the institution concerned.

Applications may be considered from people of any age who live outside these areas but who have attended school in the City for at least two years.

The Trustees will not normally consider applications from persons attending educational establishments in the City who, prior to enrolling, lived outside these areas for two years or more, and/or who still live outside them.

The Trustees will not normally consider applications from persons attending educational establishments with national catchment areas e.g. the New College (for the blind) and Worcester University, unless they were resident in the area of benefit for at least two years, or attended school in the area of benefit for at least two years, prior to enrolling at the relevant institution.

Applications in respect of fee-paying institutions, for travel abroad, and awards beyond 1st Degree level are normally excluded.

Assistance with school uniform grants is not provided in the light of the Government's Pupil Premium payments to schools for such purposes. Any requests for non-distinctive clothing may be considered for a “relief in need” grant based on family income and expenditure.

WORCESTER MUNICIPAL CHARITIES (CIO)

12. A SOCIAL INVESTMENT PROGRAMME – 1996 Onwards

Free use of the Charity's property facilities in 2023

Since 1996 the Charity has been sponsoring subsidised office accommodation for like-minded City charities who are helping the poor or providing free education or educational facilities in areas of social need and at Tudor House Museum.

The Charities SORP (FRS 102) requires that facilities and services donated to a charity for its own use which it would otherwise have purchased must be included in the Charity's accounts when received, provided the value can be measured reliably. Value to the beneficiary Charity is the amount that the Charity would pay on the open market for an alternative item that would provide a benefit to the Charity equivalent to the donated item. Worcester Municipal Charities (CIO), as the donors of these "facilities" to the charities concerned, have estimated the rental values based on 8% of their capital value as contained in the Quinquennial Valuation of 2020 as follows, with the exception of leasehold properties which have been estimated individually based on the advice from their Chartered Surveyors, and any actual bills paid in "The Period." They will be revalued in 2025.

No.	PROPERTY - LET ON A PEPPERCORN TO:	Capital	Rental Value
20	Armchair 6B Checketts Lane Trading Estate 50 years lease from 1996 bought on premium	Leasehold	Paid up front
40/41/42	Old Glove Factory, 13 & 15 Lowesmoor totals	[£850,000]	[£68,000]
	Old Glove Factory, 13 & 15 Lowesmoor Citizens Advice (68% of £68,000 total)		£46,240
43	St. Albans, Deansway (150 years' leasehold 2008) Maggs Day Centre	£50,000	£4,000
44	Tudor House, Friar Street (999 years' leasehold agreed 2023) WHAT . Lease £1.00; £1,000 p.a. insurance paid.	£100,000	£8,000
46	Medway Youth & Community Centre All Sorts of Performing Arts (50 years leasehold from the City 2012)	£75,000	£6,000
53	Maggs Clothing Store, Activity Centre Offices and Shop 59/60 the Tything	£250,000	£20,000
	Total facilities in kind provided in this period:		<u>£84,240</u>

THE CHARITY PROVIDES RENT FREE PROPERTIES FOR OTHER CHARITIES



2009 - Maggs Day Centre for the Homeless
St Alban's Chapel, Grade 2 Listed Building and Ancient Monument provided rent free by the Charity



2016 - 59-60 The Tything purchased by the Charity for Maggs Clothing Project, Maggs Activity Centre and 2 Social Housing Flats



2006 - The Old Glove Factory, Grade II listed building. The two shops at the front are now occupied commercially. The Charity provides the rest of the property to Citizens Advice and Maggs Day Centre for the homeless rent free



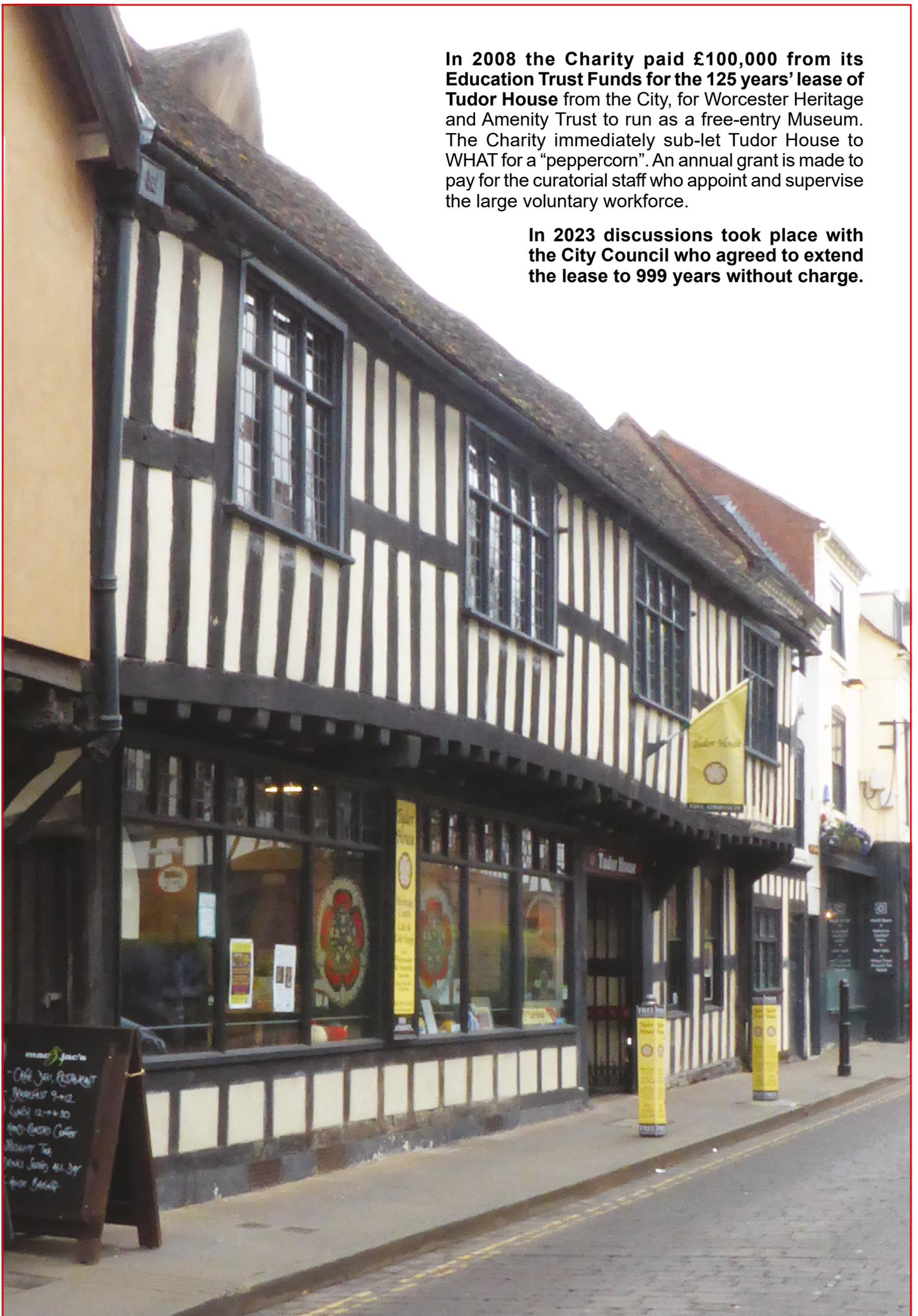
1996 - 6B Checketts Lane Trading Estate
Armchair Furniture Recycling



2012 - Medway Community Centre
Let to All Sorts of Performing Arts on a peppercorn rent for their educational programme

In 2008 the Charity paid £100,000 from its Education Trust Funds for the 125 years' lease of Tudor House from the City, for Worcester Heritage and Amenity Trust to run as a free-entry Museum. The Charity immediately sub-let Tudor House to WHAT for a "peppercorn". An annual grant is made to pay for the curatorial staff who appoint and supervise the large voluntary workforce.

