

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES

REGISTERED CHARITY NUMBER 202110

REGISTERED SOCIAL LANDLORD NUMBER A0192

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 DECEMBER 2017

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TRUSTEES' REPORT AND FINANCIAL STATEMENTS

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SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Governing Documents

28 charities are administered under the title of Salisbury City Almshouse and Welfare Charities. The charities are all constituted as charitable trusts, and they are governed by a Charity Commission Scheme dated 19 August 1974 as varied by schemes dated 8 April 1975, 19 July 1979, 4 July 1986, 6 September 1990 and 18 December 2001.

The registration also includes the linked charities known as Mrs Sarah Hayter's Charity and The Buchanan Housing Charity which are governed by a scheme dated 28 March 1961 (varied by a scheme dated 26 August 1997) and a declaration of trust dated 5 November 1999 respectively.

Also linked is the St Mary Magdalen's Hospital and Little Langford Farm Almshouse Charity which is governed by a scheme dated 4 October 2017.

The Trustees' investment powers derive from the 1974 Scheme and the Trustee Act 2000.

Registered Office

Trinity Hospital, Trinity Street, Salisbury, SP1 2BD (01722 325640)

Registered Numbers

Charity number 202110

Registered Social Landlord number A0192

Board of Trustees

*Mr T Austreng - Chairman

*Mr A Corkill - Vice-Chairman

*Mr T Clay (appointed April 2017)

Mrs G Ellis

Mrs A Hatton

Mrs P M Lush

*Mr P W K Moss

*Mr R W Shipsey

Mrs A Taylor

Mr A Brain

Mrs F Green

*Mr M Findlay (resigned November 2017)

Lady Benson OBE - Honorary President

* denotes a member of Finance and General Purposes Committee.

The Board of Trustees and the Charities' staff also manage and administer two other Charities:

William Botley Charity (Charity number 268418)

Salisbury City Educational and Apprenticing Charity (Charity number 309523)

Principal Officer

Clerk to the Trustees: Mrs S E Coen

Appointed Professional Advisers

Solicitors Trethowans, London Road Office Park, London Road, Salisbury SP1 3HP
Sampson Coward, 51 New Street, Salisbury SP1 2PH

Auditors/Accountants Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Architects Barrie Taylor Associates, 39 Silver Street, Warminster BA12 8PT

Stephen J Linard Ltd, 15 North Street, Wilton SP2 0HA

Bankers Lloyds Bank plc, 38 Blue Boar Row, Salisbury SP1 1DB

Investment Managers CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street,
London EC4V 4ET

Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN

M&G Securities Ltd, POB 9038, Chelmsford CM99 2XF

Vanguard Asset Management Ltd, 25 Walbrook, London EC4N 8AF

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017 (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

The Trustees have established procedures under which all major decisions are taken by the Trustees as a body, with advice being taken from their appointed professional advisers as appropriate. Sub-committees of the Trustees, including the Finance and General Purposes Committee, are established as necessary to consider particular matters and to make recommendations to the main Board.

Day-to-day management and administration is delegated to the Clerk to the Trustees.

Policies and Procedures

In carrying out the objects stated below, the Trustees seek to provide as high a standard of accommodation as is necessary to meet the increasing needs of their Residents, and to provide welfare grants to needy persons out of the funds which they have available for the purpose. They apply the following policies for the appointment of Residents and the making of grants, to applicants who are resident in the defined area of benefit:

- a. Applicants for sheltered almshouses are assessed using an objective system for physical, social and financial need. When an almshouse becomes available it is offered to the person on the waiting list who is most highly qualified according to these criteria.
- b. Applicants for general needs housing are assessed and appointed using a similar system on the basis of social and financial need.
- c. Applications for welfare grants are sponsored by social workers or other professionals and are assessed by a sub-committee of Trustees. The values of grants awarded are based on norms established by the Trustees.

The Charities' established policies were reviewed amended where appropriate. Trustee recruitment conforms to the agreed policy statement which entails the periodic requirement to conduct a skills audit and compilation of a list of potential candidates from which a selection can be made for preliminary interview and final Board approval. Induction follows a process of visits to almshouse sites, meetings with Residents and staff and overlaying information relating to the functions and values of the Charities through issuance of related documentation such as, inter alia, Annual Report and Audited Accounts, the Charities' Governing Instrument and the Charity Commission's booklet CC3 and other relevant documents. Ongoing training, primarily through seminars offered by the Almshouse Association, is offered to all Trustees.

The Charities' policies and procedures, together with the system of internal control, are designed to manage risk and to give reasonable assurance that key objectives and expected outcomes are achieved. The principal risks faced by the Trustees include:

- The performance of investments. Risks are mitigated by retaining expert investment managers and maintaining a diversified investment portfolio. The portfolio is scrutinised by the Financial and General Purposes Committee throughout the year.
- Property damage. These risks are mitigated by regular inspections of the Charities' properties as well as quinquennial surveys and insurance reviews, supported by a planned maintenance schedule. External CCTV systems are in place at city centre sites.
- Fire. Formal fire risk assessments are undertaken periodically by a professionally qualified fire and safety consultant, and recommendations arising therefrom are followed. Staff receive Fire Warden training and residents are advised annually by the Fire & Rescue Service on fire safety and emergency procedures in their homes. Schedules of electrical inspections, communal electrical appliance testing, and fire protection equipment servicing are adhered to. An annual insurance review is carried out.
- Health & Safety. Formal risk assessments are undertaken periodically by the Charities' appointed Health & Safety consultants, and wardens undertake annual risk assessments at each of their sites. Compliance requirements are regularly reviewed.

Staff remuneration is reviewed annually. Any increases are based upon inflation figures and, when available, more specific comparisons are made with other almshouse charities of a similar size and operation.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017 (Continued)

OBJECTIVES AND ACTIVITIES

Objectives

The Charities provide for needy residents principally in the Salisbury area:

- Sheltered almshouses, with preference to those longest resident in the Salisbury area.
- General needs housing for families, with preference to single parents.
- Welfare grants for the relief of those in need, hardship or distress.

The Trustees are satisfied that the Charities' objectives, and the policies and procedures which are applied, comply with Section 4 of the Charities Act 2011. The provision of subsidised, high quality housing for over 200 local residents and the application of welfare grants to the most needy is tangible evidence of public benefit within the Charities' area of benefit. The Trustees also consider that the Buchanan Housing Charity's provision of 22 units of social housing in Salisbury has made a modest contribution to the community that would otherwise become the responsibility of the local council. The Trustees aim to keep resident contributions as low as possible, taking into account target rents from the Homes and Communities Agency. Any increases in contributions are kept strictly in line with the Homes and Communities Agency regulations. Communal facilities at two sites are made available twice weekly to Day Centre charities who offer lunch and activities to the elderly, ensuring that the wider community benefits from the Charities' resources.

The Charities own and manage 189 almshouses at 12 sites in and around Salisbury. Six full-time Wardens, as well as part-time Wardens at the Very Sheltered schemes, are employed to ensure that residents' needs are met and a pleasant and safe environment provided. In addition, a Relief Warden is employed to provide cover for emergencies at weekends and public holidays, as well as cover for holidays and sick leave.

The two Very Sheltered schemes are designed for those people who need additional support but are still capable of independent living. These sites have additional facilities such as assisted bathrooms, are fully wheelchair accessible, lunches are provided and staff are on site 24 hours a day, seven days a week.

