

Charity number: 1116355

Walthamstow and Chingford Almshouse Charity

Trustees' report and financial statements

For the year ended 31 March 2018

Walthamstow and Chingford Almshouse Charity

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Walthamstow and Chingford Almshouse Charity

Reference and administrative details of the charity, its trustees and advisers For the year ended 31 March 2018

Directors of the Trustee (The Walthamstow & Chingford Almshouse Trustee Company Limited)

W Belam
V Conant
J Kearns
S MacNulty
J J C Moss (Chairman)
I Moyes (Vice Chairman)
J Renshaw
A Rich
S Smith Pryor
K Wenden
P Williams
L Wilson
G Mecaley (expired 27 January 2018)
H Tredoux
S Palmer (resigned 25 October 2017)

Charity registered number

1116355

Principal office

Monoux Hall
Church End
Walthamstow
London
E17 9RL

Clerk to the Directors

E Abbott

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Co-operative Bank
151-155 Hoe Street
Walthamstow
London
E17 3AN

Solicitors

Stone King
16 St. John's Lane
London
EC1M 4BS

Walthamstow and Chingford Almshouse Charity

**Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 March 2018**

Advisers (continued)

Solicitors

Hunt & Hunt
22 - 26 Eastern Road
Romford
RM1 3LT

Investment managers

Investec Wealth & Investment
2 Gresham Street
London
EC22 7QP

Chartered Surveyors

Strettons
Central House
189-203 Hoe Street
London
E17 3SZ

Walthamstow and Chingford Almshouse Charity

Trustees' report For the year ended 31 March 2018

The Directors present their annual report together with the audited financial statements of Walthamstow and Chingford Almshouse Charity for the ended 31 March 2018.

Objectives and Activities

a. Objectives

The objects of the Walthamstow and Chingford Almshouse Charity are the provision and continuing maintenance of the almshouses for the benefit of persons in conditions of financial need, who have been resident for one year within Walthamstow or Chingford, or for five consecutive years at any time prior to appointment. Residue income must be applied for the relief of persons in financial need residing within the area of benefit.

b. Grant making

The objects of the Charity include the relief of persons in conditions of financial need in the area of benefit in such manner as the trustees see fit. Directors are concentrating on the direct relief of poverty and in respect to other organisations working with beneficiaries in the area of benefit, to support those which alleviate the effects of poverty or which have an impact on preventing poverty.

From April 2013 a new local assistance scheme to assist the most vulnerable was introduced to replace some of the discretionary elements of the Social Fund that was administered by the Department for Work and Pensions (DWP), The London Borough of Waltham Forest run this scheme known as Local Welfare Assistance (LWA).

Since April 2016 Local Welfare Assistance and the Charity have collaborated to assist local people in need more effectively. The Social fund undertake rigorous financial & associated checks of applicants to the fund and will make referrals to the charity of families and individuals considered to require further assistance beyond the fairly limited items which the Social Fund is able to provide. In these cases the Charity may provide additional household items that the Social Fund is unable to supply, and importantly, seek to provide support to local people who may not be eligible for relief from the LWA. Referrals are also made by the local CAB, a single homeless charity, council temporary housing section, social and health workers. Directors will visit a number of applicants to independently assess need. Over the financial year 2016/17 when the collaboration was initiated there had been a 49% Increase in grants awarded to families and individuals with 98 grants awarded totalling £58,750, compared to £20,500 in 2015/2016. During the last financial year 2017/2018, the number of applications has reduced by 8 to 89 grant applications with a total of £49,288 awarded to 77 of the applicants, an average of £640 per applicant household. Of the 12 applications that were not awarded a grant, 8 were ineligible, one applicant was rehoused by the Charity into Colby Lodge and received a grant in the next financial year, two were non-contactable, and one is on hold for the time being. Many of these grants help applicants that are moving into housing having been living in temporary accommodation, including hostels and supported housing.

Grants to other charities and organisations amounted to a total of £30,335 (2016/17: £28,138) to three organisations which work to alleviate the effects of poverty. Bags of Taste provide sessions to local people to learn how to cook take away style meals from scratch on a budget of £1 per meal, apart from the very substantial savings to be made by attendees over time, many also benefit from the socialness of being in a group and cooking together. Christians Against Poverty provide advice and support to assist people to escape from debt, the charity is very successful at helping individuals and families to budget effectively and work to eliminate their debts. Christian Kitchen provides a hot meal for homeless and destitute people every night of the year from a van in Walthamstow, it assists clients with signposting to other services such as housing providers, homeless charities and drug and alcohol support services. Also helping clients access emergency overnight accommodation during severely cold weather. These organisations often provide added value by assisting their volunteers to acquire the skills and experience to go on to find paid employment.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

