

**Registered Charity Number: 1159083**

**The Sheffield Firth Almshouses**

**FINANCIAL STATEMENTS**

**For the period ended 31 December 2016**

# **The Sheffield Firth Almshouses**

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# **The Sheffield Firth Almshouses**

## **Administrative Information for the period ended 31 December 2016**

### **Full name**

The Sheffield Firth Almshouses

### **Other names by which the charity is known**

The Firth Almshouses  
Firth's Homes

### **Charity number**

1159083

### **Trustees**

John Gaunt	Chairman & Governance Group	
Clyde Binfield	Governance Group	
Louise Shield	Health, Safety and Welfare Group	
Bernard Webster	Estate Group	
Patricia Nollent (nee Whitham)	Housing Allocation Group	
Margaret Stoddard	Housing Allocation Group	
Barbara Doyle	Health, Safety and Welfare Group	
Richard Lomas	Estate Group	
William Fletcher	Health, Safety and Welfare Group	(appointed November 2016)

### **Principal address**

No 1 Firth Homes  
Nethergreen Road  
Sheffield  
S11 7EG

### **Independent Examiner**

Sarah Lightfoot, ACA DChA

Voluntary Action Sheffield  
Community Accounting Service  
The Circle  
33 Rockingham Lane  
Sheffield  
S1 4FW

## **The Sheffield Firth Almshouses**

### **Trustees' annual report For the period ended 31 December 2016**

The trustees submit their annual report and the financial statements for the period ended 31 December 2016.

#### **Structure Governance & Management**

The organisation was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 5 November 2014.

The charity was originally founded in July 1869. Previously the organisation was governed under a Trust Deed dated 9 July 1869 as amended by the Charity Commission Scheme dated 27 November 2007, charity number 219116.

The Board met quarterly to monitor and plan charity business and to make financial and strategic decisions and keep operational planning under review. Trustees are satisfied with the controls and structure which includes four operational sub-groups (see above). A chairman is elected every January in accordance with the constitution. The Trust employs a salaried Clerk and a Resident Warden through competitive recruitment and their wage is reviewed at the Annual Budget Planning meeting. In 2016 the Associate Member (Reverend Will Fletcher) was elected as a Trustee and Director.

#### **Objects and activities of the charity**

The charitable objects are:

- a) To provide housing accommodation for men and women, resident in Sheffield who are over 60 years and are in need, hardship or distress; and
- b) such other charitable purposes for the benefit of the residents as the trustees decide.

This charity owns an estate of sheltered accommodation for elderly people who are able live independently. The almshouse trust was founded in 1869. In 1970 the homes were rebuilt with twenty eight flats and four bungalows. The Trust aims to provide its residents with a secure, comfortable and happy environment. Facilities on the estate include a laundry and community hall. The morale of residents is also important to the Trustees and therefore a range of social activities are organised and encouraged. Firth Homes is popular and has a good reputation.

The Trustees confirm that they have complied with section 4 of the Charities Act 2006 by having regard to the guidance and to the exercise of their duty to public benefit under the objects of this charity. The priority for Trustees is the provision of affordable, well maintained accommodation with communal facilities, overseen by a Warden, to enable residents to lead independent happy lives.

#### **Summary of the main activities and achievements during the year**

The occupancy rate for the year was 96%. There were a total of sixty eight weeks by the year-end when a home was unoccupied, awaiting a new resident. The occupancy rate has fallen because three homes became empty in 2016 and their occupation now takes longer while the home is substantially upgraded. Three residents left because of failing health. At the year-end, thirty-one homes were occupied by thirty-six residents (five are couples). The mean average age of residents at the end of the period continued to be 79 years.

This was the first full year without the government grant (Supporting People). This loss leaves completely to this charity the financial burden of supporting elderly people to live at home independently. The time and cost of this support continues to increase, while the resources that offer health and benefit support in the public service have weakened year on year. The Trustees acknowledge the assistance provided by the National Almshouse Association through guidance and training at a local level and with lobbying at a national level aimed at sustaining the future of the charitable almshouse movement.