In 2023 discussions took place with the City Council who agreed to extend the lease to 999 years without charge.



13. THE CHARITY'S STRATEGIC OBJECTIVES, INVESTMENT POLICY & REVIEWS

Put simply, these are to fulfil the registered charitable objectives for people in need, by using income from its annual funds, investments and properties to provide the income to the "best advantage", inter alia, by ensuring the process involves "value for money" principles.

The Charitable Objectives

- (a) the relief of persons resident in the City of Worcester who are in conditions of need, hardship or distress including by making grants of money to individuals, or to organisations which provide relevant services; or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons;
- (b) to carry on for the benefit of the community the business of the provision of social housing in the form of almshouses and affordable social housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means; and
- (c) the advancement of education by promoting education in the area of benefit being the City of Worcester, the Parishes of Powick, Bransford and Rushwick, and the area of the Ancient Parish of Leigh, all in the County of Worcestershire, in such ways as the Trustees think fit.
- (d) Twelve per cent (12%) of the Net Income of the CIO from its permanent endowment assets shall be applied for the educational purposes set out in clause (c).

Raising the Money to Spend on the Charitable Objectives

The purpose of the Charity's financial investment is to yield the best return possible within the level of risk considered to be acceptable. There is a legal requirement to review investments from time to time and to diversify investments.

The Charity's annual income is composed almost entirely of rents from its **commercial properties**, comprising shops, offices and warehouses, and from its two types of "**affordable social housing**" - almshouses for **retired people** (32 units), and almshouses for the **non-retired homeless** (68 units).

Strategic Changes of Investment from 1985 Onwards

In the 1980s - The Charity's endowed property comprised principally farms, farmhouses, cottages, and farmland, across Herefordshire and Worcestershire, together with a small amount of commercial property in Worcester.

The first major change was to charge a fair rent available from Social Security for the 32 retirement almshouse residents who were living rent-free. This produced additional income of £100,000+ a year.

Following an investment policy review in the late 1980s, and after a meeting with the Charity Commission in Liverpool, the Trustees began a wholesale, gradual transition from agricultural to commercial investments, including the gradual sale of all the agricultural holdings. This went smoothly with most farms being purchased by the tenants, many of the families having been in occupation for more than 100 years.

Between 1990 - 2012 building on that initial success, the Charity continued selling the farms, and also disposed of all its stock-market holdings and reinvested that money also in commercial property, with similarly improved returns. These two major policy changes effectively quadrupled the Charity's rental income and proved wholly successful for about 25 years, allowing more money to be spent on the beneficiaries, and providing grants, sponsorship and rent-free buildings for like-minded Worcester charities helping the most needy.

2012 onwards, as the High Street recession began to seriously affect the viability of the commercial shops and the larger offices, the Trustees began reviewing their investment policies and looking at alternative forms of investments given the low interest rates which were still falling.

The Trustees' review concluded that the reinvestment policies that had been pursued following the 1980s review, were effective, and were the best that could be devised at the time for the Charity and its beneficiaries, both short and long term. However, the buoyant days of the High Street shops and city centre offices were clearly on the wane; the bubble was bursting and new sustainable strategies were becoming urgent. As a result, when offices became vacant they were either sold, or converted into flats for the homeless. Flats were also created over the Charities' own shops where possible, with reduced rents for the shop-keepers below helping sustain their financial viability.

“Programme Related Investment”

In 2013 the Trustees decided to adopt this Charity Commission recognised definition for when a charity ***“uses assets to directly further the charity’s aims, whilst also generating a financial return”***.

The money to invest was raised from the sales below, and from the grants from Homes England which speeded up the whole process enormously, and also enabled the Charity to continue financial support and provide rent free offices to four other Worcester charities who were helping those in greatest need in Worcester.

- **2013 – 2018 Eight Properties Sold** - Eight commercial properties and land were sold for £2,114,100.00 and the money was invested in affordable flats for the homeless.
- **2017 – 2021 Four Properties Converted** - Four properties were converted into affordable flats for the homeless including the old Probation Offices (25 flats) and the former Home-Start offices (10 flats).
- **2017 – 2018 Social Investment Property Let** – The two shop fronts of the “The Old Glove Factory were let commercially, producing a rent gain of £15,740.
- **Grants from Homes England** totaling £1,730,000 were obtained after the Charity had registered as a private not for profit Housing Association in 2017.

In 2018 the Charity reviewed its Investment Policies and Procedures, and reported its findings to the Board at its January 2019 meeting. The Report demonstrated that the reinvestment strategy was both sustainable and diverse and, in particular, replaced the lost income of £150,000 from the 2018 vacation of the Shaw Street offices with income from the 25 new affordable flats for the homeless. The alternative option to sell the building for development would have realised only about £500,000 to invest, which represented a huge potential loss to the Charity and its beneficiaries. The Trustees believe they have made the best of a bad job, brought about through circumstances entirely beyond their control.

Investment Returns Analysed

Between 1985 - 2018 the Charity recorded its income carefully, and the headline results are that the earned income from investments rose by an average compound increase of 6.35% every year compared to a UK average of 3.54%. A major factor in this very favourable financial result has been the longstanding policy decision to accumulate unspent contingency money of up to 10% on property investment each year, by saving it up gradually until more property can be afforded without borrowing. However this policy has been put on hold following the departure of the Home Office as tenants of Shaw Street, with a subsequent loss of rental income of £150,000 annually. This required funding the refurbishment of 3-4 Shaw Street into 25 flats at a cost of £2.2 Million, towards which Homes England contributed £1 Million. However within two years the new rents had passed the previous level.

Routine Almshouse Maintenance

Between 1899 and 1985 the Charity “lost” 32 of its original 64 retirement almshouses. This was due entirely to a lack of routine maintenance, which was caused mainly by a policy decision not to charge rent, even when Social Security/Income Support first became available through the Beveridge reforms in the late 1940s. Almshouse properties decayed and were sold for development or modernisation, or were demolished as they became uninhabitable, and the sites were sold.

In 2018/19 the Charity monitored the cost of maintaining the 27 affordable homelessness almshouses then being let, and it produced a figure of £735 plus a 15% management fee of £750 for SmartLets, part of Citizens Advice, who support a “difficult to manage” group of residents on licences to occupy. A figure of £1,000 was applied to all 39 units in the 2019 budget which proved sufficient.

Based on advice from the Almshouse Association, the routine maintenance figures for the 2023 budget were set at £1,697 for each of the 32 retirement units, and £1,330 for each of the 68 homelessness ones which have proved adequate.

Cost comparisons with other housing associations are problematic without detailed reports on the age and present state of repair of their entire housing stocks.

Commercial Properties

The Returns on the “High Street” Commercial Properties of shops and offices are static, and do present a very real challenge. Where street access is possible, turning the upstairs into flats for the homeless has proved successful, but it’s hard to find another economic way forward. There are two charity shops let on beneficial rates which seem to be afloat, but in reality only those “shops” like hairdressers, beauty salons, shoe repairs and food shops are surviving, as none of them have to compete with on-line sales. However, the butcher’s shop in St. Swithins Street is easily the best and most popular in town, and looks set to continue its success.

The rent reviews due in 2023 were largely settled on a stand-still rent basis, apart from the retirement almshouses for which the Charity was usually entitled to CPI + 1%. The homelessness almshouses were also entitled to similar inflationary increases.

Most of the commercial shops are in a single street, the lower part of which has been dubbed “Charity Alley”. However it does have a wonderful footfall, as it provides the main pedestrian route to “The Shambles” and the new Asda further down. Like other landlords in a similar position, the Charity can only wait and see what happens, and in the meantime, when the opportunity arises, and it’s feasible, diversify into residential property for the homeless.

