

***THE CITY OF LONDON ALMSHOUSES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016***

**Charity Number: 1005857
Tenants Services Authority Number: A2266**

THE CITY OF LONDON ALMSHOUSES

Trustee's Annual Report and Financial Statements for the year ended 31 March 2016

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THE CITY OF LONDON ALMSHOUSES

Trustee's Annual Report for the year ended 31 March 2016

1. Reference and Administration Details

Charity Name	The City of London Almshouses
Registered Charity Number:	1005857
Tenants Number	Services Authority A2266
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The Mayor, Commonalty and Citizens of the City of London
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 4AB

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2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The City of London Almshouses is a registered social landlord and a registered charity. It was registered with the Charity Commissioners in July 1991 under a scheme which amalgamated the following three charities:

City of London Freemen's Houses	regulated by a conveyance dated 1 January 1848 and comprised in a Scheme of the Charity Commissioners of the 19 August 1975.
Rogers' Almshouses	comprised in a declaration of trust dated 15 July 1858.
Brown's Gift	regulated by declaration of trust dated 22 March 1934.

The Charities Commission agreed with effect from the 26 July 2011 for the City of London Corporation to become the sole corporate trustee in place of individuals. It also agreed to change the name from the City of London Almshouses Trust to the City of London Almshouses.

Trustee selection methods

The Housing Management and Almshouses Sub (Community and Children's Services) Committee of the City of London Corporation administers the charity on behalf of the Trustee. This committee comprises Aldermen and Common Councilmen elected to the City of London Corporation and appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation.

Policies and Procedures for the Induction and Training of Trustees

The City of London Corporation makes such seminars and briefings available to its Members as it considers are necessary to enable the Members to efficiently carry out their duties. Such events relate to various aspects of the City's activities, including those concerning The City of London Almshouses.

Organisational structure and decision making process

The charity is administered under the governance rules applying to the City of London Corporation and its governance and administration is in accordance with the Standing Orders and Financial Regulations of the City of London Corporation. These regulations are available from the Town Clerk of the City of London at the principal address.

Risk identification

The Trustee is committed to a programme of risk management as an element of its strategy to preserve the charity's assets, enhance productivity for service users and members of the public and to protect its employees.

In order to embed sound practice a Risk Management Strategy has been established in the City of London Corporation to ensure that risk management policies are applied; that there is an

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Trustee's Annual Report (continued)

Structure, Governance and Management (continued)

Risk identification (continued)

ongoing review of risk management activity; and that appropriate advice and support is provided to Members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation.

A key risk register for this charity has been prepared and has been reviewed by the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The main risks that have been identified for the Almshouses are:

- The Almshouses become unstable/unusable due to lack of maintenance
- Accident/injury and litigation.

There is a system in place for monitoring these risks and mitigating actions are undertaken including training, strengthening controls and plans of action.

3. Objectives and Activities for the Public Benefit

The purpose of the charity is the provision of almshouses for poor or aged persons, giving preference to freemen of the City of London, their wives, widows, sons and daughters and where practicable to married couples.

This activity is undertaken by the charity to further its charitable purposes for the public benefit. The Trustee has complied with the duties in the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

4. Targets, Achievements and Performance for 2015/16

Review of the Year

- There were no significant changes in the day to day management of the almshouses.

5. Financial Review

The net income for the year was £10,571 (2014/15: £115,971). Investment income amounted to £40,221 (2014/15: £41,523). Interest income was £1,552 (2014/15: £2,434). Rental Income was £254,522 (2014/15: £247,205).

Going Concern

The Trustee considers the Charity to be a going concern for the foreseeable future as detailed in Accounting Policies note 2b).

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Trustee's Annual Report (continued)

Reserves Policy

The Trustee manages the original endowment plus accumulated capital growth and uses it in maintaining the City of London Almshouses. Having reviewed the reserves and the level of annual income and expenditure we have concluded that there are sufficient resources to meet current and anticipated liabilities.