There is a two stage process for charities or organisations to make an application for a grant. Charities/organisations are requested to provide a brief outline of their activities and what they require a grant for. The outline proposal is considered by the Grants' Committee, which decides whether a full submission on the charities application form should be requested. Before a decision is made as to whether or not to award a grant, Directors usually visit the applicant charity/organisation before recommendations to the Grants and Accommodation Committee are made. Charities and organisations receiving grant are required to provide a written report of the use and impact of the grant after 12 months.

c. Public benefit

The Directors have carefully considered the Charity Commission guidance 'Charities and Public Benefit' with regard to the provision of almshouses and grant making. The Directors consider that the procedures in place to advertise Almshouse vacancies reach as wide a section of the local community as possible, given the restrictions imposed by the Charity Scheme and the area of benefit. In addition to local advertising, details of the almshouses are posted on the Elderly Accommodation Counsel website, a national database of housing for older people. All qualifying applications for accommodation are given careful consideration and are visited to assess their needs; the applicant's situation is assessed in respect of financial and housing need, social need and as to whether the applicant would benefit from living in warden supported housing. Accommodation is offered to those applicants with the greatest need. Almshouse Accommodation charges are set to cover running costs, however certain costs are subsidised by the Charity, such as the support element of warden costs, water rates and TV licences amongst others.

Achievements and performance

a. Financial review

Without the grant funding from the London Borough of Waltham Forest included, total income was £733,250 compared to £723,459 for 2016/17 and £702,059 in 2015/16.

Total expenditure has increased over last year by 24%, with the main reason being the higher expenditure on repairs and maintenance.

The fixed asset investments value has increased from £12,224,666 to £12,417,610.

Overall during the year there was a loss on the investment portfolios of £11,161 as opposed to a gain of £1,685,754 in 2016/2017.

b. Review of activities

Colby Lodge, 1C The Drive E17

The development project had been a long held ambition for the directors of the Trustee Company. It is well known that there is a shift towards an ageing population in the UK. Within the London Borough of Waltham Forest residents over the age of 65 make up around 10% of the local population, estimated to be 275,300 in 2016, this number is projected to increase by 16,200 or 6% within the next five years. The number of people aged 85 and over is projected to nearly triple by 2050, from 3,800 to 10,100. Much of the Council's own sheltered housing is no longer deemed fit for purpose, with some schemes still having shared facilities, such as bathrooms there is a need for high quality housing for local older people to house the ageing population and to promote health and independence through well designed, well-built accommodation, which is accessible and adaptable to residents' changing needs.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

Over a number of years reserves had been accumulated and when a site became available a short distance from the Sir George Monoux Almshouses and the administrative offices of the Charity, the Directors were keen to acquire the land for new almshouses. The site was purchased from the LB Waltham Forest, it had formerly been used as a children's home until the 1980s and then as offices of the Council.

Following a tender process in August 2015, local building contractors Kind and Company were appointed for the construction of twenty new Almshouse apartments at 1 C The Drive. The scheme Architects, Pollard Thomas Edwards were closely involved in the development of the Housing our Ageing Population (HAPPI) Report and the almshouse design incorporates a number of recommendations from the report. Two of the ground floor flats are fully wheelchair accessible, communal facilities include a garden room with kitchen, overlooking a sunny landscaped garden, a therapy/ hairdressing room, a guest suite for visitors and carers, launderette, buggy store, staff office and bright airy reception area. A basement area provides an additional accessible shower and wc along with additional storage areas.

Following discussions and agreement with the London Borough of Waltham Forest in 2016, the Charity was very fortunate to be awarded a grant of £1.9m towards the new almshouse development costs. The Council has had 100% of nominations for the first letting of apartments, with 50% thereafter, all applicants are subject to the Charity's objectives and scheme, and all applicants have been visited in their former homes by a member of the Charity staff and a Director.

Construction work commenced January 2016, and the Charity took handover of Colby Lodge on 29th March 2018, which was 9 months after the contract date. There were various factors that contributed to the delay, nevertheless directors and staff are delighted with the building which has attracted a very positive reaction from the new residents and also local people. Staff worked hard over the Easter bank holiday weekend in order to enable new residents to move in. As at June 2018, there are just two flats that have not been allocated.