The Board regularly reviews its investment strategy and almshouse maintenance strategy, including consideration of where savings might be made, for example by installing solar panels and water meters both of which have been done where feasible.

Tendering Policy for Capital Projects – Threshold of £500,000

In 2013/14 the Charity sought competitive tenders for the development of Sir Thomas White Court into 10 affordable flats for the homeless and appointed D & S, the chosen contractors as “preferred providers.” It was agreed that in future the preferred provider would be used for all work under £500,000 unless they were unavailable, but their tenders would be checked regularly.

The Charity also has in place preferred providers for water, electricity, general maintenance and carpentry.

Future Investment Plans

There is no real shortage of retirement facilities for the elderly in Worcester.

Commercial high street shops and offices are on standstill rents. Any new capital, if it can be matched by Homes England grants, will be directed towards affordable flats for the single homeless.

Homes England - Value for Money Metrics

Each year the Charity uses a range of data to measure VFM progress. The results help influence investment decisions and provide regulators and other stakeholders with information on the progress of the Charity.

Metric	2023	2022	Commentary
Reinvestment percentage	0%	4.82%	This is the cost of development and/or acquisition of new or existing housing properties as a percentage of the value of the ones already owned.
Percentage of new supply delivered	0%	4.17%	This is the number of social housing units developed or newly built during the year as a percentage of the number of social housing units held at the year end.
Social housing cost per unit	£5,296	£6,379	This is the total cost of ownership and management of social housing units divided by the number of units owned and/or managed.
Operating margin as a percentage (social housing)	16.67%	-7.70%	The operating margin on social housing activity only i.e. total social housing income minus total social housing expenditure, expressed as a percentage of total income.
Overall operating margin	-7.81%	-3.42%	Overall operating margin i.e. total income minus total expenditure of the organisation, expressed as a percentage of total overall income.
Return on capital employed (ROCE) as a percentage	-0.77%	-0.37%	This is the overall operating margin divided by (total assets minus current liabilities).

14. THE COST OF ADMINISTRATION & GOVERNANCE

The more a charity earns, and the less it spends on administration, the more there is available for direct charitable expenditure and grants. The Trustees therefore remain anxious to ensure that there is no unnecessary waste on administration.

Every effort is made to keep the cost of administration to a minimum. The Trustees themselves do not claim expenses. However, with 22 Trustee meetings, two property inspections a year and the inevitably high cost of servicing a number of individual applications for assistance, there is an inbuilt unavoidable administration cost. In the Period the Charity spent £6,987 (0.48%) (2022 £6,904) (0.46%) of gross income on Governance and £120,753 (8.47%) (2022 105,698) (7.15%) of gross income on Administration.

15. QUINQUENNIAL PROPERTY VALUATIONS

In 2010/2015/2020 the Trustees commissioned Quinquennial Property Valuations. The Commercial Properties were valued by Guise Jones Sawyer, and their successors GJS Dillon, and the agricultural properties by ARC Surveyors. The "Functional Properties", occupied by the Charity and others with similar objects, were also re-valued based on vacant possession. The results were 2010 **£13,776,750**, 2015 **£13,880,000**, and 2020 **£14,532,000**. The next quinquennial valuation is due 2025.

16. PROPERTY INSURANCES

In 2010 the Trustees commissioned a complete revaluation of property insurance including accurate rebuilding costs and loss of rent calculations. The insurers are still Ecclesiastical Insurance Office Plc, arranged through Hazleton Mountford Ltd.

17. EXTRAORDINARY REPAIRS COMMERCIAL PROPERTY & ALMSHOUSES

2023 has been another challenging year for major repairs with a number of unusually expensive items. These have included continuing the major repairs to the 18th Century Berkeley's Almshouses and refurbishment of two retirement almshouses at Nash's and Wyatt's Almshouses. In addition the roof at Castle House needed completely replacing due to serious water ingress. All in all £287,899 (net) was spent on property repairs in 2023.

Replacement roofs and refurbishment of Flats 4 and 5 Berkeley Court are planned for 2024.

All of this work has been, or with scheduling, can be, contained within the Reserves Budget.



New roof completed at Castle House - July 2023

18. RESERVES POLICY AND FINANCIAL RISK ASSESSMENTS

In 2010 the Trustees reconsidered their reserves policies and decided to set aside reserves on an “ad hoc” basis when required e.g. for a capital programme, and extraordinary repairs. Routine maintenance comes out of the annual budget. Each year until 2018 a contingency sum up to 10% was set aside by the Charity in its annual revenue budget for unforeseen expenditure. Any unspent contingency money was transferred to the reserves to purchase new investment properties when sufficient was available, to help the Charity at least keep pace with inflation.

Until 2018 this process brought the Charity compound inflationary increases of 6.35% p.a. compared to the national average of 3.54%. The practice ceased in 2017 due to the need to spend £2.2 Million on creating 25 flats in 3/4 Shaw Street when it was also agreed to borrow £500,000 to help the cash flow until the new rents arrived. In 2021 the arrival of the funds from the sale of the field at Welland was a timely and welcome addition.

However, since 2021 the Charity’s increases in annual income has failed significantly to keep pace with the high inflation national increases. No new property has been purchased due to insufficient capital funds available, which has resulted from the huge outgoings on refurbishing Shaw Street for residential use, the large capital payments for repairs to Castle House, the Old Glove Factory, 59/60 the Tything, and the retirement almshouses at Berkeley’s and Nash’s & Wyatt’s New Street.

In 2022 the Government capped social housing rent increases but the actual increases allowed were acceptable and compared not unfavourably with local inflation.

The total funds of the Charity as at the year-end amounted to £14,651,791 (2022 £14,773,341) consisting of endowment funds of £12,844,664 (2022 £12,853,647) and designated funds, which are funds set aside by the Trustees for future projects amounted to £150,181 (2022 £80,141), leaving unrestricted funds amounting to £1,656,946 (2022 £1,829,781).

Free reserves after making allowances for tangible fixed assets and investment properties amounted to £171,115 (2022 £351,152). “New Risks” form the first agenda item for all Board meetings.

19. STAFF REMUNERATION

The Trustees review the pay of all paid staff and self-employed staff at the January meeting of the Board each year and generally, subject to affordability, increase salaries of both groups after considering UK CPIH inflation. In 2023 the staff and self-employed staff were awarded an increase of 7%

20. SERIOUS INCIDENTS

The Trustees confirm that in The Period ended 31st December 2023 there were no “serious incidents” to report.

