

***THE CITY OF LONDON ALMSHOUSES  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017***

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

# **THE CITY OF LONDON ALMSHOUSES**

## **Trustee's Annual Report for the year ended 31 March 2017**

### **1. Reference and Administration Details**

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

# **THE CITY OF LONDON ALMSHOUSES**

## **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**

All elected Members of the Court of Common Council (both Aldermen and Commoners) collectively exercise the City of London Corporation's duties as Trustee of the Charity. 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. The Housing Management and Almshouses Sub (Community and Children's Services) Committee comprises Aldermen and Commoners appointed to this committee in accordance with the City of London Corporation's usual procedures for committee membership.

### **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 in accordance with the Charity's governing scheme and the City of London Corporation's own corporate governance and administration framework- including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations of the City of London Corporation. These governance documents are available from the Town Clerk of the City of London at the principal address.

Each elected Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the exercise of its duties as Trustee of the Charity by faithfully acting in accordance with the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above.

# **THE CITY OF LONDON ALMSHOUSES**

## **Trustee's Annual Report (continued)**

### **2. Structure, Governance and Management (continued)**

#### **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.

In order to embed sound practice a Risk Management Group of employed officers has been established by the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity, and that appropriate advice and support is provided to elected 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 in the exercise of all of its functions, including when acting as charity trustee.

Consequently, a key risk register has been prepared for this charity, which is 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 2016/17**

#### **Review of the Year**

- New community facilities, including large and small meeting rooms and kitchen opened.
- Roads/pathways around the estate resurfaced.
- New, low level lighting installed along all routes to improve safety and security.
- Rogers properties underwent extensive work to address damp issues.

# THE CITY OF LONDON ALMSHOUSES

## Trustee's Annual Report (continued)

### 5. Financial Review

The net income for the year was £181,176 (2015/16: £10,571). Investment income amounted to £42,012 (2015/16: £40,221). Interest income was £1,855 (2015/16: £1,552). Rental Income was £240,906 (2015/16: £254,522).

#### Going Concern

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

#### 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 2017 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 2017/18 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 governing scheme, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Charity.
- **Balance Sheet** setting out the assets, liabilities and funds of the Charity.
- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

# **THE CITY OF LONDON ALMSHOUSES**

## **Trustee's Annual Report (continued)**

### **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 and 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 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 21 November 2017**

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

Jamie Ingham Clark  
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 2017 which are set out on pages 9 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Charity's trustee, 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 trustee 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 trustee 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 Trustee is 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](http://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 31 March 2017 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.

# THE CITY OF LONDON ALMSHOUSES

## 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*

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

*6 December 2017*



# THE CITY OF LONDON ALMSHOUSES

## Statement of Financial Activities for the year ended 31 March 2017

|  | Note | Unrestricted Funds |                 |                 | Total            | Total            |
|--|------|--------------------|-----------------|-----------------|------------------|------------------|
|  |      | General Fund       | Designated Fund | Restricted Fund | 2016/17          | 2015/16          |
|  |      | £                  |                 |                 | £                | £                |
| <b>Income and endowments from:</b>       |      |                    |                 |                 |                  |                  |
| <b>Charitable activities</b>             |      | 310,874            | -               | -               | <b>310,874</b>   | 332,910          |
| <b>Income from investments</b>           |      | 43,867             | -               | -               | <b>43,867</b>    | 41,773           |
| <b>Grant from COL</b>                    |      | 8,891              | -               | -               | <b>8,891</b>     | 8,717            |
| <b>Total income and endowments</b>       | 4    | <b>363,632</b>     |                 |                 | <b>363,632</b>   | 383,400          |
| <b>Expenditure on:</b>                   |      |                    |                 |                 |                  |                  |
| <b>Charitable activities</b>             |      | 307,172            | -               | -               | <b>307,172</b>   | 307,029          |
| <b>Raising Funds</b>                     |      | 1,482              | -               | -               | <b>1,482</b>     | 2,023            |
| <b>Total expenditure</b>                 | 5    | <b>308,654</b>     |                 |                 | <b>308,654</b>   | 309,052          |
| <b>Net gains/(losses) on investments</b> |      | 113,547            | 12,651          |                 | <b>126,198</b>   | (63,777)         |
| <b>Net income/(expenditure)</b>          |      | 168,525            | 12,651          | -               | <b>181,176</b>   | 10,571           |
| <b>Other recognised gains/(losses)</b>   |      | -                  | -               | -               | -                | -                |
| <b>Net movement in funds</b>             |      | <b>168,525</b>     | <b>12,651</b>   | <b>-</b>        | <b>181,176</b>   | <b>10,571</b>    |
| <b>Reconciliation of funds</b>           |      |                    |                 |                 |                  |                  |
| <b>Total funds brought forward</b>       |      | <b>1,228,037</b>   | <b>192,691</b>  | <b>37,648</b>   | <b>1,458,376</b> | <b>1,447,805</b> |
| <b>Total funds carried forward</b>       | 15   | <b>1,396,562</b>   | <b>205,342</b>  | <b>37,648</b>   | <b>1,639,552</b> | <b>1,458,376</b> |