## **The Sheffield Firth Almshouses**

### **Trustees' annual report (continued) For the period ended 31 December 2016**

#### **Summary of the main activities and achievements during the year - continued**

Trustees made a £2pw increase to the maintenance contribution which remains well below the Local Housing Allowance rate. Through careful management all expenditure was met without drawing on reserves. Income comes almost entirely from the maintenance charge paid monthly by residents. Income is held in a cash account with a bank approved by Trustees and guaranteed by the Financial Services Compensations Scheme. To pay for the re-development of the estate, income is derived from special funds designed for members of the National Almshouse Association. These funds perform to the Trustee's satisfaction.

The Resident Warden is uniquely placed on site to respond immediately to all the security, maintenance and health issues that arise. The Warden is notified of all emergencies (health alerts and fire alarms) many of which are outside normal working hours. These were particularly demanding in 2016.

The Trustees were pleased to see that their investment last year in solar power is meeting its predicted financial benefit. The specification for refurbishing our homes was honed during the year and the upgrading has improved the maintenance, comfort, safety and the cost of living for new residents.

To eliminate higher moisture levels in one home, a 'whole-house' air circulation system was installed. The resident reported benefits immediately and these continue. A number of security improvements were implemented to the common areas and to the fire system. Two unannounced fire drills were held to reinforce the strict evacuation procedures with which all residents are made aware.

A new level pathway into the estate was built to increase access and to improve it. This was widely welcomed and is much used. Due to site conditions, additional drainage has been installed in one area to cope better with unusually heavy rainfall. Comprehensive testing was begun to ease or replace mains water stop valves. A programme of property inspections was intensified and an improved process developed. This programme is helping the charity to further develop its pro-active approach to maintenance. The programme incorporates regulatory tests for which the warden has been trained.

Trustees made a payment of £750 to fellow Trustee, Richard Lomas (Registered Architect), for a specified professional service that was approved by the Board in advance. He took no part in the related decisions and all the guidelines of the Charity Commission were met for such an engagement and payment, which has been documented for the auditor.

Residents have the opportunity to participate in a range of social activity organised either by the Warden or, the resident-run, social committee. Special parties have been very popular, with the highlight once more at Christmas. Additionally, the warden has organised speakers to raise the awareness of residents to matters of their health, security and finance.

#### Serious Incidents

In accordance with the guidance on the subject, Trustees declare that during the year there have been no "serious incidents" or other matters that must be notified to the Charity Commission.

#### Insurance

Relevant insurances are maintained which include the property; trustee liability; employers indemnity and public liability. The estate was revalued in 2012 to ensure the insured values are accurate.

## The Sheffield Firth Almshouses

### Trustees' annual report (continued) for the period ended 31 December 2016

#### Financial review and reserves policy

Free reserves at 31 December 2016 were £73,969 (unrestricted reserves not held as tangible fixed assets, associated mortgage or fixed asset investments).

Investments held were valued at £840,445 at the year end, of which £129,956 were held as designated funds, whilst the remaining balance of £710,489 were used to generate income for these designated funds.

The reserves are reviewed quarterly and maintained in accordance with the guidelines and investments recommended by the National Almshouse Association. The sums held considered proportional to the projected cost of maintaining and developing the estate in the foreseeable future.

In setting a level of reserves the Trustees have regard to the significant cost of on-going property maintenance. In addition, Re-developments in the foreseeable future will include the renewal of the roofs and the windows. Maintenance and Re-development costs in the foreseeable future are together expected to range between £250,000 and £1,250,000, therefore the minimum reserves required are £250,000.

These costs would be funded from the following sources, in this order, as required:

	£
1. Free reserves	73,969
2. The designated "Extraordinary Repairs Fund"	91,871
3. The sale of additional fixed asset investments if required	84,160
4. A loan against the property	

Minimum reserves	250,000
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The trustees declare that they have approved the trustees' report above on 22 June 2017.