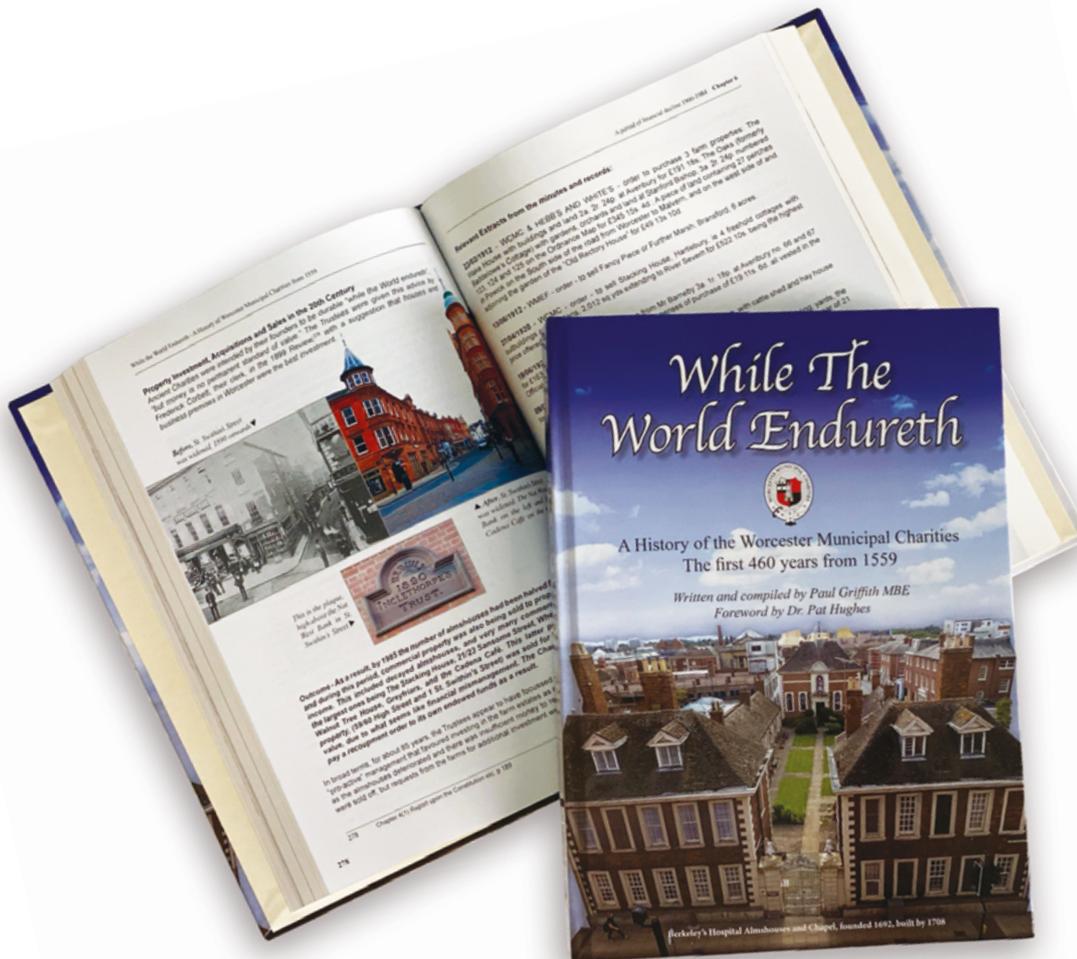
21. THE CHARITY'S PROPERTY PORTFOLIO FOR THE PERIOD

	ADDRESS	PROPERTY	ACQUIRED	ACQUIRING CHARITY~	TENANT/OCCUPANT
1.**	2 St Swithin's Street	Shop	1560	St Thomas's Day	Timpson Ltd
2.**	3 St Swithin's Street	Shop	1560	St Thomas's Day	Miss Sarah Johnson
3.	15 St Swithin's St, Ground Floor	Shop + 1st floor room	1560	St Thomas's Day	M & M Meats (Nelmes Family)
3A.	15 St Swithin's Street	4 Social Housing Units	1560	St Thomas's Day	Citizens Advice 4 HMO Residents
4.	1 The Cross	Bank	1618	Inglethorpe's	National Westminster
5.	16 St Swithin's St, Ground Floor	Shop	1618	Inglethorpe's	Headway
6.	17 St Swithin's St, Ground Floor	Shop	1618	Inglethorpe's	Hang Nguyen
6A.	16/17 St Swithin's St, Upper Floors	6 Social Housing Units	1618	Inglethorpe's	Citizens Advice 6 Residents
7.	Nash's & Wyatt's Court	25 Social Housing Units	1661	Nash's	25 Residents
8.	25 Nash's & Wyatt's Court	1 Flat	1661	Nash's	Warden's Flat
9.	13 Nash's & Wyatt's Court	Community Room	1661	Nash's	Residents
10.*	Berkeley Court	7 Social Housing Units	1692	Berkeley's	7 Residents
11.*	Kateryn Heywood House	Charities' Offices	1692	Berkeley's	WMC & Laslett's Charities
12.*	Berkeley's Chapel	Community Room	1692	Berkeley's	Residents & charities
13.*	The Gatehouse, Berkeley Court	Warden's House	1692	Berkeley's	Warden's House
14.*	The Cellar, Berkeley Court	Electricity sub-station	1692	Berkeley's	Western Power Distribution
17.	22 The Cross, Ground 1st, 2nd & 3rd	Shop & Flat	1990	WMEF	Mr Spyros Tsangarakis
18.**	3 - 4 Shaw Street	25 Social Housing Units	1994	WCMC/WMEF	Citizens Advice 25 Residents
19.#	6A Checkett's Lane Ind. Est.	Offices	1996	WCMC	Ocean Blue
20.#	6B Checkett's Lane Ind. Est.	Furniture Store	1996	WCMC	Armchair
21.	Castle House, Castle Street	Offices & Car Park	1997	WCMC	Cranstoun
22.	20 Church St, Evesham	Charity Offices	1997	WCMC	Evesham & District Mental Health
27.	Sir Thomas White Court	10 Social Housing Units	1997	WCMC	Citizens Advice 10 Residents
28.#	1 & 2 Inglethorpe Court	4 Social Housing Units	2000	WCMC	Citizens Advice 4 Residents
32.	Crown Lane Wychbold 1	Warehouse, Offices & Carpark	2000	WCMC	Worcestershire CC
33.	Crown Lane Wychbold 2	Wheelchair Clinic & W'shops	2002	WCMC	Worcs. Health & Care NHS Trust
37.**	8 Sansome Place	2 Social Housing Units	2002	WCMC	Citizens Advice 2 Residents
40.**	Old Glove Factory (13 Lowesmoor)	Expertan	2006	WCMC	J Fiedorowicz & K Kumorowski
41.**	Old Glove Factory (13A, B)	Offices	2006	WCMC	Citizens Advice
42.**	Old Glove Factory (15 Lowesmoor)	Shop	2006	WCMC	Sorin Pop
43.**AM#	St Albans, Deansway	Day Centre for the homeless	2009	WCMC	Maggs Day Centre
44.**S#	Tudor House, Friar Street	Heritage Centre /Museum	2008	WMEF	WHAT
46.#	Medway Road Community Centre	Offices, Youth Club, Hall	2012	WMEF	All Sorts of Performing Arts
48.**	9 Sansome Place	6 Social Housing Units	2013	WCMC	Citizens Advice 6 Residents
51.**#	21 The Cross	3 Social Housing Units	2014	WCMC	Citizens Advice 3 Residents
52.**	19 Foregate Street	Office	2015	WCMC	Dawn Salter, Gentle Changes
52A**	19 Foregate Street	6 Social Housing Units	2015	WCMC	Citizens Advice 6 Residents
53	59/60 The Tything	Charity Shop & Offices	2016	WMC (CIO)	Maggs Day Centre
53A	59/60 The Tything	2 Social Housing Units	2016	WMC (CIO)	Citizens Advice 2 Residents

* = Grade I Listed ** = Grade II Listed *** = Grade II* Listed AM = Ancient Monument
Leasehold - All other properties are freehold

22. CONCLUSION AND COMMENT

- a) **The ancient trusts** now managed as Worcester Municipal Charities (CIO) were largely founded between 1559 and 1899, and originally came into being to provide almshouses, pensions, financial help for the poor, and education for the poor.
- b) **A brief ancient history** of the Charity and the Chapel is published. Please visit the web site.



- c) **“While the World Endureth” a major history** of the Charity since 1559 was published in 2020 and can be viewed on our website, at the Hive Library, or purchased from the office for £27.
- d) **In the 20th Century**, after the creation of the Welfare State in the 1940s, the work of charities was realigned to fill some of the gaps left. Charities were free to concentrate on innovation - new work that, if successful, would probably eventually be taken over by the State, whose welfare provision was increasing year by year. Charities looked for the small “gaps” left by the Welfare State and filled them.
- e) **Housing Benefit, State Pensions and Income Support** brought by far the biggest change in the administration of Almshouse Charities as they meant that the money originally endowed for the provision of rent-free housing and pensions for residents became available for other purposes e.g. grant making and social investment.