The new residents of Colby Lodge were living in very difficult circumstances with all of them in housing that was unsuitable to their needs. Seven of the applicants (39%) were in private rented accommodation, subject to unaffordable rents and whilst not in rent arrears, all had received section 21 eviction notices from their landlords, some with imminent possession orders. Within Waltham Forest there has been a growth in the number of people living in the private rented sector, and house prices have been rising rapidly, particularly in 2014 & 2015 when prices increased by around 20% per annum. Private renting is becoming increasingly unaffordable, with a typical one bedroom flat in the local area costing the tenant around £1,300 per month. The Charity is increasingly hearing from housing applicants that if they are already in private rented housing, the landlord wishes to increase the rent to beyond what the tenant can afford, or they wish to sell the property. Those older people who are trying to find somewhere to live in the private rented sector are telling us that landlords are not interested in accepting older tenants, or tenants who are in receipt of housing benefit.

Of the other elderly applicants four (22%) were living with family in overcrowded housing often with accessibility issues, such as stairs to the bathroom and no shower facilities. The remaining seven applicants were a mix of priorities and needs, including advanced age and/or disability, other factors that were taken into consideration prior to offers of accommodation included - under occupying family housing, needing to move to be closer to family, decant from council accommodation, potential homelessness, and a wheelchair user wishing to benefit from sheltered housing. Seven of the 18 applicants have a substantial disability, two of which are wheelchair users.

The Charity charges £187.25 per week for the one-bedroom flats, this is the maximum local housing allowance (LHA) payable, residents pay for their own fuel and council tax. The LHA is set at the lower third of market rent in the area. As at mid June 2018, there are two flats that remain unallocated and two flats where the new residents have accepted but are yet to move in.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

History of Thomas Colby

Thomas Colby Schoolmaster of the Sir George Monoux school, died of the Plague in 1609 leaving all his estate in trust for the poor of Walthamstow. Approximately 12 acres of land was purchased from the Lord of the Manor of the Walthamstow Toni, some of this land is still in use as allotments today. During the early 1990s part of the land belonging to the Charity of Thomas Colby was subject to compulsory purchase by the Secretary of State for Transport for widening the North Circular Road, the payment was in the region of £900,000, which made a significant impact on the assets of the almshouse charity and along with other property and investment sales generated assets for the charity to further its objects, including the development of the Colby Lodge almshouses.

The development of Colby Lodge has expanded the Charity's almshouse provision by nearly 50% with 62 almshouse properties over five buildings now in the Charity's management. All of the Charity's almshouses are accessible as far as practicably possible. The listed Sir George Monoux Almshouses and Mrs Mary Squires Almshouses have had baths removed and showers installed over the years usually as almshouses became vacant, all but one property now have accessible showers, some are level access where possible. These adaptations enable residents to remain in their homes comfortably and safely, which means they do not need to move unless their needs change such as severe dementia, or they require nursing care.

The Charity employs warden/housing staff who support residents such as assisting residents to obtain care packages, and equally important, to monitor the support being given to ensure it is meeting the residents needs as intended. This monitoring goes a long way to help residents stay within the almshouses. Staff get to know residents well and are trusted by them, staff are well placed to encourage residents to for example to seek some support in the home or to get a GP appointment, helping them at a practical level as well if necessary, for example by making the contact with Social Services if required.

Collard Court gas boiler renewal

The two elderly but reliable gas boilers providing hot water and heating to the 19 flats and warden accommodation at Collard Court had been deemed obsolete as parts could no longer be sourced for them, the boilers were judged to be around 40 years old. After a tender process the contract was let to Maracom, and work commenced in late September. The stripping out of virtually all of the old boiler installation, including water cylinders, pipework and pressure vessels went very smoothly. There were concerns that the work was taking place rather late in the year, with completion due towards the end of October, but the engineers took great care to ensure there was one boiler working at all times, so that disruption to the residents was kept to an absolute minimum. The new installation is much neater than the old boiler set up, with three wall mounted new boilers which are easily monitored as part of the routine checks the charity is required to perform to reduce the risk of legionella. The new boilers are considerably more efficient and making savings of around 25% on the gas used.

Almshouse Vacancies

Across the four existing almshouses there were four vacancies over the course of the year, with one of the flats at the listed Monoux Almshouse (built 1527) being vacant through the whole year. The East elevation of the Sir George Monoux Almshouse has had problems with damp for decades. Over the years various remedial works have taken place which have reduced the problem for a short while, but not eliminated the problem altogether. The resident of the worst affected ground floor flat was moved to another ground floor flat as soon as one became vacant in October 2016. A highly qualified environmental investigation company was brought in to undertake an in-depth survey of this and the flat above, which was also experiencing similar problems. The report recommended a range of measures to be instigated to eliminate the damp, including removal of the cementitious render to the exterior of the east elevation, lowering of ground levels externally, and improving ventilation. The work was specified and tenders invited from 4 contractors, only two replied. It was subsequently decided that as the works involved stripping out much of the flat including the shower room, it was practical to renew the shower room and kitchen at the same time. Works were held up for a while until another vacancy became available in April 2018 for the resident of the first floor flat affected, both flats are very nearly ready to occupy as at June 2018. The other void flats were occupied within the financial year with an average of 6 weeks from vacancy till occupation, flats tend to be occupied by our residents for many years and consequently voids usually require full redecoration's, and new floor coverings. Despite the long term vacancy, the void loss of income for the year was just under 3%, the budget was set at 5% which is the minimum percentage required for a void loss provision.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