Ordinary Sheltered

Blechynden's Almshouses - 3 flats
Bricketts Hospital - 7 houses
'Brympton' - 31 flats, 10 bungalows
Eyre House - 8 flats
Gloucester House - 25 flats

Hardy House - 16 flats
Hussey's Almshouses - 7 flats, 8 houses
Sarah Hayter's Almshouses - 11 flats
Taylor's Almshouses - 6 flats
Trinity Hospital - 22 flats

Very Sheltered

Robert Stokes Almshouse - 13 flats

Steve Biddle House - 22 flats

The Trustees also manage 22 general needs flats/houses (The Buchanan Housing Charity) within the city, primarily for young families. In addition, the Charities own the freehold of a number of buildings in the centre of Salisbury comprising both retail and residential properties.

Activities

The Charities continued their intensive programme of property maintenance works, improving almshouses as vacancies occurred to ensure accommodation is of the highest standard possible and, wherever possible, making adaptations to meet the needs of individual residents as their circumstances change. Routine and cyclical work is sub-contracted to Salisbury-based tradespeople on the Charities' approved list. Charge out rates and invoices are routinely scrutinised to ensure value for money. Where possible, and within safety guidelines, minor maintenance works are carried out by the Charities' Buildings Maintenance Officer. Contracts for major works are put out to tender, for which specification and contract administration is undertaken either by the Buildings Maintenance Office or a chartered surveyor as appropriate.

The programme of upgrading the older kitchens and installing low level access showers for Residents unable to use a bath also continued. Six kitchens and eight bathrooms were upgraded over the year. Other major work undertaken during the year included replacing old fascias, soffits and rainwater goods with uPVC at Brympton Bungalows and Gerard Houses, which will reduce future redecoration costs. Stair lifts were fitted from ground

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017 (Continued)

to second floor at Steve Biddle House for use in the event of an interruption to the use of the main passenger lift. New Brympton House, Gerard Houses, Brympton Bungalows and the newer buildings at Trinity Hospital all benefitted from external redecoration. Two wooden fire doors at Trinity Hospital were replaced with modern alloy doors. The floor coverings in the communal areas of Hardy House, Sarah Hayter's Almshouses, Gloucester House and Steve Biddle House were replaced, some areas with carpeting and some with vinyl tiles for hygiene and durability reasons. The Charities also implemented a cyclical programme of preventative works, including cleaning/descaling shower heads and mixer taps in the Very Sheltered units.

The Trustees considered and approved plans to convert the four courtyard flats at Taylors Almshouses into three lighter, more spacious units, to meet modern expectations. The plans included relocating and upgrading the visitors room and creating a separate laundry room. Planning and Listed Buildings Consent was finally received on 21 December 2017.

The Charities continued to invest in training and developing their staff. Wardens and Assistant Wardens benefited from training on manual handling (focusing on moving & lifting people), active listening and communication skills, stroke awareness, fire safety and emergency First Aid at Work. Annual briefings from the Fire & Rescue Service took place at all almshouse sites when residents were advised on fire safety and emergency procedures in their homes. Wardens received additional on-site fire safety training from a Fire Safety Consultant. Continual monitoring of the quality of services provided by the Charities, addressing issues raised, was achieved through weekly planning and feedback meetings between Wardens and the Clerk to the Trustees.

Staff contracts were updated to comply with current legislation and a new Staff Handbook compiled incorporating the Charities' revised and updated Policies and Procedures.

Consultation and engagement with residents is vital in order to ensure the Charities continue to deliver as high a level of service as possible and address any areas of concern. Meetings of the Residents Representative Forum continued to enable representatives of almshouse residents from each site to bring recommendations and suggestions to senior management and Trustees. The Forum also gives the opportunity for the Buildings Maintenance Officer to discuss with residents planned maintenance work at all the Charities' sites. In addition, all almshouse residents were invited to participate in the annual survey of their opinions about the services and facilities provided by the Charities. 124 residents responded of whom 96% indicated continued satisfaction with the services and facilities provided.

The Wessex Almshouse Group, of which the Clerk to the Trustees is a founding member, continued to meet during the year as a forum for local almshouse charity Clerks/Trustees to discuss common issues of concern and to provide mutual support. The exchange of information and best practice is considered to be of benefit to all, and all costs are recouped from individual charities paying a portion of the afternoon's expenses.

Following Wiltshire Council granting vehicular access to the Charities over Council land to the rear of the St Mary Magdalen Hospital in Wilton, a new Scheme was drafted and agreed by the Charity Commission, merging the Little Langford Farm Almshouse Charity and St Mary Magdalen's Hospital Charity and transferring the management and administration of the new Charity, its land and properties to Salisbury City Almshouse & Welfare Charities. A formal handover by Lord Pembroke took place in November 2017. The six terrace cottages, only one of which is currently occupied, need extensive modernisation and possible rear extensions in order to bring them to modern day living standards. A local Chartered Building Surveyor (Stephen Linard) was commissioned to draw up plans for the refurbishment of the properties for consideration by the Trustees.

ACHIEVEMENTS AND PERFORMANCE

The work of the Charities in managing and administering the almshouses continued successfully throughout the year. At the end of 2017, of the total of 199 (2016:203) Residents, over 48% were aged 80 years or older. The Trustees appointed 24 new residents as qualifying beneficiaries to the almshouses. In addition, two transfers between almshouses were approved on medical grounds.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017 (Continued)

The continuing commitment of the Charities' staff and the high standard of service they provide ensures the wellbeing of each resident and enables them maintain their independence with contentment and dignity. This, in turn, enables the residents to remain in their own homes for as long as possible, thereby reducing unnecessary and premature admission to hospital or residential care.

Staff turnover is low which reinforces the strong caring culture.

Almshouse vacancies have been filled without undue delay demonstrating that the Charities' housing continues to be popular and helps to provide good quality of life.

The Trustees considered and approved 35 (2016:25) welfare grant applications totalling £21,747 (2016:£19,046). This included grants awarded not just to eligible local individuals in financial need but also to local organisations in the Salisbury area.

Financial Transactions and Position

The Charities' total income in 2017 was £3,409,495 (2016: £2,149,548), of which £1,223,956 was from Residents' Contributions, £346,844 was investment income, and donations and legacies were £1,403,472, which was the principal cause of the increase. Almshouse total expenditure was £1,470,201, including charitable grants of £21,747. Investment gains amounted to £871,003 and therefore there was net income for the year of £2,810,517. Of this total, £1,411,637 was restricted and £834,559 endowed. Total net assets at the end of the year were £18,903,862 (2016: £16,093,565).

The charities previously known as St Mary Magdalen's Hospital, Wilton and Little Langford Farm were transferred to the Trustees of the Salisbury City Almshouse and Welfare Charities. This increased the Charities' assets by £1,240,489 and has resulted in a new endowed capital reserve and restricted fund.

Last year, the Charities were beneficiaries of the residue of an estate consisting of two properties and other assets. The balance of the legacy (£150,000) was received this year.

During the year one housing property was sold, realising a profit of £253,531.

The Trustees consider that the market value of the almshouses could be considerably in excess of their book value, but, as the properties are held on permanent endowment for carrying out the charitable purposes of the Charities, they do not consider that a formal valuation would be justified.

Investments

The majority of the Charities' investments are held as permanent endowment. The investment policy is to hold these investments in a combination of a directly invested segregated portfolio and a number of charitable common investment funds and to obtain a total return in line with or better than the FTSE WMA balanced index. During the year the total return on the portfolio was +13.0%, compared with a return of +9.09% on the index. The Trustees continued to keep the performance of the Charities' investments under close scrutiny.

Reserves

The Trustees have calculated that the Charities' working capital requirements amount to £360,000, and this amount is held in the General Fund less provisions for pension deficits. Any surplus on unrestricted funds is transferred to the Almshouse Development and Major Improvement Fund, and is used to fund almshouse developments once sufficient funding has been obtained. This fund currently stands at £3,641,244; and it remains the Trustees' intention to increase this fund from the Charities' annual surpluses until it reaches a level at which further developments can be considered. Similarly the Trustees' policy is to use the General Fund of the Buchanan Housing Charity to fund either the purchase or the construction of further houses for general needs, once it has reached a sufficient level.