Investment Policy

The Trust's investments have been combined with many of the other smaller charities which are administered by the City of London Corporation and form part of the City of London Charities Pool. Where available, the underlying investments of the Pool are valued at the mid-price at the 31st March 2016 taken from the relevant stock exchange pricing systems. Other investments are valued annually at the mid-price of the market at the close of business on 31st March of each year mainly using commonly available pricing systems.

6. Plans for future Periods

The objectives for 2016/17 are:

- To continue to the provision of almshouses for poor or aged persons, giving preference to freemen of the City of London, their wives, widows, sons and daughters and where practicable to married couples.

7. The Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015. The financial statements consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the Trust.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust.
- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

8. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the

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Trustee's Annual Report (continued)

8. Statement of Trustee's Responsibilities (continued)

charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enables the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the governing document. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. Adopted and signed for and on behalf of the Trustee on 15 November 2016

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee
Guildhall, London

Roger A.H. Chadwick
Deputy Chairman of
Finance Committee

THE CITY OF LONDON ALMSHOUSES

Independent Auditor's Report to the Trustees of The City of London Almshouses

We have audited the financial statements of the City of London Almshouses for the year ended 31 March 2016 which are set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5 to 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at Year End 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.

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Independent Auditor's Report to the Trustees of the City of London Almshouses (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Moore Stephens LLP

18 November 2016

Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of Financial Activities for the year ended 31 March 2016

	Note	Unrestricted Funds			Total	Restated
		General	Designated	Restricted	2015/16	Total
		Fund	Fund	Fund		2014/15
		£			£	(Note 16)
						£
Income and endowments from:						
Charitable activities		332,910	-	-	332,910	319,553
Income from investments		41,773	-	-	41,773	43,957
Grant from COL		8,717	-	-	8,717	8,546
Total income and endowments	4	<u>383,400</u>			<u>383,400</u>	<u>372,056</u>
Expenditure on:						
Charitable activities		307,029	-	-	307,029	320,773
Raising Funds		2,023	-	-	2,023	3,160
Total expenditure	5	<u>309,052</u>			<u>309,052</u>	<u>323,933</u>
Net (losses)/ gain on investments		(57,384)	(6,393)		(63,777)	67,848
Net income/(expenditure)		16,964	(6,393)	-	10,571	115,971
Other recognised gains/(losses)		-	-	-	-	-
Net movement in funds		<u>16,964</u>	<u>(6,393)</u>	<u>-</u>	<u>10,571</u>	<u>115,971</u>
Reconciliation of funds						
Total funds brought forward (restated note 16)		1,211,073	199,084	37,648	1,447,805	1,331,834
Total funds carried forward	15	<u>1,228,037</u>	<u>192,691</u>	<u>37,648</u>	<u>1,458,376</u>	<u>1,447,805</u>

There are no recognised gains or losses other than as shown in the statement of financial activities above.

All incoming resources and resources expended derive from continuing activities

The notes at pages 11 to 22 form part of these accounts.

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Balance Sheet as at 31 March 2016

	Notes	2016 £	Restated 2015 (Note 16) £
Fixed Assets			
Tangible Fixed Assets	11	1,633,880	1,640,880
Managed Investments – 135,697 Charities Pool Units	12	1,057,080	1,120,857
		<u>2,690,960</u>	<u>2,761,737</u>
Current Assets			
Debtors	13	-	29,393
Cash		400,505	319,892
		<u>400,505</u>	<u>349,285</u>
Creditors: Amounts falling due within a year	14	<u>(64,425)</u>	<u>(74,337)</u>
Net Current Assets		336,080	274,948
Creditors: Amounts falling due after more than one year		(99,153)	(117,929)
Long term creditor – operating lease (restated note 16)		(149,760)	(151,200)
Deferred grant- Social Housing Grant		<u>(1,319,751)</u>	<u>(1,319,751)</u>
Total Assets		<u>1,458,376</u>	<u>1,447,805</u>
The funds of the charity:			
Unrestricted income funds			
General fund	15	1,228,037	1,211,073
Designated Funds	15	192,691	199,084
Restricted endowment funds	15	37,648	37,648
Total funds		<u>1,458,376</u>	<u>1,447,805</u>

Approved and signed for and on behalf of the Trustee.