Signed on behalf of the trustees:

J Gaunt  
Chairman

## **The Sheffield Firth Almshouses**

### **Independent Examiner's report on the Financial Statements for the period ended 31 December 2016**

I report on the accounts of The Sheffield Firth Almshouses for the period ended 31 December 2016 which are set out on pages 6 to 12.

#### **Respective responsibilities of the Trustees and the examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145 (5) (b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep appropriate accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Sarah Lightfoot, ACA, DChA*

Voluntary Action Sheffield  
Community Accountancy Service  
The Circle  
33, Rockingham Lane  
Sheffield  
S1 4FW

Date: 3 July 2017

## The Sheffield Firth Almshouses

### Statement of Financial Activities For the year to 31 December 2016

	Notes	Unrestricted funds £	Designated funds £	Total 2016 £	From 24/11/14 to 31/12/15 £
<b>Income from:</b>					
Charitable Activities	2	136,316	-	136,316	146,186
Investments	3	29	34,066	34,095	41,446
<b>Total income</b>		<b>136,345</b>	<b>34,066</b>	<b>170,411</b>	<b>187,632</b>
<b>Expenditure on:</b>					
Charitable Activities	4	76,511	47,851	124,362	144,542
<b>Total expenditure</b>		<b>76,511</b>	<b>47,851</b>	<b>124,362</b>	<b>144,542</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		<b>59,834</b>	<b>(13,785)</b>	<b>46,049</b>	<b>43,090</b>
Net gains/(losses) on investments		93,417	-	93,417	(39,925)
<b>Net income/(expenditure)</b>		<b>153,251</b>	<b>(13,785)</b>	<b>139,466</b>	<b>3,165</b>
Transfers between funds	13	2,116	(2,116)	-	-
<b>Net movement in funds</b>		<b>155,367</b>	<b>(15,901)</b>	<b>139,466</b>	<b>3,165</b>
Total funds brought forward		656,982	145,857	802,839	799,674
<b>Total funds carried forward</b>		<b>812,349</b>	<b>129,956</b>	<b>942,305</b>	<b>802,839</b>



# The Sheffield Firth Almshouses

## Balance Sheet As at 31 December 2016

	Notes	£	2016 £	2015 £
<b>Fixed Assets</b>				
Tangible Assets	8		61,283	62,418
Investments	9		840,445	714,172
			<u>901,728</u>	<u>776,590</u>
<b>Current assets</b>				
Debtors	10	1,381		-
Cash at bank and in hand		<u>74,468</u>		<u>62,981</u>
<b>Total current assets</b>		<u>75,849</u>		<u>62,981</u>
Creditors: amounts falling due within one year	11	<u>(5,425)</u>		<u>(5,311)</u>
<b>Net current assets</b>			<u>70,424</u>	<u>57,670</u>
<b>Total assets less current liabilities</b>			<b>972,152</b>	<b>834,260</b>
Creditors: amounts falling due after more than one year	12		(29,847)	(31,421)
<b>Total net assets</b>			<b><u>942,305</u></b>	<b><u>802,839</u></b>
<b>Funds of the Charity</b>				
Unrestricted funds			812,349	656,982
Designated Funds	13		129,956	145,857
			<b><u>942,305</u></b>	<b><u>802,839</u></b>

The Trustees declare that they have approved the accounts above on 22 June 2017.

Signed on behalf of the Charity's trustees:

Name: John Gaunt

Position: Trustee and Chair

Name: Marie Louise Shield

Position: Trustee

# The Sheffield Firth Almshouses

## Notes to the Accounts

For the year to 31 December 2016

### 1 Accounting Policies

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### (b) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured

Residents contributions are accounted for during the year in which they were owed.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

#### (c) Expenditure and liabilities

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Cyclical repairs and routine maintenance: Firth's Homes has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Statement of Financial Activities in the year in which they are incurred.