FUTURE PLANS

Emphasis will continue on essential repairs and maintenance work to the Charities' properties. The rolling programme of upgrading the older almshouses, particularly with the installation of low level access showers, will continue in order to maintain the highest possible quality of housing and to respond to the developing needs of the residents. Lighting upgrades in communal areas will continue in order to improve energy efficiency and to enhance the quality of lighting for residents with failing eyesight.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
TRUSTEES' REPORT FOR THE YEAR ENDED 24 DECEMBER 2017 (Continued)

Major planned works will include replacing the rear windows at Brickett's Hospital and Hussey's Almshouses with new, thermal efficient double glazed units. This work, planned for 2017, is dependent on receiving Planning & Listed Buildings consent from Wiltshire Council. Also deferred to 2018 is the installation of a CCTV system covering the external areas of a city centre site, Hardy House, in order to improve security, and the replacement of the perimeter fences at Brympton. Additional fire prevention measures, including installing fire barriers in roof spaces to minimise the possible spread of fire, will be actioned at various sites. With Planning & Listed Building s consent having been received prior to Christmas, the work to redevelop a section of Taylor's Almshouses will be carried out in 2018.

Once plans have been approved and Planning & Listed Building consent received, work will be initiated on the modernisation/extension of the six cottages of St Mary Magdalen Hospital. These cottages will require significant investment to meet Decent Homes Standards and current building regulations. Work will include installing a new heating system, re-wiring, upgrading insulation, refurbishment of kitchens and bathrooms, and reconfiguration and widening of staircases. It is anticipated that the work on the existing cottages will be completed by the end of 2018. Consideration will also be given to a possible future new development on the Wilton site.

Meetings with Wiltshire Council representatives are planned to discuss local housing needs in relation to the Trustees' plans for future developments.

Approved by the Trustees and signed on their behalf

..... 2018

.....
T AUSTRENG
Chairman of Trustees

.....
S E COEN
Clerk to the Trustees

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
YEAR ENDED 24 DECEMBER 2017
TRUSTEES' STATEMENT ON INTERNAL CONTROLS

1. The Trustees acknowledge that they are responsible for the Charities' system of internal control, and for reviewing its effectiveness.
2. In common with all such systems, the Charities' internal control system is designed to manage, rather than to eliminate, the risk of failure to meet the Charities' objectives, and it can only provide reasonable, as opposed to absolute, assurance against material misstatement or loss.
3. The process for identifying, evaluating and managing the significant risks faced by the Charities is ongoing, it has been in place throughout the year under review and up to the date of approval of the annual report and accounts; and it is regularly reviewed by the Trustees.
4. The Trustees' policies to review the effectiveness of the internal controls are as follows:
 - (i) The presentation to and consideration by the Trustees of the annual review of the risk assessment and the annual accounts;
 - (ii) The regular review by the Trustees of the effectiveness of Charities' procedures
 - (iii) The regular reporting to the Trustees by the internal auditor;
 - (iv) The annual report to the Trustees by the external auditor.
5. The key policies which have been established by the Trustees and which are designed to provide effective internal control are as follows:
 - (i) The establishment of formal procedures including the involvement of the Trustees in all matters connected with the management of the Charities, including:
 - Strategic planning;
 - Risk assessment;
 - Preparation of budgets and comparison of actual results with budget;
 - Authorisation of expenditure, including capital projects and grants
 - Appointment of almshouse residents;
 - Appointment of staff;
 - Management of investments.
 - (ii) The holding of regular Trustees' meetings to which reports on the above matters are submitted.
 - (iii) The appointment by the Trustees of one of their number as the Charities' internal auditor, whose role is to review the operation of the detailed internal control procedures and report to the Trustees on any deficiencies;
 - (iv) The appointment of external auditors to express an opinion on the Charities' annual accounts and to report to the Trustees on any deficiencies in the system of internal controls which come to their attention during the course of their audit;
 - (v) The regular reporting to the Trustees of matters including potential new risks and regulatory developments which are relevant to the Charities' activities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PREPARATION OF THE ACCOUNTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including the Statement of Recommended Practice Accounting and Reporting by Charities (FRS102).

Charity and Housing law requires the Trustees to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the Charities and of the surplus or deficit of the Charities for that period. In preparing these financial statements, the Trustees are required to:

Select suitable accounting policies and then apply them consistently.

Make judgements and estimates that are reasonable and prudent.

Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charities will continue to exist.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charities and to enable them to ensure that the accounts comply with the provisions of the Charities Act 2011, the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the Charities and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES

We have audited the financial statements of Salisbury City Almshouse and Welfare Charities for the year ended 24 December 2017, which are set out on pages 11 to 27.

These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with section 128 of the Housing and Regeneration Act 2008, section 144 of the Charities Act 2011 and the regulations under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 assume responsibility to anyone other than the Charities and Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- i) give a true and fair view of the state of the Charities' affairs as at 24 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- iii) have been properly prepared in accordance with the requirements of the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charities in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- i) the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ii) the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charities' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES (Continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, set out on page 8, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charities or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

.....
James Fletcher (Senior Statutory Auditor)
for and on behalf of
FLETCHER & PARTNERS
Statutory Auditors

Date:
Crown Chambers,
Bridge Street
Salisbury SP1 2LZ

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
STATEMENT OF FINANCIAL ACTIVITIES
(STATEMENT OF COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 24 DECEMBER 2017

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2017</u>	<u>Total 2016</u>
INCOME FROM						
Charitable Activities						
Turnover						
Residents' contributions	2	785,420	438,536	-	1,223,956	1,217,620
Housing Related Support	2	74,017	-	-	74,017	69,882
Government grant income	2	67,291	-	-	67,291	67,291
		<u>926,728</u>	<u>438,536</u>	<u>-</u>	<u>1,365,264</u>	<u>1,354,793</u>
Surplus on disposal		-	253,531	-	253,531	-
Donations and legacies		152,983	830,489	420,000	1,403,472	419,243
Investments	3	283,312	63,079	453	346,844	335,902
Other income		39,096	1,288	-	40,384	39,610
		<u>1,402,119</u>	<u>1,586,923</u>	<u>420,453</u>	<u>3,409,495</u>	<u>2,149,548</u>
Total income						
EXPENDITURE ON						
Raising Funds						
Investment costs	4	14,034	-	12,459	26,493	27,802
Charitable Activities						
Almshouse operating costs	2	789,916	300,980	8,755	1,099,651	1,126,669
Almshouse management	2	281,505	25,402	-	306,907	288,940
Interest	5	15,403	-	-	15,403	15,478
		<u>1,086,824</u>	<u>326,382</u>	<u>8,755</u>	<u>1,421,961</u>	<u>1,431,087</u>
Welfare grants	7	21,747	-	-	21,747	19,046
		<u>1,108,571</u>	<u>326,382</u>	<u>8,755</u>	<u>1,443,708</u>	<u>1,450,133</u>
Total expenditure		<u>1,122,605</u>	<u>326,382</u>	<u>21,214</u>	<u>1,470,201</u>	<u>1,477,935</u>
Net income/(expenditure) before gains		279,514	1,260,541	399,239	1,939,294	671,613
GAINS AND LOSSES ON INVESTMENTS						
Realised gains/(losses) on disposal:						
Investments		(220)	-	4,446	4,226	(390)
Unrealised gains/(losses) on revaluation:						
Investments		284,807	151,096	415,874	851,777	941,319
Investment properties		-	-	15,000	15,000	35,000
		<u>564,101</u>	<u>1,411,637</u>	<u>834,559</u>	<u>2,810,297</u>	<u>1,647,542</u>
Net income/expenditure						
Transfers between funds	18	(63,924)	62,654	1,270	-	-
		<u>500,177</u>	<u>1,474,291</u>	<u>835,829</u>	<u>2,810,297</u>	<u>1,647,542</u>
Net movement in funds						
Fund balances at 25 December 2016 (restated)	22	5,730,901	3,828,482	6,534,182	16,093,565	14,446,023
Fund balances at 24 December 2017		<u>£6,231,078</u>	<u>£5,302,773</u>	<u>£7,370,011</u>	<u>£18,903,862</u>	<u>£16,093,565</u>