The notes at pages 11 to 22 form part of these accounts.



Dr Peter Kane
Chamberlain of London
15 November 2016

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Notes to the Financial Statements for the year ended 31 March 2016

1. Legislative Background

The City of London Almshouses is a registered Social Landlord under Section 1 (2) of the Housing Act 1996. The Trust also a Registered Charity in accordance with the Charity Commissioner's scheme dated 30th July 1991.

2. Accounting Policies

The following accounting policies have been applied consistently throughout the year and in the preceding year in dealing with items which are considered material in relation to the charity's financial statements.

(a) *Basis of Preparation*

The City of London Almshouses are a public benefit entity and the accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared for the first time in accordance with the new 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 from 1 January 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

(b) *Going Concern*

The Trust is a going concern for the foreseeable future as the Trustee has due regard to maintaining the capital base. The majority of the Charity's income is from rents from the properties and the Trust is active in ensuring that these are fully let by advertising and keeping a waiting list. A long term financial plan has been agreed to ensure that finance is available as major works arise. The Trust receives substantial investment income from investments in the Charities Pool administered by the City of London Corporation. The investment policy is set out in Section 2(c) to the financial statements and Section 5 of the annual trustees report.

(c) *Investment Income*

Investment income consists of dividends earned on investments held in the Charities Pool. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The unrealised loss on investments at the balance sheet date is included in the charity's funds.

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Notes to the Financial Statements for the year ended 31 March 2016

2. Accounting Policies (continued)

(d) *Expenditure Recognition*

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

(e) *Fund Accounting*

The reserves are divided into the following reserves:-

- Trust Fund – The original permanent endowment, this can only be used at the winding up of the Trust.
- Cyclical repairs – yearly transfers from the revenue account based on the expected cost of repainting and transferred out to the revenue account in the year when the cost arises.
- Extraordinary Repairs – Yearly transfers based on income from cash and charities pool distributions plus any increase or decrease in the market value of the charities pool units held in the extraordinary repairs reserve. This is used to fund the extraordinary repair, improvement or rebuilding of the Trust's property.

General – a non –specific reserve representing the balance of the net assets. Transfers made to or from the revenue account reflecting realised and non-realised surpluses or deficits.

(f) *Lease to Gresham Almshouses*

The City of London Almshouses (COLAT) owns the site. An agreement was entered into with Gresham Almshouses operated by the Sir Thomas Gresham Charity (charity number 221982) dated 7 December 1994 for the lease of the site for the next 125 years for the sum of £180,000. The deferred income is recognised on a straight line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term creditor.

(g) *Cash Flow Statement*

The Trust has taken advantage of the exemption in FRS102, section 1A, from the requirement to produce a statement of cash flows on the grounds that it is a small entity.

(h) *Pension Costs*

Employees seconded from the City of London Corporation are entitled to be members of the City of London Corporation's Pension Scheme. These costs are included in the total salaries charged.

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £482.6m as at 31 March 2016 (£498.2m as at 31 March 2015). Since this net deficit is apportioned between the accounts of the City of London's three main funds, the charity's trustees do not anticipate that any of the liability will fall on the charity.

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Notes to the Financial Statements for the year ended 31 March 2016

2. Accounting Policies (continued)

The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in the accounts.

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in Note 7 and any employer's pension contributions within support services costs as disclosed at Note 6. Following the statutory triennial valuation of the pension fund as at 31st March 2013, completed by independent consulting actuaries, an employer's contribution rate of 17.5% has been applied for 2014/15, 2015/16 and 2016/17. An updated triennial valuation is being undertaken as of 31 March 2016 which will inform consideration of the employer's contribution rate to be adopted from 2017/18. There are no outstanding or pre-paid contributions at the balance sheet date

(i) *Social Housing Grants*

Where developments have been financed wholly or partly by Social Housing Grants, the cost of these developments has been reduced by the amount of the grant received. Social Housing Grants are repayable under certain circumstances primarily following the sale of a property.