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 20 form part of these accounts.

# THE CITY OF LONDON ALMSHOUSES

## Balance Sheet as at 31 March 2017

|  | Notes | 2017                      | 2016                      |
|--|-------|---------------------------|---------------------------|
|  |       | £                         | £                         |
| <b>Fixed Assets</b>  |       |                           |                           |
| Tangible Fixed Assets  | 11    | 1,626,580                 | 1,633,880                 |
| Managed Investments – 135,697 Charities Pool Units             | 12    | <u>1,183,278</u>          | <u>1,057,080</u>          |
|  |       | <b>2,809,858</b>          | <b>2,690,960</b>          |
| <b>Current Assets</b>  |       |                           |                           |
| Debtors  | 13    | 16,791                    | -                         |
| Cash   |       | <u>422,499</u>            | <u>400,505</u>            |
|  |       | <b>439,290</b>            | <b>400,505</b>            |
| <b>Creditors: Amounts falling due within a year</b>            | 14    | <u>(62,064)</u>           | <u>(64,425)</u>           |
| <b>Net Current Assets</b>                                      |       | <b>377,226</b>            | <b>336,080</b>            |
| <b>Creditors: Amounts falling due after more than one year</b> | 14    | <b>(79,461)</b>           | <b>(99,153)</b>           |
| <b>Long term creditor – operating lease</b>                    | 2(f)  | <b>(148,320)</b>          | <b>(149,760)</b>          |
| <b>Deferred grant</b>  | 2(i)  | <u><b>(1,319,751)</b></u> | <u><b>(1,319,751)</b></u> |
| <b>Total Assets</b>  |       | <u><b>1,639,552</b></u>   | <u><b>1,458,376</b></u>   |
| <b>The funds of the charity:</b>                               |       |                           |                           |
| Unrestricted income funds                                      |       |                           |                           |
| General fund   | 15    | 1,396,562                 | 1,228,037                 |
| Designated Funds   | 15    | 205,342                   | 192,691                   |
| Restricted endowment funds                                     | 15    | 37,648                    | 37,648                    |
| <b>Total funds</b>   |       | <u><b>1,639,552</b></u>   | <u><b>1,458,376</b></u>   |

Approved and signed for and on behalf of the Trustee.

The notes at pages 11 to 20 form part of these accounts.




Dr Peter Kane  
Chamberlain of London  
21 November 2017

# THE CITY OF LONDON ALMSHOUSES

## Notes to the Financial Statements for the year ended 31 March 2017

### 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 30<sup>th</sup> 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 in accordance with the 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 Almshouses are 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 Almshouses receive 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 distributions from the Charities Pool, a common investment fund and a registered charity, and interest received on cash balances. 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.

# THE CITY OF LONDON ALMSHOUSES

## Notes to the Financial Statements for the year ended 31 March 2017

### 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 (COLA) 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 Charity 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 £597.9m as at 31 March 2017 (£482.6m as at 31 March 2016). 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.

**THE CITY OF LONDON ALMSHOUSES**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**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 was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21%. There are no outstanding or pre-paid contributions at the balance sheet date.

**(i) *Deferred Grant***

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 47 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 2016/17 remuneration of £8,891 (2015/16: £8,717) 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.