Approved by the Trustees on.....2018 and signed on their behalf

..... T Austreng (Chairman) A Corkill (Trustee)

..... S Coen (Clerk to the Trustees)

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
BALANCE SHEET AT 24 DECEMBER 2017

	Note	2017	2016
FIXED ASSETS			
Assets treated as held on endowment			
Almshouse properties	8a	6,669,288	6,502,522
Offices	8b	28,775	29,675
Investment properties	8c	1,640,000	1,625,000
Investments held on endowment	8d	4,967,689	4,566,119
		<u>13,305,752</u>	<u>12,723,316</u>
Assets purchased from income			
Investments recouped	9	60,510	52,490
Equipment, furniture, fixtures and fittings	10	9,114	11,863
		<u>13,375,376</u>	<u>12,787,669</u>
Total fixed assets			
CURRENT ASSETS			
Debtors	11	126,232	353,136
Investments	12	6,300,720	4,056,780
Cash at bank and in hand		1,678,938	1,529,668
		<u>8,105,890</u>	<u>5,939,584</u>
CREDITORS: Amounts falling due within one year	13	<u>215,477</u>	<u>197,935</u>
Net current assets		<u>7,890,413</u>	<u>5,741,649</u>
Total assets less current liabilities		£21,265,789	£18,529,318
CREDITORS: Amounts falling due after more than one year	14	2,305,719	2,373,779
PROVISIONS FOR LIABILITIES AND CHARGES			
	15	56,208	61,974
		<u>£18,903,862</u>	<u>£16,093,565</u>
CAPITAL AND RESERVES			
Capital			
Endowment	16	7,309,501	6,481,692
Endowment recouped	9 & 17	60,510	52,490
		<u>7,370,011</u>	<u>6,534,182</u>
Reserves			
Restricted funds	18	5,302,773	3,828,482
Unrestricted funds	19	6,231,078	5,730,901
		<u>£18,903,862</u>	<u>£16,093,565</u>

Approved by the Trustees on.....2018 and signed on their behalf

..... T Austreng (Chairman) A Corkill (Trustee)

..... S Coen (Clerk to the Trustees)

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by (used in) operating activities (1)	789,366	159,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend, interest and rents from investments	339,461	335,902
Purchase of housing property	-	(190,706)
Purchase of other fixed assets	(3,412)	(4,932)
Proceeds from the sale of housing property	323,571	-
Purchase of investments	(1,493,759)	(182,244)
Proceeds from the sale of investments	227,039	210,106
Net cash provided by (used in) investing activities	(607,100)	168,126
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(15,403)	(15,478)
Housing Loans repaid	(770)	(695)
Net cash provided by (used in) financing activities	(16,173)	(16,173)
Change in cash and cash equivalents in the reporting period	£166,093	£311,866
Cash and cash equivalents at the beginning of the reporting period	£1,576,714	£1,264,848
Cash and cash equivalents at the end of the reporting period (2)	<u>£1,742,807</u>	<u>£1,576,714</u>

NOTES

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<u>2017</u>	<u>2016</u>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,810,297	1,647,542
Adjustments for:		
Depreciation charges	190,255	192,035
(Gains)/losses on investments	(871,003)	(975,929)
Accumulated dividends	(63,740)	(64,354)
Dividend, interest and rents from investments	(346,844)	(335,902)
Interest paid	15,403	15,478
Repayments of borrowings	770	695
(Increase)/decrease in debtors	234,287	(252,127)
Increase/(decrease) in creditors	(50,518)	(65,256)
Increase/(decrease) in provisions	(5,766)	(2,269)
Surplus on disposal of fixed assets	(253,531)	-
Non-cash donations	(870,244)	-
Net cash provided by (used in) operating activities	<u>£789,366</u>	<u>£159,913</u>

2. Analysis of cash and cash equivalents

	Balance <u>24.12.17</u>	Balance <u>24.12.16</u>
Cash at bank and in hand	1,678,938	1,529,668
Cash held in investment portfolio	63,869	47,046
	<u>£1,742,807</u>	<u>£1,576,714</u>

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017

1. ACCOUNTING POLICIES

a. Basis of Accounting:

(1) Although the Charities are a Registered Provider of Social Housing, they are primarily an endowed Almshouse and Welfare Charity. The Trustees have therefore drawn up the Financial Statements to reflect this. The Charity is a public benefit entity. The accounts are presented in Sterling.

(2) The Financial Statements have been prepared under the historical cost convention, modified by the revaluation of investment assets. They comply with the Accounting Direction for Registered Providers of Social Housing from April 2015, the Housing SORP 2014, Financial Reporting Standard 102 (FRS 102) the Statement of Recommended Practice on Accounting and Reporting by Charities (FRS 102) and with applicable accounting standards, except where those statements are inconsistent.

b. Turnover

Turnover represents the contributions receivable from Almshouse Residents towards maintenance and services, plus Government grants towards revenue expenditure.

c. Investment Income and Charitable Grants

These form part of the operating income and expenditure of the Charities, and are therefore included in the Operating Surplus or Deficit.

d. Bequests and Donations

Donations for specific purposes are shown in the income and expenditure account and a corresponding transfer is shown to the relevant restricted fund. Donated land is included at the value at the date of donation. Income from these sources is recognised when it is probable that it will be received and when the value can be measured reliably.

e. Land and Buildings:

(1) Almshouses and Offices are stated at cost less accumulated depreciation (see sub-paragraph i below).

(2) Investment Properties are stated at market value and are revalued independently every year. Housing properties held as investments are included as investment properties in order to be consistent and to give a true fair view.

f. Government Grants

Social housing assistance, previously known as Social Housing Grants and Housing Association Grants (HAG), paid by the Homes and Communities Agency (formerly the Housing Corporation), or the Local Authority, towards the cost of a development, are recognised as income using the accrual model (as the Charities account for their housing properties at cost). The income is recognised over the expected useful life of the housing property structure. Grant income relating to future years is deferred and split between creditors less than and greater than 1 year. The grants could be repayable in the event that the relevant properties were sold. A liability is not recognised in respect of this as the likelihood is remote. The Trustees will provide for a liability in the event of a decision being made to sell one of the properties.

g. 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. Short term, highly liquid investments are accounted for as fixed asset investments. Investment properties are revalued annually.

h. Equipment, Furniture, Fixtures and Fittings (E F F & F)

These items (over £500), which are funded from the Charities' income, are capitalised at cost and depreciated over their expected lives. (See also sub-paragraph i. below). Impairment reviews are carried out when there is an indication that an asset's recoverable amount is less than its net book value.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

i. Depreciation

Depreciation is charged to write off tangible fixed assets, over their useful economic lives, by equal instalments commencing in the year of acquisition. The following rates are used:

Almshouses and Offices	2% to 20%
Equipment, Furniture, Fixtures and Fittings (EFF&F)	20%

Depreciation on those parts of the costs of almshouse and office buildings which have been funded from the Charities' endowed capital, in accordance with the applicable Charity Commission Schemes, is charged to the corresponding endowed capital account. It is therefore shown in the Endowment Funds column of the Statement of Financial Activities.

j. Debtors

Debtors are measured at the amounts the Charities anticipate they will receive from a debt or the amount they have paid in advance for goods or services.

k. Cash at bank and in hand

Cash at bank and in hand includes cash and cash on deposit.

l. Liabilities

Liabilities are recognised when it is more probable than not that a transfer of economic benefits will be made as a result of past transactions or events, and when the value can be measured reliably.