#### (d) Tangible fixed assets

Housing properties: Firth's Almshouses were constructed in the latter part of the nineteenth century and there is no record of the original cost and no value is attributed thereto. The housing properties cost relates to the construction in 1970 of replacement units. This was funded by a Housing Association grant, a mortgage loan from Sheffield City Council and from Firth's Homes' own resources.

Depreciation is provided to write down the cost of housing properties in equal instalments over their expected useful life of 100 years.

#### (e) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

# The Sheffield Firth Almshouses

## Notes to the Accounts (continued) For the year to 31 December 2016

### 1 Accounting Policies (continued)

#### (f) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### (g) Fund accounting

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor.

Designated funds are set aside by the charity's trustees for a specific purpose.

### 2 Income from Charitable Activities

	Unrestricted funds £	Designated funds £	Total 2016 £	From 24/11/14 to 31/12/15 £
Residents contributions	132,576	-	132,576	141,653
Supporting People grant	-	-	-	831
Housing benefit	-	-	-	2,029
Ground rents receivable	49	-	49	136
Solar energy receipts	3,566	-	3,566	-
Sundry receipts	125	-	125	1,537
	<b>136,316</b>	<b>-</b>	<b>136,316</b>	<b>146,186</b>
From 24/11/14 to 31/12/15 - fund split	<b>146,186</b>	<b>-</b>		<b>146,186</b>

### 3 Income from investments

	Unrestricted funds £	Designated funds £	Total 2016 £	From 24/11/14 to 31/12/15 £
Bank deposit interest	29	-	29	86
COIF interest received	-	-	-	23
NAACIF income shares distributed received	-	1,210	1,210	1,539
NAACIF accumulation shares income accumulated	-	32,856	32,856	39,798
	<b>29</b>	<b>34,066</b>	<b>34,095</b>	<b>41,446</b>
From 24/11/14 to 31/12/15 - fund split	<b>109</b>	<b>41,337</b>		<b>41,446</b>

# The Sheffield Firth Almshouses

## Notes to the Accounts (continued) For the year to 31 December 2016

### 4 Expenditure on charitable activities

	Unrestricted funds £	Designated funds £	Total 2016 £	From 24/11/14 to 31/12/15 £
Premises Costs	22,975	-	22,975	24,785
Staff costs - see note 7	42,695	-	42,695	43,137
Administrative Costs	3,794	-	3,794	1,635
Mortgage interest	1,484	-	1,484	1,679
Depreciation	1,135	-	1,135	1,229
Maintenance Costs	1,120	47,851	48,971	68,197
Other Costs	1,717	-	1,717	2,864
Support costs - see note 5	1,591	-	1,591	1,016
	<b>76,511</b>	<b>47,851</b>	<b>124,362</b>	<b>144,542</b>
From 24/11/14 to 31/12/15 - fund split	76,345	68,197		<b>144,542</b>

### 5 Support costs

	Unrestricted funds £	Designated funds £	Total 2016 £	From 24/11/14 to 31/12/15 £
Independent examination fee	990	-	990	990
Trustee expenses	601	-	601	26
	<b>1,591</b>	<b>-</b>	<b>1,591</b>	<b>1,016</b>

In addition to the independent examination fees, £352 (2015: £163) was paid to Voluntary Action Sheffield for payroll services, included within administrative costs, note 3.

### 6 Trustees remuneration, benefits and expenses

Trustees received no remuneration in this period. £81 was paid to a trustee for travel expenses to a training seminar. £392 (after trustee contributions) was paid for a trustee event. £128 was spent on gifts for Trustees. No gift was worth more than £35.

### 7 Staff Costs and Numbers

	Total 2016 £	Total 2015 £
Salaries	41,398	43,137
Employer's National Insurance	831	-
Employer's Pension contribution	106	-
Pension set up fee	360	-
	<b>42,695</b>	<b>43,137</b>

No employee received emoluments of more than £60,000. The average number of employees during the year was 2.