## THE CITY OF LONDON ALMSHOUSES

### Notes to the Financial Statements for the year ended 31 March 2017

#### 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.

#### 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:

|                                    | 2016/17<br>£   | 2015/16<br>£   |
|------------------------------------|----------------|----------------|
| <b>Income and endowments</b>       |                |                |
| Managed investment income          | 42,012         | 40,221         |
| Interest                           | 1,855          | 1,552          |
| <b>Total</b>                       | <b>43,867</b>  | <b>41,773</b>  |
| <b>Charitable activities</b>       |                |                |
| Rental income                      | 240,906        | 254,522        |
| Service Charge                     | 68,528         | 76,948         |
| Deferred Income from Gresham Lease | 1,440          | 1,440          |
|                                    | <b>310,874</b> | <b>332,910</b> |
| Grant from City of London          | 8,891          | 8,717          |
| <b>Total Income and Endowments</b> | <b>363,632</b> | <b>383,400</b> |

#### 5. Resources Expended

Resources expended are analysed as follows:

|                                       | Activities<br>undertaken<br>directly<br>£ | Support<br>costs<br>£ | 2016/17<br>£   | 2015/16<br>£   |
|---------------------------------------|---|-----------------------|----------------|----------------|
| <b>Charitable activities</b>          |   |                       |                |                |
| <b>Almshouses running costs</b>       |   |                       |                |                |
| Management                            |   | 67,389                | 67,389         | 59,730         |
| Services                              | 95,696                                    |                       | 95,696         | 87,295         |
| Routine maintenance                   | 115,481                                   |                       | 115,481        | 85,028         |
| Planned maintenance                   | 21,306                                    |                       | 21,306         | 67,976         |
| Depreciation of housing<br>properties | 7,300                                     |                       | 7,300          | 7,000          |
|                                       | <b>239,783</b>                            | <b>67,389</b>         | <b>307,172</b> | <b>307,029</b> |
| <b>Raising funds</b>                  | 1,482                                     |                       | 1,482          | 2,023          |
|                                       | <b>241,265</b>                            | <b>67,389</b>         | <b>308,654</b> | <b>309,052</b> |

**THE CITY OF LONDON ALMSHOUSES**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**5. Resources Expended (Continued)**

Services comprise:

|                 | 2016/17       | 2015/16       |
|-----------------|---------------|---------------|
| Services        | £             | £             |
| Lighting        | 5,370         | 2,565         |
| Matrons         | 44,858        | 43,800        |
| Window Cleaning | 2,022         | 1,513         |
| Water Rates     | 7,148         | 7,805         |
| Groundsman      | 21,360        | 20,385        |
| Rent            | 7,083         | 7,043         |
| Council Tax     | 7,003         | 3,004         |
| Pest Control    | 852           | 1,180         |
| <b>TOTAL</b>    | <b>95,696</b> | <b>87,295</b> |

**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.

|                  | Matron        | Groundsman    |
|------------------|---------------|---------------|
|                  | £             | £             |
| Basic/Agency Pay | 34,550        | 16,950        |
| N.I              | 3,592         | 1,444         |
| Pension          | 6,716         | 2,966         |
| <b>Total</b>     | <b>44,858</b> | <b>21,360</b> |

There were no employees whose total employee benefits were above the £60,000 threshold (2015/16 Nil).

**THE CITY OF LONDON ALMSHOUSES**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**8. Other Items of Expenditure**

**Trustee emoluments**

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

**9. Housing Stock**

The number of units supported social housing accommodation under management at 31 March 2017 was 42 with 1 unit for wardens' use. (2016: 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<br>Buildings | Total            |
|-------------------------------------|-----------------------|------------------|
|                                     | £                     | 2016-17<br>£     |
| <b>Cost</b>                         |                       |                  |
| At 31 March 2016                    | 1,763,430             | 1,763,430        |
| <b>At 31 March 2017</b>             | <b>1,763,430</b>      | <b>1,763,430</b> |
| <b>Depreciation and impairments</b> |                       |                  |
| At 31 March 2016                    | 129,550               | 129,550          |
| Depreciation                        | 7,300                 | 7,300            |
| <b>At 31 March 2017</b>             | <b>136,850</b>        | <b>136,850</b>   |
| <b>Net book values</b>              |                       |                  |
| At 31 March 2017                    | 1,626,580             | 1,626,580        |
| At 31 March 2016                    | 1,633,880             | 1,633,880        |

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 2017**

**12. Investment Assets**

The value and cost of investments is comprised as follows:

|                          | Unrestricted<br>Fund<br>£ | 2017<br>£        | 2016<br>£ |
|--------------------------|---------------------------|------------------|-----------|
| Market Value 1 April     | 1,057,080                 | <b>1,057,080</b> | 1,120,857 |
| Acquisitions             | -                         | -                | -         |
| Gain/(loss) for the year | 126,198                   | <b>126,198</b>   | (63,777)  |
| Market Value 31<br>March | 1,183,278                 | <b>1,183,278</b> | 1,057,080 |
| Cost 31 March            | 657,966                   | <b>657,966</b>   | 657,966   |
| Units in Charities Pool  | 135,697                   | <b>135,697</b>   | 135,697   |