- f) **However, in the 21st Century** the State began rolling back its traditional boundaries of support for citizens and spending less each year on welfare. Work, originally taken off charities, is now being handed back by the Health and Social Services, often in the wholly unrealistic expectation that it can all be done by volunteers, without any need for paid staff to recruit, DBS check, train, organise and support them. This strategy seems doomed to fail, and is already leading to the collapse of charities that were created during better financial periods.
- g) **In 2013** the Government “Social Fund” which provided help to poor people in an emergency was all but wound up, and replaced in Worcester by the DWAS (Discretionary Welfare Assistance Scheme). The Charity agreed to act as agents for the Scheme and in 2023 bought white goods to the value of £186,291 (net) thereby greatly reducing the number of grants requested from the Charity itself. The Charity won the tender to help continue the DWAS scheme until 2022 which has since been rolled over.
- h) **In 2014** Home-Start lost its County Council funding and was forced to dramatically down-size, relocate and rely wholly on its reserves to survive.
- i) **In 2016** Worcestershire Lifestyles and ASHA were both forced to close due to a similar loss of County Council funding.
- j) The **Country** does seem to be on a retrograde journey, back to the old Victorian welfare values of “help yourself or go without, try the food banks or charities”. The pace of this process has been accelerated by the recession, “the cost of living crisis”, welfare cuts, the introduction of Universal Credit and the Government’s reductions in grant aid to Local Authorities who, in turn, have cut grants to charities.
- k) **The Corona Virus from 2020 onwards** has deprived many charities of earned income and is forcing some of them out of business.
- l) **On paper** this principle of “self help and find a job” may be a laudable objective, but there will remain a rump of poor, often socially excluded, sometimes mentally impaired, perhaps addicted drug users, or alcohol abusers - people whose problem actually is an inability to help themselves no matter how hard they try, or who cannot try, because it is that inability that is their weakness.
- m) **This Charity**, and many others, will continue to do their best to help, but poverty, unemployment and homelessness are very much on the increase and way beyond the resources of charities on their own.
- n) **As well as offering help to individuals in need** the Charity is also empowered to help organisations that provide help to them.

Page 13 provides details of the grants made to organisations for The Period.

Page 15 sets out the "Facility Gifts in Kind" to a number of charities for The Period.

23. LEGISLATION, POLICIES, PROCEDURES AND PRACTICES COMPLIANCE

The Charity confirms it has complied/is complying with the following:

GOVERNANCE

The Registered Constitution and Rules as amended
The "Good Governance" Code for the Voluntary and Community Sector Checklist
Risk Register reviewed monthly
Charity Commission's "Public Benefit" Requirements
Review of Trustees' Skills and Knowledge audit and their pen picture profiles
The Chairman's Role and Job Description
Trustees' induction
Trustees' Code of Conduct
Trustees' Conflict of interest policy
Trustees' Declaration of Interests
Trustees' Expenses' policy
Trustees' Register of Interests Equalities Legislation
Equal Opportunities Policy
Data Protection Act (registered)
Environmental Policy
Complaints Policy and Procedure

SOCIAL HOUSING - RETIREMENT & AFFORDABLE HOUSING FOR THE HOMELESS

FRS 102 applied to Annual Accounts
Homes England "STANDARDS" for: Home, Rent, Tenancy (Licence), Community Relations, Neighbourhood and Community, Value for Money (including Metrics)
Retirement Almshouses Allocation Policy - 12 months residency qualification
Housing Ombudsman Registration - extending licensees' rights of complaint
Worcester Citizens Advice Landlord and Agent "Smartlets" Agreement.
Rent Arrears Protocol

FINANCES

Accounts Audited externally annually
Annual Business Plan
Annual Budget - Revenue & Capital separately
Register of Assets and Liabilities - Maintain a current record of any new buildings under construction, together with any associated contractual liabilities to the contractors concerned.
Financial Controls Policy including Value for Money & Metrics
Financial Forecast Review Financial Viability Policy
Insurance - Take out appropriate policies annually
Reserves - Set aside suitable major reserves for extraordinary repairs and capital projects - 10% revenue contingency

REVIEWS

A review of all policies, procedures, practices and compliance is completed annually

24. PRINCIPAL ADVISERS TO THE CHARITY

SOLICITORS

Hallmark Whatley Hulme
3-5 Sansome Place
Worcester
WR1 1UQ Tel. 01905 726600

BANKERS

Unity Trust Bank Plc
Nine Brindley Place
Birmingham, B1 2HB Tel. 0121 631 2743

ARCHITECTS

Lett + Sweetland Architects
PO Box 1008
Worcester
WR1 9EJ Tel. 01905 353768

COMMERCIAL VALUERS

GJS Dillon, Chartered Surveyors
7 Roman Way Business Centre
Droitwich, WR9 9AJ Tel. 01905 676169

ARC Surveyors Ltd

Adrian Robinson, MRICS
The Cedar Office
5 Thackholme
Worcester WR4 0RZ Tel. 01684 576077

AUDITORS

Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
WR14 2JS Tel. 01684 892666

TRUSTEES' APPROVAL

The foregoing Report of the Trustees, pages 1 - 28, was approved and signed on behalf of the Board of Trustees together with the audited Accounts pages 29 - 58 and presented to their meeting on 26th June 2024.

Paul Griffith

PAUL GRIFFITH, MBE (Chairman)

Geraint Thomas

GERAINT THOMAS (Vice-Chairman)

25. Audited Accounts

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Opinion

We have audited the financial statements of Worcester Municipal Charities (CIO) (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

Audit response to risks identified

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.
- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WORCESTER MUNICIPAL CHARITIES (CIO)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORCESTER MUNICIPAL CHARITIES (CIO)

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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 auditor's 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.

**Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP**

Sarah Morley
26 June 2024

**Chartered Accountants
Statutory Auditor**

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Income and endowments from:							
Donations and legacies	3	139	-	256,291	-	256,430	331,901
Charitable activities	4	1,140,985	-	-	-	1,140,985	1,080,137
Investments	5	16,975	-	-	-	16,975	6,912
Other income	6	8,845	1,000	-	-	9,845	10,197
Total income		1,166,944	1,000	256,291	-	1,424,235	1,429,147
Expenditure on:							
Charitable activities							
Grant making	7	435,266	-	216,063	-	651,329	576,287
Sheltered housing	7	298,630	-	-	-	298,630	394,790
Social housing	7	230,962	-	-	-	230,962	217,628
Commercial property	7	354,570	-	-	-	354,570	289,337
Total charitable expenditure		1,319,428	-	216,063	-	1,535,491	1,478,042
Net gains/(losses) on investments	13	(1,311)	-	-	-	(1,311)	(6,136)
Net (outgoing)/incoming resources before transfers		(153,795)	1,000	40,228	-	(112,567)	(55,031)
Gross transfers between funds	14	(19,040)	69,040	(50,000)	-	-	-
Net outgoing resources		(172,835)	70,040	(9,772)	-	(112,567)	(55,031)
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(8,983)	(8,983)	(65,265)
Net movement in funds		(172,835)	70,040	(9,772)	(8,983)	(121,550)	(120,296)
Fund balances at 1 January 2023		1,829,781	80,141	9,772	12,853,647	14,773,341	14,893,637
Fund balances at 31 December 2023		1,656,946	150,181	-	12,844,664	14,651,791	14,773,341