(j) *Housing Properties and Depreciation*

The City of London Almshouses were erected in the mid-19th century. There is no record of the original cost and no value has been attributed thereto. The cost of fixed assets for housing land and buildings relates to subsequent improvements and refurbishments which are stated at cost less Social Housing Grant. Depreciation is charged so as to write down the costs of refurbishment to their estimated residual value on a straight line basis over their remaining expected useful economic lives of 48 years. An impairment review is carried out in accordance with FRS 102.

(k) *Maintenance Policy*

It is the Trust's policy to ensure that the dwellings are kept in a good standard of repair and that there are sufficient resources to meet this requirement.

(l) *Support from the City of London's City's Cash*

The auditors 2015/16 remuneration of £8,717 (2014/15: £8,546) for the year was also borne by the City of London's City's Cash and is therefore reflected as a donated service to the Almshouses.

(m) *Financial Assets and Liabilities*

Financial instruments are classified as either 'basic' or 'other' in accordance with section 11 of FRS102. All financial instruments held by City of London Almshouses are basic financial instruments.

3. Tax Status of the Charity

The City of London Almshouses is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

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Notes to the Financial Statements for the year ended 31 March 2016

4. Incoming Resources

Income resources consist of managed investment income, interest received on cash balances, and income from social house lettings which is analysed as follows:

	2015/16 £	Restated 2014/15 £
Income and endowments		
Managed investment income	40,221	41,523
Interest	1,552	2,434
Total	41,773	43,957
Charitable activities		
Rental income	254,522	247,205
Service Charge	76,948	70,908
Deferred Income from Gresham Lease	1,440	1,440
	332,910	319,553
Grant from City of London	8,717	8,546
Total Income and Endowments	383,400	372,056

5. Resources Expended

Resources expended are analysed as follows:

	Activities undertaken directly £	Support costs £	2015/16 £	2014/15 £
Charitable activities				
Almshouses running costs				
Management		59,730	59,730	(5,121)
Services	87,295		87,295	90,821
Routine maintenance	85,028		85,028	61,455
Planned maintenance	67,976		67,976	166,318
Depreciation of housing properties	7,000		7,000	7,300
	247,299	59,730	307,029	320,773
Other				
Interest	2,023		2,023	3,160
	249,322	59,730	309,052	323,933

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2016

Services comprises:

Services	2015/16 £	2014/15 £
Lighting	2,565	4,293
Matrons	43,800	40,624
Window Cleaning	1,513	929
Water Rates	7,805	6,901
Groundsman	20,385	28,129
Rent	7,043	6,989
Council Tax	3,004	2,581
Pest Control	1,180	375
TOTAL	87,295	90,821

6. Support Costs

The cost of administration which includes the salaries and associated costs of officers of the City of London Corporation, together with premises and office expenses, is allocated by the City of London Corporation to the activities under its control, including this charity, on the basis of employee time spent on the respective services. These expenses include the cost of administrative and technical staff and external consultants who work on a number of the City of London Corporation's activities.

7. Staff numbers and costs

The Trust does not employ any staff, though it has seconded a matron and a groundsman on a permanent basis from the Community and Children's Services Department of the City of London with effect from 1 April 1999 - see notes 2(h).

	Matron £	Groundsman £
Basic/Agency Pay	34,994	16,520
N.I	2,548	978
Pension	6,258	2,887
Total	43,800	20,385

There were no employees whose total employee benefits were above the £60,000 threshold (2014/15 Nil).

8. Other Items of Expenditure

Trustee emoluments

The trustee received no emoluments or expenses in the current or previous financial year.

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Notes to the Financial Statements for the year ended 31 March 2016

9. Housing Stock

The number of units supported social housing accommodation under management at 31 March 2016 was 42 with 2 units for wardens' use. (2015: 42 and 2 respectively).

10. Accommodation Managed by Others

All the Trust's stock and activities are managed by the City of London. No supported housing management grant is payable to the City of London.