## The Sheffield Firth Almshouses

### Notes to the Accounts (continued) For the year to 31 December 2016

#### 8 Tangible Fixed Assets

	Housing properties £
<b>Cost or Valuation</b>	
As at 1 January 2016	113,486
<b>As at 31 December 2016</b>	<u>113,486</u>
<b>Depreciation</b>	
As at 1 January 2016	51,068
Charge this period	1,135
<b>As at 31 December 2016</b>	<u>52,203</u>
<b>Net Book Value</b>	
<b>As at 31 December 2016</b>	<u><u>61,283</u></u>
As at 31 December 2015	<u>62,418</u>

Firth's Almshouses were constructed in the latter part of the nineteenth century and there is no record of the original cost and no value is attributed thereto. The housing properties cost relates to the construction in 1970 of replacement units comprising of 33 flats and bungalows. This was funded by a Housing Association grant of £15,000, a mortgage loan from Sheffield City Council and from Firth's Homes' own resources.

#### 9 Fixed asset Investments

	2016 £	2015 £
<b>Movement in fixed asset listed investments</b>		
Market value b/fwd at 1 January 2016	714,172	714,298
Add: reinvested dividends	32,856	39,799
Add/(less): net gain/(loss) on revaluation	93,417	(39,925)
Market value as at 31 December 2016	<u>840,445</u>	<u>714,172</u>
The investments comprise the following at valuation:		
10,324 (2015 - 10,324) NAACIF Accumulation shares	811,475	688,449
34,574 (2015 - 34,574) NAACIF Income shares	28,970	25,723
	<u><u>840,445</u></u>	<u><u>714,172</u></u>

#### 10 Debtors

	2016 £	2015 £
Housing contributions due	<u>1,381</u>	<u>-</u>

# The Sheffield Firth Almshouses

## Notes to the Accounts (continued) For the year to 31 December 2016

### 11 Creditors: amounts falling due within one year

	2016 £	2015 £
Refunds due to tenants	-	234
Mortgage (including arrears)	3,545	4,087
Accruals	1,880	990
	<u>5,425</u>	<u>5,311</u>

### 12 Creditors: amounts falling due more than one year

	2016 £	2015 £
<b>Mortgage falling due :</b>		
in more than 1 year but less than 5 years	6,826	6,440
in more than 5 years (payable by instalments)	23,021	24,981
	<u>29,847</u>	<u>31,421</u>

The mortgage loan due to Sheffield City Council is secured by a charge on the housing properties. The mortgage loan of £49,000 is repayable over 60 years from 1971 with variable annual instalments of principal and interest, the final instalment falling due in 2031.

### 13 Designated funds

	Balance at 01-Jan-16 £	Income £	Expenditure £	Transfers £	Balance at 31-Dec-16 £
Cyclical Maintenance Fund	8,936	3,326	(12,262)	-	-
Extraordinary Repairs Fund	99,906	27,554	(35,589)	-	91,871
Mortgage fund	37,015	3,186	-	(2,116)	38,085
	<u>145,857</u>	<u>34,066</u>	<u>(47,851)</u>	<u>(2,116)</u>	<u>129,956</u>

Cyclical Maintenance Funds - to be used for the ordinary repair and maintenance of the almshouses. By nature cyclical maintenance and ordinary repairs are often difficult to distinguish, therefore this fund will subsume the majority of ordinary repairs.

Extraordinary Repairs Funds - to be used for the extraordinary repair, improvement or rebuilding of the almshouses.

Mortgage Fund - set aside to assist in covering the capital costs of the mortgage repayments on the properties. £2,116 has been transferred from the unrestricted fund, representing capital and arrears repayments on the

### 14 Net assets by fund

	Unrestricted funds £	Designated funds £	2016 £	2015 £
Tangible assets	61,283	-	61,283	62,418
Investments	710,489	129,956	840,445	714,172
Net current assets	70,424	-	70,424	57,670
Long term liabilities	(29,847)	-	(29,847)	(31,421)
	<u>812,349</u>	<u>129,956</u>	<u>942,305</u>	<u>802,839</u>