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>						
Donations and legacies	3	50	-	331,851	-	331,901
Charitable activities	4	1,080,137	-	-	-	1,080,137
Investments	5	6,912	-	-	-	6,912
Other income	6	9,197	1,000	-	-	10,197
Total income		1,096,296	1,000	331,851	-	1,429,147
<u>Expenditure on:</u>						
<u>Charitable activities</u>						
Grant making	7	404,167	-	172,120	-	576,287
Sheltered housing	7	394,790	-	-	-	394,790
Social housing	7	217,628	-	-	-	217,628
Commercial property	7	288,302	1,035	-	-	289,337
Total charitable expenditure		1,304,887	1,035	172,120	-	1,478,042
Net gains/(losses) on investments	13	(6,136)	-	-	-	(6,136)
Net (outgoing)/incoming resources before transfers		(214,727)	(35)	159,731	-	(55,031)
Gross transfers between funds	14	97,171	55,552	(152,723)	-	-
Net outgoing resources		(117,556)	55,517	7,008	-	(55,031)
<u>Other recognised gains and losses</u>						
Revaluation of tangible fixed assets		-	-	-	(65,265)	(65,265)
Net movement in funds		(117,556)	55,517	7,008	(65,265)	(120,296)
Fund balances at 1 January 2022		1,947,337	24,624	2,764	12,918,912	14,893,637
Fund balances at 31 December 2022		1,829,781	80,141	9,772	12,853,647	14,773,341

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WORCESTER MUNICIPAL CHARITIES (CIO)

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		6,906,976		6,907,714
Investment properties	17		7,562,831		7,555,629
Investments	19		32,657		33,968
			<u>14,502,464</u>		<u>14,497,311</u>
Current assets					
Debtors	20	221,846		228,258	
Cash at bank and in hand		734,507		862,896	
			<u>956,353</u>	<u>1,091,154</u>	
Creditors: amounts falling due within one year	21	(445,416)		(432,822)	
Net current assets			<u>510,937</u>		<u>658,332</u>
Total assets less current liabilities			<u>15,013,401</u>		<u>15,155,643</u>
Creditors: amounts falling due after more than one year	22		(361,610)		(382,302)
Net assets			<u><u>14,651,791</u></u>		<u><u>14,773,341</u></u>
Capital funds					
<u>Endowment funds</u>	25		12,844,664		12,853,647
Income funds					
Restricted funds	26		-		9,772
<u>Unrestricted funds - general</u>					
Designated funds	27	150,181		80,141	
General unrestricted funds		1,656,946		1,829,781	
			<u>1,807,127</u>		<u>1,909,922</u>
			<u><u>14,651,791</u></u>		<u><u>14,773,341</u></u>

The financial statements were approved by the Trustees on 26 June 2024

Paul Griffith

Paul Griffith MBE, Trustee

Geraint Thomas

Geraint Thomas, Trustee

WORCESTER MUNICIPAL CHARITIES (CIO)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	30		(113,403)		26,320
Investing activities					
Purchase of tangible fixed assets		(9,089)		(66,130)	
Purchase of investment property		(7,202)		(267,203)	
Interest received		16,975		6,915	
Net cash generated from/(used in) investing activities					
			684		(326,418)
Financing activities					
Repayment of borrowings		(15,670)		(70,462)	
Net cash used in financing activities					
			(15,670)		(70,462)
Net decrease in cash and cash equivalents					
			(128,389)		(370,560)
Cash and cash equivalents at beginning of year			862,896		1,233,456
Cash and cash equivalents at end of year					
			734,507		862,896

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Worcester Municipal Charities is a Charitable Incorporated Organisation (CIO) and a non-profit private registered provider of social housing in the United Kingdom. The address of the registered office is Katernyn Heywood House, Berkeley Court, The Foregate, Worcester, WR1 3QG.

The nature of the charity's operations and principal activities are: helping Worcester City people in financial need by providing grants of essential items or services not provided for by the state. Assisting organisations who help Worcester City people in need. Provision of affordable social housing in Worcester City. The promotion of education to those in need from The City of Worcester, The parishes of Powick, Bransford, Rushwick and The Ancient Parish of Leigh.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). Having regard to the disclosure of additional information in connection with the charitable activities undertaken in respect of housing. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income is measured at the fair value of the consideration received or receivable and represents amounts due under tenancy agreements net of VAT where applicable.

1.5 Resources expended

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Tangible fixed assets

Social housing properties are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Office equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

It is the charity's policy to revalue the properties every five years, with revaluation gains and losses recognised in the statement of financial activities in accordance with the SORP. The basis of valuation is for a continuing existing use or the open market value for investment purposes or disposal value for sale whichever is appropriate.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of property

As described at note 1.6, the charity carries certain of the properties held at valuation. A full valuation is performed by professional surveyors every five years, at intervening reporting dates the Trustees review the portfolio and assess if there has been any material change in that valuation.

Fixed asset investments

The fair value of investments as referred to in note 1.8 is determined by reference to the valuation report prepared by the fund managers, which is based on market value at the reporting date, being the best estimate of fair value.

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and grants received

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	139	-	139	50	-	50
Grants received	-	256,291	256,291	-	331,851	331,851
	<u>139</u>	<u>256,291</u>	<u>256,430</u>	<u>50</u>	<u>331,851</u>	<u>331,901</u>

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4 Rental income	Sheltered housing 2023	Social housing 2023	Investment properties 2023	Total 2023	Sheltered housing 2022	Social housing 2022	Investment properties 2022	Total 2022
	£	£	£	£	£	£	£	£
Charitable rental income	234,047	397,007	487,494	1,118,548	227,649	335,916	498,732	1,062,297
Service charges	4,481	-	17,956	22,437	5,054	-	12,786	17,840
	<u>238,528</u>	<u>397,007</u>	<u>505,450</u>	<u>1,140,985</u>	<u>232,703</u>	<u>335,916</u>	<u>511,518</u>	<u>1,080,137</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Income from listed investments	1,737	2,121
Interest receivable	15,238	4,791
	<u>16,975</u>	<u>6,912</u>

6 Other income

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Other income	8,845	1,000	9,845	9,197	1,000	10,197
	<u>8,845</u>	<u>1,000</u>	<u>9,845</u>	<u>9,197</u>	<u>1,000</u>	<u>10,197</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2023	Total 2022
	2023	2023	2023	2023		
	£	£	£	£	£	£
Staff costs	6,674	49,527	-	-	56,201	48,578
Bad debt provision	-	-	-	-	-	(2,474)
Welfare costs	-	12,041	-	-	12,041	12,196
Routine maintenance	-	60,039	99,786	49,289	209,114	185,767
Heat and power	-	31,028	-	-	31,028	28,091
Rates	-	12,626	-	-	12,626	12,767
Management costs	-	-	59,202	-	59,202	50,361
Unreimbursed costs	-	-	-	4,773	4,773	7,691
Cleaning and hygiene	-	2,039	-	-	2,039	2,009
Refurbishment costs	-	79,025	-	208,874	287,899	405,124
Rent and service charge	-	9,062	-	-	9,062	-
	<u>6,674</u>	<u>255,387</u>	<u>158,988</u>	<u>262,936</u>	<u>683,985</u>	<u>750,110</u>
Grant funding of activities (see note 8)	601,667	-	-	-	601,667	520,887
Share of support costs (see note 9)	41,789	42,033	69,960	89,070	242,852	200,141
Share of governance costs (see note 9)	1,199	1,210	2,014	2,564	6,987	6,904
	<u>651,329</u>	<u>298,630</u>	<u>230,962</u>	<u>354,570</u>	<u>1,535,491</u>	<u>1,478,042</u>
Analysis by fund						
Unrestricted funds - general	435,266	298,630	230,962	354,570	1,319,428	1,304,887
Unrestricted funds - designated	-	-	-	-	-	1,035
Restricted funds	216,063	-	-	-	216,063	172,120
	<u>651,329</u>	<u>298,630</u>	<u>230,962</u>	<u>354,570</u>	<u>1,535,491</u>	<u>1,478,042</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

(Continued)