Deferred income represents Housing Association Grant income spread over the life of the properties.

m. Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value.

n. Endowment Funds

Expenditure charged to endowment funds is shown in the Income and Expenditure Account and transferred to the endowment funds.

o. Cyclical Maintenance and Extraordinary Repairs

The Trustees have established Restricted Funds for Cyclical Maintenance and Extraordinary Repairs in accordance with the provisions of their Charity Commission Schemes. Each year, the Trustees calculate the annual charges under their programme for Cyclical Maintenance and Extraordinary Repairs and include these in the Maintenance Contributions charged to Almshouse Residents.

The income shown in the Income and Expenditure Account includes the element of the Maintenance Contributions relating to the Restricted Funds, and the income on the underlying investments. The expenditure includes costs incurred on Cyclical Maintenance and Extraordinary Repairs. The net amount of the retained surplus or deficit of the Restricted Funds is then deducted from the total surplus for the year to leave the surplus before appropriations.

p. The Blechynden & Brown Almshouse Charity

Under the terms of the Charity Commission Scheme dated 6 September 1990, the Blechynden and Brown Almshouse Charity is administered as one of the Salisbury City Almshouse and Welfare Charities, but subject to greater restrictions on the beneficiary group. Following the closure of the first Order for the recoupment of sums spent on the reconstruction of the Blechynden's Almshouses, therefore, the corresponding investment has to continue to be identified separately and the income applied for the benefit of this Charity.

q. Mrs Sarah Hayter's Charity

Under the terms of the Uniting Direction made by the Charity Commissioners, the accounts of Mrs Sarah Hayter's Charity are to be combined with those of the Salisbury City Almshouse & Welfare Charities but the assets and liabilities are to be identified separately. Since the objects of Mrs Sarah Hayter's Charity are within those of the Salisbury City Almshouse & Welfare Charities, its assets and liabilities have been treated as forming a restricted fund.

r. Buchanan Housing Charity

This charity is registered by the Charity Commission within the group registration of the Salisbury City Almshouse and Welfare Charities. Since its objects are within, but more restricted than, those of the Salisbury City Almshouse and Welfare Charities, its assets and liabilities have been treated as forming a restricted fund.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

s. Internal Property Fund

This represents the extent to which almshouse buildings have been funded from the Charities' accumulated income (Note 19). Equivalent funds have been established in respect of Mrs Sarah Hayter's Charity and the Buchanan Housing Charity.

t. Almshouse Development and Major Improvement Fund

This consists of accumulated income which has been set aside by the Trustees for the Development and Major Improvement of Almshouses. When work is capitalised and funded from this Reserve (Note 19) an amount equal to the cost is transferred to the Internal Property Fund. Other expenditure charged to this fund is also shown in Note 19.

u. Management and Administration Costs

Costs which cannot be attributed directly are apportioned between the management of the almshouses, generation of income and governance of the Charities, according to the time spent by the office staff on the various activities.

v. Pension Costs

Contributions payable to the Charities' defined contribution scheme are charged as expenditure in the period to which they relate.

w. Provisions

Provisions are recognised when the Charities have a present obligation as a result of a past event and it is probable that the Charities will be required to settle the obligation. Provisions are measured at the Trustees' best estimate of the amount required to settle the obligation.

x. Housing Related Support Income and expenditure

Housing Related Support, previously known as Supporting People, income is shown as a separate item within Turnover. Because of the nature of the Charities' activities it is not meaningful separately to identify the related expenditure and it is therefore included in Almshouse Operating Expenditure.

y. Value Added Tax

Irrecoverable Value Added Tax is included with the relevant expenditure.

z. St Mary Magdalen's Hospital and Little Langford Almshouses

This charity and its property were transferred to the Charities by a Charity Commission Scheme dated 4 October 2017. The combination has been accounted for using acquisition accounting because it did not meet the conditions for merger accounting. The assets and liabilities have been treated as forming a restricted fund.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

2. TURNOVER AND OPERATING COSTS

a. Turnover and Operating Costs from Almshouses

	<u>General Needs</u>	<u>Supported Housing</u>	<u>2017 Total</u>	<u>2016 Total</u>
Turnover				
Residents' contributions receivable:				
Maintenance	113,697	885,782	999,479	991,906
Less voids	(873)	(3,473)	(4,346)	(4,711)
Service charges (not eligible for housing benefit):		-		
Heating and hot water	-	128,995	128,995	133,087
Catering	-	81,981	81,981	79,737
Electricity	-	17,847	17,847	17,601
Housing Related Support	-	74,017	74,017	69,882
Government grants taken to income	-	67,291	67,291	67,291
	<u>112,824</u>	<u>1,252,440</u>	<u>1,365,264</u>	<u>1,354,793</u>
Operating expenditure				
Services: Heating and hot water	-	58,251	58,251	73,169
Services: Catering	-	63,793	63,793	55,683
Electricity (for communal areas) and water	311	79,703	80,014	77,821
Wardens, cleaners and gardeners	-	351,664	351,664	325,022
Speech Call Alarm systems	-	27,470	27,470	24,894
Routine and cyclical maintenance	19,056	223,695	242,751	219,060
Major repairs and improvements	11,207	75,517	86,724	158,983
Building depreciation	30,271	152,934	183,205	185,265
Other costs	379	5,400	5,779	6,772
	<u>61,224</u>	<u>1,038,427</u>	<u>1,099,651</u>	<u>1,126,669</u>
Management and administration (Note 2b)	16,206	290,701	306,907	288,940
	<u>77,430</u>	<u>1,329,128</u>	<u>1,406,558</u>	<u>1,415,609</u>
Operating surplus(deficit)	<u>£35,394</u>	<u>(£76,688)</u>	<u>(£41,294)</u>	<u>(£60,816)</u>

Losses due to bad debts during the year ended 24 December 2017 were £Nil (2016: £Nil).

b. Management and Administration (Support costs)

	<u>Management</u>	<u>Governance</u>	<u>2017</u>	<u>2016</u>
Staff costs	198,164	10,430	208,594	205,119
Office expenses	28,014	1,474	29,488	23,609
Staff training and recruitment	5,818	-	5,818	6,454
Auditors' remuneration (Note 7)	1,545	12,375	13,920	12,375
Legal and professional fees	12,045	1,020	13,065	7,660
Insurance	33,022	-	33,022	31,023
National Association of Almshouses costs	3,000	-	3,000	2,700
	<u>£281,608</u>	<u>£25,299</u>	<u>£306,907</u>	<u>£288,940</u>

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

3. INVESTMENT INCOME

	<u>2017</u>	<u>2016</u>
Rents receivable from investment properties	101,348	101,475
Income from endowed asset investments	160,077	146,744
Income from current asset listed investments	18,141	19,599
Accumulated income on current asset listed investments	63,734	63,657
Other interest	3,544	4,427
	<u>£346,844</u>	<u>£335,902</u>

4. RAISING FUNDS

	<u>2017</u>	<u>2016</u>
Investment management fees	17,420	16,302
Investment property expenditure	9,073	11,500
	<u>£26,493</u>	<u>£27,802</u>

5. INTEREST PAYABLE

	<u>2017</u>	<u>2016</u>
Interest on Housing Loans (partly repayable in more than five years)	<u>£15,403</u>	<u>£15,478</u>

6. EMPLOYEE AND TRUSTEE INFORMATION

a. Employee Numbers

	<u>2017</u>		<u>2016</u>	
	Full time	Part time	Full time	Part time
Office staff	4	1	4	1
Almshouse staff - wardens, cleaners, cooks	7	20	7	20
Buildings Maintenance Officer	1	-	1	-
	<u>12</u>	<u>21</u>	<u>12</u>	<u>21</u>
Total full-time equivalent	<u>22</u>		<u>22</u>	

b. Staff Costs

	<u>2017</u>	<u>2016</u>
Salaries	537,015	509,885
Social security costs	39,542	37,220
Pension costs	23,325	20,016
Pension deficit provision movement	(108)	(2,269)
	<u>£599,774</u>	<u>£564,852</u>

There were no employees during the year whose emoluments exceeded £60,000 (2016: nil).