11. Tangible Fixed Assets

	Land and Buildings	Total
	£	2015-16 £
Cost		
At 31 March 2015	1,763,430	1,763,430
At 31 March 2016	1,763,430	1,763,430
Accumulated depreciation		
Balance at 31 March 2015	122,550	122,550
Charge for the year	7,000	7,000
At 31 March 2016	129,550	129,550
Net book values		
At 31 March 2016	1,633,880	1,633,880
At 31 March 2015	1,640,880	1,640,880

The original cost of erection of the dwellings, which were financed by public subscription in the mid-19th century is not included in the accounts.

The fixed assets represent the cost of improvements to the freehold land and buildings.

THE CITY OF LONDON ALMSHOUSES
Notes to the Financial Statements for the year ended 31 March 2016

12. Investment Assets

The value and cost of investments is comprised as follows:

	General Fund £	2016 £	2015 £
Market Value 1 April	1,120,857	1,120,857	1,053,009
Acquisitions	-	-	-
(Loss)/gain for the year	(63,777)	(63,777)	67,848
Market Value 31 March	1,057,080	1,057,080	1,120,857
Cost 31 March	657,966	657,966	657,966
Units in Charities Pool	135,697	135,697	135,697

The geographical spread of listed investments at 31 March was as follows:

	2016 £	2015 £
Equities		
UK	781,616	881,259
Overseas	160,825	167,061
Bonds - UK	28,300	27,841
Pooled Units - UK	43,925	36,129
Cash held by Fund Manager	42,414	8,567
Total Funds	1,057,080	1,120,857

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on balances held on behalf of the Trust. The investments are managed by Artemis Investment Management LLP and the performance of the fund is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Fund is also measured against its peer group using the WM Charity Universe (ex-property).

On 31 March 2016 the total number of units held in the Charities Pool was 135,697. Of the 135,697 total units held, 13,603 have been designated to the extraordinary repairs fund. All listed on recognised stock exchanges. Current allocation: 74% UK equities, 15% Overseas equities, 7% UK bonds and 4% Cash.

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2016

13. Debtors

Debtors consist of amounts owing to the charity due within one year.

	2016 £	2015 £
Debtors: due within one year		
Other Debtors	-	29,393
Total	-	29,393

14. Creditors

	2016 £	2015 £
Creditors: Amounts falling due within one year		
Housing loans repayable	18,619	18,894
Trade and other creditors	45,806	55,443
	64,425	74,337
Creditors: Amounts falling due after more than one year		
Housing loans repayable		
<i>Low start loan</i>		
Original sum	657	37,169
Deferred interest	98,496	80,760
<i>Conventional loan</i>	-	-
Deferred Income – operating lease Gresham Almshouses	149,760	151,200
	248,913	269,129
Total	313,338	343,466

	2016 £	2015 £
Loan Repayable		
1 - 2 years	18,918	18,755
2 - 5 years	68,282	63,579
5 and more	11,953	35,595
Total	99,153	117,929

The above loans, advanced by the Tenants Services Authority (formerly the Housing Corporation), (which was transferred to Orchardbrook Ltd) are secured by a charge on the Trust's housing land and buildings. The low - start loan is on a variable rate of interest; the rate of interest applicable from 1 April 2015 to 30 September 2015 was 1.69% and 1.54% from 1 October 2015 to 31 March 2016. The rate of interest applicable to the Trust's conventional loan was 10.625% and this loan was paid off in September 2014. The final instalment of the low - start loan is due in 2022.

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2016

15. Movement of Funds during the year to 31 March 2016

	Fund Balances Brought Forward Restated £	Income £	Expenditur e £	Gains and Losses £	Fund Balances Carried Forward £
Unrestricted Funds					
<i>General Funds</i>	1,211,073	383,400	(309,052)	(57,384)	1,228,037
<i>Designated Funds</i>					
Cyclical Repairs	36,000	-	-	-	36,000
Extraordinary Repairs	163,084	-	-	(6,393)	156,691
	199,084	-	-	(6,393)	192,691
Total Unrestricted Funds	1,410,157	383,400	(309,052)	(63,777)	1,420,728
Restricted Funds					
Trust Fund	37,648	-	-	-	37,648
Total Restricted Funds	37,648	-	-	-	37,648
Total Funds	1,447,805	383,400	(309,052)	(63,777)	1,458,376

Notes to the funds:

Trust Fund - The original permanent endowment, this can only be used at the winding up of the Trust.