For the year ended 31 December 2022

	Grant making	Almshouses - retirement	Almshouses - homeless	Commercial properties	Total 2022
	£	£	£	£	£
Staff costs	6,740	41,838	-	-	48,578
Bad debt provision	-	-	-	(2,474)	(2,474)
Welfare costs	-	12,196	-	-	12,196
Routine maintenance	-	82,199	79,199	24,369	185,767
Heat and power	-	28,091	-	-	28,091
Rates	-	12,767	-	-	12,767
Management costs	-	-	50,361	-	50,361
Unreimbursed costs	-	-	-	7,691	7,691
Cleaning and hygiene	-	2,009	-	-	2,009
Refurbishment costs	-	181,567	38,812	184,745	405,124
	<u>6,740</u>	<u>360,667</u>	<u>168,372</u>	<u>214,331</u>	<u>750,110</u>
Grant funding of activities (see note 8)	520,887	-	-	-	520,887
Share of support costs (see note 9)	47,038	32,985	47,613	72,505	200,141
Share of governance costs (see note 9)	1,622	1,138	1,643	2,501	6,904
	<u>576,287</u>	<u>394,790</u>	<u>217,628</u>	<u>289,337</u>	<u>1,478,042</u>
Analysis by fund					
Unrestricted funds - general	404,167	394,790	217,628	288,302	1,304,887
Unrestricted funds - designated	-	-	-	1,035	1,035
Restricted funds	172,120	-	-	-	172,120
	<u>576,287</u>	<u>394,790</u>	<u>217,628</u>	<u>289,337</u>	<u>1,478,042</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Grants awarded

	Grant making 2023 £	Grant making 2022 £
Grants to institutions:		
Maggs Day Centre	33,000	30,830
Citizens Advice Worcester	192,938	180,316
Armchair	17,805	16,640
Shopmobility	7,000	7,000
Worcester Community Trust	42,822	40,019
WHAT	40,248	37,615
Dancefest	19,207	17,951
All Sorts of Performing Arts	15,214	14,219
John Palmer	1,080	954
	<hr/>	<hr/>
	369,314	345,544
<u>Grants to individuals (142 (2022 -87) grants)</u>		
Relief in need and carpets	40,913	26,271
Educational	1,000	1,671
White goods	4,149	509
DWAS	186,291	146,892
	<hr/>	<hr/>
	601,667	520,887
	<hr/> <hr/>	<hr/> <hr/>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Basis of allocation
Staff costs	67,124	-	67,124	61,646	Charitable activities
Depreciation	846	-	846	1,032	Charitable activities
Office running costs	4,779	-	4,779	6,144	Charitable activities
Accountancy	3,913	-	3,913	4,509	Charitable activities
Bank charges and subscriptions	1,720	-	1,720	1,226	Charitable activities
IT and software	3,975	-	3,975	4,347	Charitable activities
Sundries	4,422	-	4,422	574	Charitable activities
Irrecoverable VAT	44,594	-	44,594	31,345	Charitable activities
Telephone	784	-	784	925	Charitable activities
Insurance	53,742	-	53,742	45,364	Charitable activities
Business manager fees	6,362	-	6,362	5,900	Charitable activities
Surveyor fees	19,341	-	19,341	15,262	Charitable activities
Legal & professional	-	-	-	2,472	Charitable activities
Bank loan interest	31,250	-	31,250	19,395	Charitable activities
Audit fees	-	5,850	5,850	6,220	Governance
Meeting expenses	-	1,137	1,137	684	Governance
	<u>242,852</u>	<u>6,987</u>	<u>249,839</u>	<u>207,045</u>	
Analysed between					
Charitable activities	<u>242,852</u>	<u>6,987</u>	<u>249,839</u>	<u>207,045</u>	

10 Auditor's remuneration

Governance costs includes payment to the auditors of £5,100 (2022 £4,950) for audit fees together with £750 (2022 - £1,270) for other services provided.

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and none of the trustees were re-imbursed expenses (2022 none of the trustees were re-imbursed).

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Support	3	3
Warden	2	2
	<u>5</u>	<u>5</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	111,961	100,975
Social security costs	5,047	3,593
Other pension costs	6,317	5,656
	<u>123,325</u>	<u>110,224</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted	Unrestricted
	funds	funds
	general	general
	2023	2022
	£	£
Revaluation of investments	<u>(1,311)</u>	<u>(6,136)</u>

14 Transfers

During both the current and preceding year transfers were effected from the unrestricted and designated funds to reflect the contributions made towards the WHAT and provision of future repair sinking funds.

During both the current and preceding year transfers made between the unrestricted and restricted funds were to reflect the refurbishment of 1+2 Inglethorpe.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 Accommodation owned, managed and in development

	Number of units 1 January 2023	Number of units 31 December 2023
<i>Social housing</i>		
General needs housing:		
Let at social rent	-	-
Affordable rent	68	68
Supported housing	32	32
	<u>100</u>	<u>100</u>
Total owned and managed	100	100
	<u>100</u>	<u>100</u>
Accommodation in development	-	-
	<u>-</u>	<u>-</u>

Net surplus from social and sheltered housing

	2023		2022	
	Social	Sheltered	Social	Sheltered
Rental income	397,007	234,047	335,916	227,649
Service charges	-	4,481	-	5,054
	<u>397,007</u>	<u>238,528</u>	<u>335,916</u>	<u>232,703</u>
<u>Operating costs</u>				
Staff costs	-	(49,527)	-	(41,838)
Routine maintenance	(99,786)	(60,039)	(79,199)	(82,199)
Welfare	-	(12,041)	-	(12,196)
Heat and light	-	(31,028)	-	(28,091)
Rent and service charge	-	(9,062)	-	-
Rates	-	(12,626)	-	(12,767)
Cleaning and hygiene	-	(2,039)	-	(2,009)
Management cost	(59,202)	-	(50,361)	-
Refurbishment costs	-	(79,025)	(38,812)	(181,567)
<u>Administrative expenditure</u>				
Share of support costs	(69,960)	(42,033)	(47,613)	(32,985)
Share of governance costs	(2,014)	(1,210)	(1,643)	(1,138)
	<u>166,045</u>	<u>(60,102)</u>	<u>118,288</u>	<u>(162,087)</u>
Net surplus / (deficit)	<u>166,045</u>	<u>(60,102)</u>	<u>118,288</u>	<u>(162,087)</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Tangible fixed assets

	Social housing	Sheltered housing	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	4,370,000	2,533,082	4,531	8,757	6,916,370
Additions	8,983	-	-	106	9,089
	<u>4,378,983</u>	<u>2,533,082</u>	<u>4,531</u>	<u>8,863</u>	<u>6,925,459</u>
At 31 December 2023	4,378,983	2,533,082	4,531	8,863	6,925,459
Depreciation and impairment					
At 1 January 2023	-	-	2,359	6,296	8,655
Depreciation charged in the year	-	-	217	628	845
Impairment losses	8,983	-	-	-	8,983
	<u>8,983</u>	<u>-</u>	<u>2,576</u>	<u>6,924</u>	<u>18,483</u>
At 31 December 2023	8,983	-	2,576	6,924	18,483
Carrying amount					
At 31 December 2023	<u>4,370,000</u>	<u>2,533,082</u>	<u>1,955</u>	<u>1,939</u>	<u>6,906,976</u>
At 31 December 2022	<u>4,370,000</u>	<u>2,533,082</u>	<u>2,171</u>	<u>2,461</u>	<u>6,907,714</u>

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022	
	£	£	(Continued)
16 Tangible fixed assets			
The carrying value of land and buildings comprises:			
Freehold	4,370,000	4,370,000	
Long leasehold	2,533,082	2,533,082	
	6,903,082	6,903,082	
	6,903,082	6,903,082	

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Investment property

	Commercial properties	Social investment properties	Social investment properties	2023
	Freehold	Freehold	Leasehold	£
Fair value				
At 1 January 2023	6,077,000	850,000	628,629	7,555,629
Additions	-	-	7,202	7,202
At 31 December 2023	6,077,000	850,000	635,831	7,562,831

Investment property comprises commercial and social investment properties. The fair value of the investment property has been arrived at on the basis of a quinquennial property valuation exercise carried out in December 2020. The commercial properties were valued by Guise Jones Sawyer and the agricultural properties by ARC Surveyors.