The Clerk to the Trustees is the only paid director of the Charities, under the definition given by the Accounting Direction for Private Registered Providers of Social Housing 2015.

The Charities consider their key management personnel to be the Clerk to the Trustees. The total remuneration including pension contributions of £2,486 paid to this employee during the year was £52,201 (2016: £50,631). The Clerk is an ordinary member of the Charities' pension scheme.

c. Trustees' Emoluments

No remuneration was paid to the Trustees of the Charities in 2017 or 2016. Total expenses reimbursed to Trustees for travel and not chargeable to United Kingdom income tax were £0 (2016: £Nil). A premium of £706 was paid for Trustee Indemnity Insurance.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

d. Pension Scheme

The Charities operate a pension scheme on behalf of the employees. The assets of this scheme are held separately from those of the Charities in an independently administered fund. Although this scheme is principally a defined contributions scheme, for certain members it qualifies as a multi-employer defined benefit scheme. As the Charities are unable to identify their share of the assets and liabilities in this part of the scheme, in accordance with FRS 102 it has been accounted for as a defined contribution scheme, but with the inclusion of a provision for the recovery of arrears as shown in Note 15.

Contributions paid in the year were as shown above and amounts payable to the scheme at the end of the year were £4,024 (2016: £3,484).

On the basis of the most recent Triennial actuarial valuation of the scheme in September 2014, the Charities will need to make further contributions to the scheme in relation to past service for ten years from 1 April 2016. The Charities contributed £6,714 during 2017. The contributions due from April 2018 will be £6,763 with the amount increasing by 3% each year. On transition to FRS 102, the Charities must include a provision in the accounts for the net present value of the future contributions payable. This is detailed in note 15.

In the event that the Charities were to withdraw from the Scheme a further contribution would be required which on the basis of the most recent valuation (30 September 2015) would amount to £72,627. This has not been provided for in the accounts as the Trustees consider that withdrawal is improbable.

7. SURPLUS ON ORDINARY ACTIVITIES

This is stated after charging:

	<u>2017</u>	<u>2016</u>
Depreciation of almshouse and office buildings	184,094	186,155
Depreciation of other tangible fixed assets	£6,161	£5,880
Welfare Grants:		
To individuals	10,679	9,841
To other Charities in the Salisbury area:		
Elderly	3,040	3,000
Vulnerable and homeless	8,028	6,205
	<u>£21,747</u>	<u>£19,046</u>
Auditors' remuneration:		
In their capacity as auditors	10,815	10,815
For taxation and other services	3,105	1,560
	<u>£13,920</u>	<u>£12,375</u>
And after crediting:		
Grants received from William Botley Charity	£10,210	£8,399
Management fees charged to		
William Botley Charity	£1,766	£1,714
Salisbury City Educational and Apprenticing Charity	£877	£852

The Trustees of William Botley Charity and Salisbury City Educational and Apprenticing Charity are all comprised of Trustees of Salisbury City Almshouse and Welfare Charities.

The Charities are not required by statute to prepare group accounts, except in as much as these accounts include those of the subsidiary charities which are shown as restricted funds. The Charities have no parent undertaking.

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and some tax compliance.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

8. FIXED ASSETS

a. Housing Properties

	General	Mrs Sarah Hayter's Charity	Buchanan Housing Charity	St Mary Magdalen's Hospital	Total
Cost					
At 25 December 2016	6,694,363	957,000	1,616,583	-	9,267,946
Additions	-	-	-	420,000	420,000
Disposals	-	-	(103,000)	-	(103,000)
At 24 December 2017	6,694,363	957,000	1,513,583	420,000	9,584,946
Depreciation					
At 25 December 2016	2,091,634	306,233	367,557	-	2,765,424
Charge for the year	133,783	19,140	30,271	-	183,194
Disposals	-	-	(32,960)	-	(32,960)
At 24 December 2017	2,225,417	325,373	364,868	-	2,915,658
Net book value					
At 24 December 2017	£4,468,946	£631,627	£1,148,715	£420,000	£6,669,288
At 25 December 2016	£4,602,729	£650,767	£1,249,026	£0	£6,502,522

These properties consisted of the following categories of accommodation:

24 December 2017

Sheltered housing	178	11	-	-	189
Wardens' houses	6	-	-	-	6
General needs housing	-	-	24	6	30
	184	11	24	6	225

24 December 2016

Sheltered housing	178	11	-	-	189
Wardens' houses	6	-	-	-	6
General needs housing	-	-	24	-	24
	184	11	24	-	219

All housing properties are held freehold, except for certain properties held by the Buchanan Housing Charity on very long leases (more than 500 years remaining). The net book value of these leasehold properties at 24 December 2017 was £318,120 (2016: £327,760) and the depreciation charged on them during the year was £9,640 (2016: £9,640).

b. Offices - Freehold Land and Buildings

	Total
Cost	
At 25 December 2016 and 24 December 2017	44,960
Depreciation	
At 25 December 2016	15,285
Charge for the year	900
At 24 December 2017	16,185
Net book value	
At 24 December 2017	£28,775
At 25 December 2016	£29,675

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

8. FIXED ASSETS (CONTINUED)

c. Investment Properties - Freehold Land and Buildings

	Three Shops	Two Houses	Total
Valuation as at 25 December 2016	1,140,000	485,000	1,625,000
Unrealised gains/(losses) on revaluation	10,000	5,000	15,000
Valuation as at 24 December 2017	<u>£1,150,000</u>	<u>£490,000</u>	<u>£1,640,000</u>

These properties were valued as at 24 December 2017 and 24 December 2016 by Messrs Woolley & Wallis, Chartered Surveyors, on the basis of open market value. Their historic costs are not known. The valuers are considered to be independent of the Charities.

d. Fixed Asset Investments

	General Endowment Fund	Blechynden and Brown Almshouse Charity	Mrs Sarah Hayter's Charity	Total
Market value at 25 December 2016	4,556,852	7,171	2,096	4,566,119
Additions	147,848	-	-	147,848
Disposals	(143,426)	-	-	(143,426)
Investment income accumulated	453	-	-	453
Investment management fees	(12,429)	-	-	(12,429)
Unrealised gains/(losses) on revaluation	408,300	639	185	409,124
Market value at 24 December 2017	<u>£4,957,598</u>	<u>£7,810</u>	<u>£2,281</u>	<u>£4,967,689</u>
Historic cost: At 24 December 2017	<u>£3,463,196</u>	<u>£6,198</u>	<u>£1,622</u>	<u>£3,471,016</u>
At 25 December 2016	<u>£3,446,345</u>	<u>£6,198</u>	<u>£1,622</u>	<u>£3,454,165</u>

The market value at 24 December 2017 was made up as follows:

Charitable common investment funds	1,648,248	7,810	2,281	1,658,339
UK fixed interest	141,468	-	-	141,468
Overseas fixed interest	19,936	-	-	19,936
UK equities	2,651,858	-	-	2,651,858
Overseas equities	468,568	-	-	468,568
Cash	27,520	-	-	27,520
	<u>£4,957,598</u>	<u>£7,810</u>	<u>£2,281</u>	<u>£4,967,689</u>