Cyclical Repairs - Provision for future repainting.

Extraordinary Repairs - To fund the extraordinary repair, improvement or rebuilding of the Trust's property.

General - A non-specific reserve representing the balance of net assets.

The revaluation of the investments in the Charities Pool is applied to the extraordinary repairs fund and general fund, in proportion to the investment units held (see Note 12).

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Notes to the Financial Statements for the year ended 31 March 2016

16. Prior Year Adjustment

A lease agreement was entered into with Sir Thomas Gresham Charity on 7 December 1994 for the lease of the site on which the Almshouses are built for the next 125 years for the sum of £180,000. At the time of the payment an asset, was not recognised in the Sir Thomas Gresham Charity accounts, and therefore a corresponding liability was not recognised in the City of London Almshouses accounts. On receipt of legal opinion during 2015-16, the Sir Thomas Gresham Charity have recognised an asset representing the payment and the entitlement to the leasehold. Accordingly, a liability is now being recognised in the City of London Almshouses accounts. The value of the remaining leasehold payment has been recognised as deferred income and is being amortised on a straight-line basis to the end of the term in 2118/19.

The charity's financial statements for the year ended 31 March 2015 showed total Unrestricted Funds of £1,559,917. Unrestricted Funds should have been recorded as £1,408,717, thereby reflecting the value of deferred income from the lease to Gresham Almshouses site as at 31 March 2015. The Statement of Financial Activities, Balance Sheet and disclosure notes 4 and 13 for the year ended 31 March 2015 show a restated balance at 1 April 2014 to reflect this adjustment as outlined below.

Reconciliation of Almshouses income` 2014/ 15	£
Almshouses rental income as previously stated	318,113
Adjustment for deferred income from the lease of the site	1,440
2014/15 Almshouses running income as restated	<u>319,553</u>
 Reconciliation of Unrestricted Funds 2014/15	
Unrestricted General Funds as previously stated	1,362,273
Adjustment for long term creditor – operating lease	(151,200)
2014/15 Unrestricted Funds as restated	<u>1,211,073</u>

17. Related Party Transactions

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. These Trusts do not undertake transactions with the City of London Almshouses with the exception of the Sir Thomas Gresham Charity (Charity number 221982). A full list of other charitable Trusts of which the City of London Corporation is Trustee is available on application to the Chamberlain of the City of London.

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Notes to the Financial Statements for the year ended 31 March 2016

Related Party Transactions (continued)

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances. Investment income of £3,548 was earned during the year (2014/15: £5,158).

These transactions are undertaken at arm's length.

18. Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The following table shows the difference between net income/(expenditure) presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (i.e. comparative information). The table also shows funds determined in accordance with the FRS 102 compared to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102 – nil change) and 31 March 2015 (nil change).

There have been no changes in accounting policies made on first-time adoption of FRS 102.

Group	Note	Funds as at 1 April 2014	Net income/ (expenditure) for the year ended 31 March 2015	Funds as at 31 March 2015
		£	£	£
As previously stated under former UK GAAP		1,331,834	48,123	1,447,805
Gains / (losses) on investments	a)		67,848	
As stated in accordance with FRS 102		1,331,834	115,971	1,447,805

Explanation of changes to previously reported net income:

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Notes to the Financial Statements for the year ended 31 March 2016

Transition to FRS 102 (continued)

- a) FRS 102 requires that gains/(losses) on investments are now treated as a component of net income. Under previous UK GAAP, gains/(losses) on investments were shown after net income as part of other recognised gains/(losses).

The 2015/16 financial statements have been prepared under FRS102 as the City of London Almshouses whilst being a registered social landlord is not subject to the landlord and tenant act and therefore the charity SORP FRS102 was deemed to take precedence over the Registered Social Landlord SORP. There has been no changes other than those stated above to the values included in the 2014/15 Financial Statements but there has been changes to the format and headings to reflect this change.