The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

18 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	32,657	33,968

19 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2023	33,968
Valuation changes	(1,311)
At 31 December 2023	32,657
Carrying amount	
At 31 December 2023	32,657
At 31 December 2022	33,968

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	162,164	185,111
Other debtors	235	235
Prepayments and accrued income	53,578	36,808
	<u>215,977</u>	<u>222,154</u>

	2023	2022
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>5,869</u>	<u>6,104</u>
Total debtors	<u>221,846</u>	<u>228,258</u>

21 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	23	32,700	27,678
Other taxation and social security		16,033	4,615
Deferred income	24	101,042	103,232
Grants payable		132,684	125,214
Other creditors		142,599	153,292
Accruals and deferred income		20,358	18,791
		<u>445,416</u>	<u>432,822</u>

22 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	23	<u>361,610</u>	<u>382,302</u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Loans and overdrafts

	2023 £	2022 £
Bank loans	394,310	409,980
Payable within one year	32,700	27,678
Payable after one year	361,610	382,302
Amounts included above which fall due after five years:		
Payable by instalments	216,444	242,121

The long-term loan is secured by a fixed charge over the freehold property situated at 1 The Cross, Worcester.

24 Deferred income

	2023 £	2022 £
Arising from rents paid in advance	101,042	103,232

All the above relate to the following period and are released in full.

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

25 Endowment funds

Endowment funds represent assets which must be held permanently by the charity, principally property.

Income arising on the endowment funds 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 assets form part of the fund will be used to acquire further freehold property.

	Movement in funds as restated				Movement in funds						
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowed funds	12,918,912	-	-	-	(65,265)	12,853,647	-	-	-	(8,983)	12,844,664
	12,918,912	-	-	-	(65,265)	12,853,647	-	-	-	(8,983)	12,844,664

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

26 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2022		Movement in funds		Balance at 1 January 2023		Movement in funds		Balance at 31 December 2023	
	£	£	Incoming resources	Resources expended	Transfers	£	Incoming resources	Resources expended	Transfers	£
DWAS	2,764	146,851	(146,892)	(2,723)	-	186,291	(186,291)	-	-	-
Homes England	-	150,000	-	(150,000)	-	50,000	-	(50,000)	-	-
Platform and WCC carpet grant	-	35,000	(25,228)	-	9,772	20,000	(29,772)	-	-	-
	<u>2,764</u>	<u>331,851</u>	<u>(172,120)</u>	<u>(152,723)</u>	<u>9,772</u>	<u>256,291</u>	<u>(216,063)</u>	<u>(50,000)</u>		

DWAS scheme - A contract with City Council to manage the purchase and distribution of white goods in Worcester as part of the Discretionary Welfare Assistance Scheme (DWAS).

Homes England - Homes England provided a grant in respect to the development of 1+2 Inglethorpe Court

WORCESTER MUNICIPAL CHARITIES (CIO)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

27 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2022		Movement in funds		Movement in funds		Balance at 31 December 2023	
	£	£	Incoming resources	Resources expended	Transfers	Incoming resources	Transfers	£
Tudor House	24,624	1,000	1,000	(1,035)	4,000	1,000	9,000	38,589
Sinking fund for future repairs	-	-	-	-	51,552	-	60,040	111,592
	24,624	1,000	1,000	(1,035)	55,552	1,000	69,040	150,181

Trustees have decided to hold sinking funds as a general provision for future repair work

28 Analysis of net assets between funds

	Unrestricted 2023		Designated 2023		Restricted Endowment 2023		Total 2023		Unrestricted 2022		Designated 2022		Restricted 2022		Total 2022	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Fund balances at 31 December 2023 are represented by:																
Tangible assets	-	-	-	-	6,906,976	6,906,976	6,906,976	-	-	-	-	6,907,714	6,907,714	-	-	6,907,714
Investment properties	1,485,831	-	-	-	6,077,000	7,562,831	7,562,831	1,478,629	-	-	-	6,077,000	7,555,629	-	-	7,555,629
Investments	-	-	-	-	32,657	32,657	32,657	-	-	-	-	33,968	33,968	-	-	33,968
Current assets/(liabilities)	532,725	150,181	-	(171,969)	(171,969)	510,937	510,937	733,454	80,141	80,141	9,772	(165,035)	658,332	9,772	(165,035)	658,332
Long term liabilities	(361,610)	-	-	-	-	(361,610)	(361,610)	(382,302)	-	-	-	-	(382,302)	-	-	(382,302)
	1,656,946	150,181	-	12,844,664	14,651,791	14,651,791	1,829,781	80,141	9,772	12,853,647	14,773,341	9,772	12,853,647	14,773,341	9,772	14,773,341

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Related party transactions

The Charity provided rent-free offices with an estimated rental value of £46,240 (2022 - £46,240) to Citizens Advice Worcester and was also charged by them 15% of licence payments in respect of management fees for managing the Charity's social housing. The charity also provided grants of £192,938 (2022 - £180,406) to Citizens Advice Worcester towards its running costs. Paul Griffith, is a trustee of this charity and of Citizens Advice Worcester. Geraint Thomas is a trustee of this Charity and employee of Citizens Advice Worcester.

The Charity provided rent-free offices, a day centre and "free clothes" store with estimated rental values of £24,000 (2022 - £24,000) and also made a grant of £33,000 (2022 - £30,830) to Maggs Day Centre. Sue Osborne is a Trustee of this charity and of Maggs Day Centre. Mel Kirk is a trustee of this charity and an employee of Maggs Day Centre

The Charity provided a subsidised warehouse and offices to Armchair for which a reduced premium of £55,000 was paid to the WCMC predecessor charity for a 50 year lease in 1996. Margaret Jones, Mel Kirk and Richard Boorn are trustees of this charity and of Armchair.

The Charity provided a rent-free Heritage Museum (Tudor House) with an estimated rental value of £8,000 (2022 - £8,000) and also made a grant over two years of £40,247 (2022 - £37,614) to the Worcester Heritage and Amenity Trust. Margaret Panter is a Trustee of this charity and of the Worcester Heritage and Amenity Trust.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	123,325	110,224
	<u> </u>	<u> </u>
30 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(121,400)	(120,296)
Adjustments for:		
Investment income recognised in statement of financial activities	(16,975)	(6,912)
Fair value gains and losses on investments	1,311	6,136
Depreciation and impairment of tangible fixed assets	9,828	65,265
Movements in working capital:		
Decrease/(increase) in debtors	6,412	(39,793)
Increase in creditors	7,421	121,920
	<u> </u>	<u> </u>
Cash (absorbed by)/generated from operations	(113,403)	26,320
	<u> </u>	<u> </u>

WORCESTER MUNICIPAL CHARITIES (CIO)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

31 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	862,896	(128,389)	734,507
Loans falling due within one year	(27,678)	(5,022)	(32,700)
Loans falling due after more than one year	(382,302)	20,692	(361,610)
	<u>452,916</u>	<u>(112,719)</u>	<u>340,197</u>



Berkeley Court May 2023 - Celebrating the King's Coronation

Nash's and Wyatt's Almshouses

The original almshouses of John Nash (New Street 1661) and Michael Wyatt (Friar Street 1775) were both condemned as part of the infamous "slum clearances" of the 1960s and rebuilt together on the New Street site in 1964



The full history of the Charity is published in a 512 page book which can be viewed at The Hive, Worcester WR1 3PD on our website or purchased from our office at the address below.

Worcester Municipal Charities (CIO)
Kateryn Heywood House, Berkeley Court, The Foregate, Worcester WR1 3QG
Telephone: 01905 317117
admin@wmcharities.org.uk • www.wmcharities.org.uk