9. ENDOWMENTS RECOUPED

**Investments held in Charitable
Common Investment Funds**

	Blechynden and Brown Almshouse Charity	Mrs Sarah Hayter's Charity	Total
Market value at 25 December 2016	15,299	37,191	52,490
Capital recouped (Note 17)	70	1,200	1,270
Unrealised gains/(losses) on revaluation	1,957	4,793	6,750
Market value at 24 December 2017	<u>£17,326</u>	<u>£43,184</u>	<u>£60,510</u>
Historic cost: At 24 December 2017	<u>£12,243</u>	<u>£20,569</u>	<u>£32,812</u>
At 25 December 2016	<u>£12,172</u>	<u>£19,369</u>	<u>£31,541</u>

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

10. OTHER FIXED ASSETS

Equipment, Furniture, Fixtures and Fittings

	<u>Almshouses</u>	<u>Offices</u>	<u>Total</u>
Cost			
As at 25 December 2016	165,217	40,071	205,288
Additions	2,169	1,243	3,412
Disposals	(1,641)	(2,290)	(3,931)
As at 24 December 2017	165,745	39,024	204,769
Depreciation			
As at 25 December 2016	157,024	36,401	193,425
Charge for the year	3,791	2,370	6,161
Disposals	(1,641)	(2,290)	(3,931)
As at 24 December 2017	159,174	36,481	195,655
Net Book Value			
At 24 December 2017	£6,571	£2,543	£9,114
At 25 December 2016	£8,193	£3,670	£11,863

It is estimated that the office equipment is used 50% for the support of direct charitable work and 50% for the management and administration of the Charities.

11. DEBTORS

	<u>2017</u>	<u>2016</u>
Residents' contributions in arrears	1,442	126
Other debtors	90,042	325,496
Prepayments	34,748	27,514
	<u>£126,232</u>	<u>£353,136</u>

12. CURRENT ASSET INVESTMENTS

	<u>Buchanan Housing Charity</u>	<u>St Mary Magdalen's Hospital</u>	<u>General Unrestricted Fund</u>	<u>Extraordinary Repair Fund</u>	<u>Total</u>
Market value at 25 December 2016	204,920	-	2,365,906	1,485,954	4,056,780
Additions	281,125	131,902	1,081,947	318,342	1,813,316
Disposals	-	-	(61,747)	-	(61,747)
Income accumulated	-	-	1,633	61,654	63,287
Investment management fees	-	-	(4,991)	-	(4,991)
Movement in cash	-	-	(1,827)	-	(1,827)
Movement in accrued interest	-	-	297	-	297
Unrealised gains/(losses)	32,788	7,784	284,510	110,523	435,605
Market value at 24 December 2017	<u>£518,833</u>	<u>£139,686</u>	<u>£3,665,728</u>	<u>£1,976,473</u>	<u>£6,300,720</u>
Historic cost:					
At 24 December 2017	<u>£451,518</u>	<u>£131,902</u>	<u>£3,099,017</u>	<u>£1,207,578</u>	<u>£4,890,015</u>
At 25 December 2016	<u>£170,393</u>	<u>£0</u>	<u>£2,076,426</u>	<u>£1,108,315</u>	<u>£3,355,134</u>
The market value at 24 December 2017 was made up as follows:					
Listed investments	518,833	139,686	3,629,379	1,976,473	6,264,371
Cash	-	-	36,349	-	36,349
	<u>£518,833</u>	<u>£139,686</u>	<u>£3,665,728</u>	<u>£1,976,473</u>	<u>£6,300,720</u>

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

13. CREDITORS: Amounts falling due within one year

	<u>2017</u>	<u>2016</u>
Residents' contributions received in advance	61,557	48,945
Rents received in advance	1,011	1,217
Almshouse development and major repairs	-	-
Other creditors	27,213	30,112
Deferred income - Government grants	67,291	67,291
Accruals	58,405	50,370
	<u>£215,477</u>	<u>£197,935</u>

14. CREDITORS: Amounts falling due after more than one year

	<u>2017</u>	<u>2016</u>
Housing loans for:		
Gloucester House (interest rate 11.375%)	78,174	78,605
Trinity Hospital (interest rate 9.5%)	67,886	68,225
Deferred income - Government grants	2,159,659	2,226,949
	<u>£2,305,719</u>	<u>£2,373,779</u>

The loans are secured on the respective developments and have fixed rates of interest. They are repayable, by half-yearly instalments, over 60 years until 2044 (Gloucester House) and 2049 (Trinity Hospital).

The total amount repayable after more than five years was	<u>£140,732</u>	<u>£142,051</u>
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Deferred income	<u>2017</u>	<u>2016</u>
Brought forward at 25 December 2016	2,294,239	2,361,530
Released in the year	(67,291)	(67,291)
Deferred in the year	-	-
Carried forward at 24 December 2017	<u>£2,226,948</u>	<u>£2,294,239</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>2017</u>	<u>2016</u>
Brought forward pension liability at 25 December 2016	61,974	64,243
Unwinding of the discount factor	840	1,518
Deficit contribution paid	(6,714)	(6,557)
Impact of change in assumption and contribution schedule	108	2,770
Carried forward pension liability at 24 December 2017	<u>£56,208</u>	<u>£61,974</u>

As mentioned in Note 6d, the Charities pension scheme is accounted for as a defined contribution scheme but a provision has been included for the past service element payable with the aim of eliminating the deficit on the scheme. The amount recognised is the present value of contributions payable that result from the terms of the agreement.

Income and expenditure impact	<u>2017</u>	<u>2016</u>
Unwinding of the discount factor	840	1,518
Impact of change in assumption and contribution schedule	108	2,770
	<u>£948</u>	<u>£4,288</u>

Assumptions	<u>2017</u>	<u>2016</u>
Rate of discount	1.39%	1.44%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

16. ENDOWED CAPITAL

	General Endowment Fund	Blechynden and Brown Almshouse Charity	Mrs Sarah Hayter's Charity	St Mary Magdalen's Hospital	2017 Total	2016 Total
Balance as at 25 December 2016	6,431,625	7,172	42,895	-	6,481,692	5,997,449
Transfer of assets				420,000	420,000	
Depreciation of buildings	(7,555)	-	(1,200)	-	(8,755)	(8,755)
Investment management fees	(12,459)	-	-	-	(12,459)	(11,584)
Investment income accumulated	453	-	-	-	453	628
Realised gain/(loss) on disposal of investments	4,446	-	-	-	4,446	(4,424)
Unrealised gains on revaluation of investment properties	15,000	-	-	-	15,000	35,000
Unrealised gains on investments	408,300	639	185		409,124	473,378
Balance as at 24 December 2017	<u>£6,839,810</u>	<u>£7,811</u>	<u>£41,880</u>	<u>£420,000</u>	<u>£7,309,501</u>	<u>£6,481,692</u>

17. ENDOWED CAPITAL TO BE RECOUPED

The Charity Commissioners ordered that sums expended on the reconstruction of Blechynden's and Mrs Sarah Hayter's Almshouses should be recouped from income to capital. Two recoupment orders are now in force:

- | | |
|--|--------|
| (i) On 5 March 1980, for £70 per year for 60 years to 2040, to generate | 20,037 |
| (ii) On 1 June 2000, for £1,200 per year for 50 years to 2050, to generate | 60,000 |

Capital recouped is held in Charitable Common Investment Funds (Note 9).	<u>£80,037</u>
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18. RESTRICTED FUNDS