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

|                           | 2017<br>£        | 2016<br>£ |
|---------------------------|------------------|-----------|
| Equities                  |                  |           |
| UK                        | <b>921,209</b>   | 781,616   |
| Overseas                  | <b>166,461</b>   | 160,825   |
| Bonds - UK                | <b>6,506</b>     | 28,300    |
| Pooled Units - UK         | <b>58,630</b>    | 43,925    |
| Cash held by Fund Manager | <b>30,472</b>    | 42,414    |
| <b>Total Funds</b>        | <b>1,183,278</b> | 1,057,080 |

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 2017 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: 78% UK equities, 14% Overseas equities, 5% UK bonds and 3% Cash.

# THE CITY OF LONDON ALMSHOUSES

## Notes to the Financial Statements for the year ended 31 March 2017

### 13. Debtors

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

|                                     | 2017<br>£     | 2016<br>£ |
|-------------------------------------|---------------|-----------|
| <b>Debtors: due within one year</b> |               |           |
| Other Debtors                       | 16,791        | -         |
| <b>Total</b>                        | <b>16,791</b> | <b>-</b>  |

### 14. Creditors

|  | 2017<br>£      | 2016<br>£      |
|--|----------------|----------------|
| <b>Creditors: Amounts falling due within one year</b>          |                |                |
| Housing loans repayable  | 19,393         | 18,619         |
| Trade and other creditors                                      | 42,671         | 45,806         |
|  | <b>62,064</b>  | <b>64,425</b>  |
| <b>Creditors: Amounts falling due after more than one year</b> |                |                |
| Housing loans repayable  |                |                |
| <i>Low start loan</i>  |                |                |
| Original sum   | -              | 657            |
| Deferred interest  | 79,461         | 98,496         |
| Deferred Income – operating lease Gresham Almshouses           | 148,320        | 149,760        |
|  | <b>227,781</b> | <b>248,913</b> |
| <b>Total</b>   | <b>289,845</b> | <b>313,338</b> |

|                       | 2017<br>£     | 2016<br>£     |
|-----------------------|---------------|---------------|
| <b>Loan Repayable</b> |               |               |
| 1 - 2 years           | 19,620        | 18,918        |
| 2 - 5 years           | 59,841        | 68,282        |
| 5 and more            | -             | 11,953        |
| <b>Total</b>          | <b>79,461</b> | <b>99,153</b> |

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 2016 to 30 September 2016 was 1.44% and 1.17% from 1 October 2016 to 31 March 2017. 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 2017

### 15. Movement of Funds during the year to 31 March 2017

|                                 | Fund Balances<br>Brought<br>Forward | Income  | Expenditure | Gains and<br>Losses | Fund Balances<br>Carried<br>Forward |
|---------------------------------|-------------------------------------|---------|-------------|---------------------|-------------------------------------|
|                                 | £                                   | £       | £           | £                   | £                                   |
| <b>Unrestricted Funds</b>       |                                     |         |             |                     |                                     |
| <i>General Funds</i>            | 1,228,037                           | 363,632 | (308,654)   | 113,547             | 1,396,562                           |
| <i>Designated Funds</i>         |                                     |         |             |                     |                                     |
| Cyclical Repairs                | 36,000                              | -       | -           | -                   | 36,000                              |
| Extraordinary Repairs           | 156,691                             | -       | -           | 12,651              | 169,342                             |
|                                 | 192,691                             | -       | -           | 12,651              | 205,342                             |
| <b>Total Unrestricted Funds</b> | 1,420,728                           | 363,632 | (308,654)   | 126,198             | 1,601,904                           |
| <b>Restricted Funds</b>         |                                     |         |             |                     |                                     |
| Trust Fund                      | 37,648                              | -       | -           | -                   | 37,648                              |
| <b>Total Restricted Funds</b>   | 37,648                              | -       | -           | -                   | 37,648                              |
| <b>Total Funds</b>              | 1,458,376                           | 363,632 | (308,654)   | 126,198             | 1,639,552                           |

#### 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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F6-20

**THE CITY OF LONDON ALMSHOUSES**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**16. 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.

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 £43,867 was earned during the year (2015/16: £41,773).

These transactions are undertaken at arm's length.