	SCAWC Almshouse Charities (Note 18a)	Mrs Sarah Hayter's Charity (Note 18b)	Buchanan Housing Charity (Note 18c)	St Mary Magdalen's Hospital	2017 Total	2016 Total
Contributions from residents	258,848	66,063	112,824	801	438,536	415,269
Investment income	49,499	3,093	10,487	-	63,079	63,812
Other income	-	1,288	-	-	1,288	1,301
Legacies and donations	10,000	-	-	820,489	830,489	10,000
Realised gain on property			253,531	-	253,531	-
Expenditure	(178,321)	(68,474)	(77,431)	(2,156)	(326,382)	(376,487)
Net income	140,026	1,970	299,411	819,134	1,260,541	113,895
Realised gains on investments	-	-	-	-	-	4,476
Unrealised gains on investments	78,241	4,658	49,153	19,044	151,096	183,255
Net movement in funds before transfer	218,267	6,628	348,564	838,178	1,411,637	301,626
Transfer from unrestricted funds	63,854	-	-	-	63,854	38,857
Endowed capital recouped	-	(1,200)	-	-	(1,200)	(1,200)
Balance at 25 December 2016	1,640,673	367,685	1,820,124	-	3,828,482	3,489,199
Balance at 24 December 2017	<u>£1,922,794</u>	<u>£373,113</u>	<u>£2,168,688</u>	<u>£838,178</u>	<u>£5,302,773</u>	<u>£3,828,482</u>
The fund balances include the following unrealised gains/(losses):						
As at 24 December 2017	<u>78,241</u>	<u>£4,658</u>	<u>£49,153</u>	<u>£19,044</u>	<u>£151,096</u>	<u>£183,255</u>
As at 24 December 2016	<u>£122,825</u>	<u>£6,969</u>	<u>£53,461</u>	<u>-</u>	<u>£183,255</u>	<u>£239,514</u>

The transfer to restricted funds consists of additional contributions to the extraordinary repair fund of £63,854 (reflecting underspending in heating costs).

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2016
(CONTINUED)

18. RESTRICTED FUNDS (continued)

a. SCAWC Almshouse Charities

	Specific Almshouse Funds	Cyclical Maintenance Fund	Extraordinary Repair Fund	Total
Contributions from residents	-	147,759	111,089	258,848
Investment income accumulated	-	626	48,873	49,499
Legacies and donations	10,000	-	-	10,000
Expenditure	(11,855)	(117,679)	(48,787)	(178,321)
Net income	(1,855)	30,706	111,175	140,026
Transfer from Unrestricted Funds	-	-	63,854	63,854
Unrealised gains/(losses) on investments	-	-	78,241	78,241
Net movement in funds	(1,855)	30,706	253,270	282,121
Balance at 24 December 2016	21,751	242,695	1,376,227	1,640,673
Balance at 24 December 2017	£19,896	£273,401	£1,629,497	£1,922,794

b. Mrs Sarah Hayter's Charity

	General Fund	Cyclical Maintenance Fund	Extraordinary Repair Fund	Property Fund	Total
Contributions from residents	49,880	7,795	8,388	-	66,063
Investment income	75	82	2,936	-	3,093
Other income	1,288	-	-	-	1,288
Expenditure	(37,711)	(11,198)	(1,625)	(17,940)	(68,474)
Net income	13,532	(3,321)	9,699	(17,940)	1,970
Unrealised gains on investments	-	-	4,658	-	4,658
Endowed capital recouped	(1,200)	-	-	-	(1,200)
Loan from SCAWC repaid	(12,000)	-	-	12,000	-
Net movement in funds	332	(3,321)	14,357	(5,940)	5,428
Balance at 25 December 2016	53,878	31,123	88,012	194,672	367,685
Balance at 24 December 2017	£54,210	£27,802	£102,369	£188,732	£373,113

c. Buchanan Housing Charity

	General Fund	Cyclical Maintenance Fund	Extraordinary Repair Fund	Property Fund	Total
Contributions from residents	71,582	25,618	15,624	-	112,824
Investment income	95	189	10,203	-	10,487
Realised gain on property	-	-	-	253,531	253,531
Expenditure	(25,728)	(10,225)	(11,207)	(30,271)	(77,431)
Net income	45,949	15,582	14,620	223,260	299,411
Unrealised gains on investments	32,789	-	16,364	-	49,153
Disposal of housing property	323,571	-	-	(323,571)	-
Net movement in funds	402,309	15,582	30,984	(100,311)	348,564
Balance at 25 December 2016	243,304	72,085	255,709	1,249,026	1,820,124
Balance at 24 December 2017	£645,613	£87,667	£286,693	£1,148,715	£2,168,688

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

19. UNRESTRICTED FUNDS

	Internal Property Fund	Almshouse Development and Improvement Fund	General Fund	Total
Surplus on unrestricted funds	-	-	279,514	279,514
Expenditure charged to designated funds				
Almshouse improvements	-	(13,250)	13,250	-
Depreciation of almshouses	(59,837)	-	59,837	-
Recoupment	-	-	(63,924)	(63,924)
Repayment of housing loans	770	-	(770)	-
Repayment of loan to Sarah Hayter's Charity	(12,000)	12,000	-	-
Appropriation of surplus	-	282,141	(282,141)	-
Realised gains/(losses) on investments	-	(220)	-	(220)
Unrealised gains/(losses) on investments	-	284,807	-	284,807
Net movement in funds	(71,067)	565,478	5,766	500,177
Balance at 25 December 2016	2,357,329	3,075,546	298,026	5,730,901
Balance at 24 December 2017	<u>£2,286,262</u>	<u>£3,641,024</u>	<u>£303,792</u>	<u>£6,231,078</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
Fixed Assets				
Almshouses	4,247,492	1,740,742	681,054	6,669,288
Offices	28,481	-	294	28,775
Investment properties	-	-	1,640,000	1,640,000
Investments	-	-	5,028,199	5,028,199
E F F & F	9,114	-	-	9,114
	4,285,087	1,740,742	7,349,547	13,375,376
Current asset investments	3,665,728	2,634,992	-	6,300,720
Other current assets	474,372	1,330,334	464	1,805,170
Current liabilities	(215,477)	-	-	(215,477)
Long term liabilities	(2,305,719)	-	-	(2,305,719)
Loan to Mrs Sarah Hayter's Charity	403,295	(403,295)	-	-
Provisions	(56,208)	-	-	(56,208)
	<u>£6,251,078</u>	<u>£5,302,773</u>	<u>£7,350,011</u>	<u>£18,903,862</u>

The loan to Mrs Sarah Hayter's Charity was provided from the Unrestricted Funds of the Salisbury City Almshouse and Welfare Charities to enable the almshouses owned by Mrs Sarah Hayter's Charity to be rebuilt. It is interest-free and is being repaid out of the income of Mrs Sarah Hayter's Charity.

SALISBURY CITY ALMSHOUSE AND WELFARE CHARITIES
NOTES TO THE ACCOUNTS AT 24 DECEMBER 2017
(CONTINUED)

21. ACQUISITION OF ST MARY MAGDALEN'S HOSPITAL

On 3 October 2017 the Charity Commission executed a scheme under which the assets of the charities previously known as St Mary Magdalen's Hospital, Wilton, and Little Langford Farm Almshouses were transferred to the trustees of the Salisbury City Almshouse and Welfare Charities. This transaction has been treated as an acquisition for nil consideration in these accounts and the net value of the assets at the date of transfer has been included in legacies and donations in the SOFA.

The assets acquired were as follows

Almshouse buildings (Valued by Messrs Woolley & Wallis, Chartered Surveyors)	420,000
Investments	
Extraordinary Repair Fund	318,342
Income (including Little Langford Farm Almshouses)	131,902
	<hr/>
	450,244
Cash	370,245
	<hr/>
	£1,240,489
	<hr/>

22. CAPITAL COMMITMENTS

As at Balance Sheet date the Charities had commitments as follows:

	<u>2017</u>	<u>2016</u>
Contracted for but not provided in the accounts:	£0	£0
	<hr/>	<hr/>