Resident Activities

Due to the retirement of the coordinator, the local secondary school no longer continues to provide support to residents in their use of computers and tablets at the Monoux Almshouses. However activities enjoyed by residents included the monthly luncheon club at Collard Court which has been well attended by residents from all four almshouses, a day at the seaside in July, a fish and chip lunch with a three piece band playing old favourites, a Mother, baby and toddler group visiting Collard Court, Christmas meal with staff and trustees, a carol concert performed by children from a local primary school named after Sir Henry Maynard, a 17th century charity benefactor, whose charity comprises part of WCAC. New Year social along with the usual fish and chip and pub lunches, quizzes, and coffee mornings. Many of the social events are organised by residents themselves, such as firework night with BBQ and an Easter egg hunt, all of which make good use of the communal facilities including the gardens provided at the almshouses.

Collard Court runs a popular keep-fit class especially designed for older people; this provides gentle exercise to improve the fitness and balance of participants, helping to prevent falls, this is also attended by one or two older people from the local community. Participants pay a contribution to the classes with the balance funded by the Charity. All the almshouses and many residents entered the London Almshouse Gardens competition as usual, however there were no prizes awarded this year. The social events and activities give resident the chance to socialise, get out of their flats and meet new people. Each event and activity eases the possibility of any resident being lonely, loneliness is known to affect peoples wellbeing and health to a much greater degree than had previously been thought.

Staff will be working on ideas with residents new and old for making good use of the new club lounge/garden room at Colby Lodge, the new almshouse development. This room has been designed to accommodate around 40 people at a time and comes with a fitted kitchen, a library area with internet connection and a snug area with a stove. It is also planned for it to be available for local community groups to use. The development also has a hairdresser and therapy room which will be used by visiting hairdresser, chiropodist, and alternative therapists.

Open House

Staff volunteered to open up the Monoux Hall to the public for the 2017 Open House London weekend, which was the silver anniversary of Open House. Approximately 60 people came to view the hall and displays of photographs and the history of the almshouses. The Charity is taking part again in 2018, and Colby Lodge has been accepted for the Open House weekend along with the Monoux Hall.

c. Fixed assets

The movements in tangible fixed assets during the year are set out in note 14 to the financial statements. The Trustee believes that the fixed asset Almshouse properties are worth considerably in excess of the net book value disclosed in these accounts: however it is unable to quantify the excess without incurring significant unnecessary professional valuation fees.

d. Investments

The Charity Commission Scheme regulating the Charity places no restrictions on the Directors' power to invest. The objectives of the Charity's Investment Policy are to ensure the creation of sufficient income and capital growth to enable the Charity to carry out its purposes year by year, with due and proper consideration for future needs and the maintenance of and, if possible, enhancement of the value of the invested funds. The policy is reviewed annually.

- Listed investments

As at 31 March 2018, Investec Wealth and Investment Limited manage approximately 50% of the Charity's total investment portfolio on a discretionary basis. The directors preclude investment in companies involved in home collected credit; directors consider such investments to be in conflict with the Charity's objective of relief in need. No initial investment should exceed 7.5% of the total value of the funds under management. Trustees' objectives are to seek a balanced return from income and capital growth within moderate risk parameters. The performance of each asset class will be measured against relevant market indices. The overall performance is compared to a bespoke benchmark based on the midpoint of each asset class, measured against the underlying indices for each asset class.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

Of the other 50% of the Charities' portfolio, the majority is invested with the National Association of Almshouses Common Investment Fund (NAACIF) managed by M&G Securities Limited with approximately 3% in M&G Charibond. Both NAACIF and Charibond are designed to provide a high income and security of capital assets.

Over the 12 months to 31st March 2018 the Managed Portfolio produced a total return of 3.1%, compared with the benchmark return of 2.4% and the Non-Tradeable portfolio produced a return of 0.8% compared to 1.1% for the fund's benchmark.

Over 5 years to 31st March 2018 the main portfolio has produced a total return of 40.6% compared to 42.7% for the benchmark and the Non-Tradeable Fund 39.2% compared to 33.7%. Of these returns 19.8% and 14.6% respectively was capital gain, which compares with CPI inflation of 7.0% and RPI of 11.9%, showing that the value of the portfolios have gained in real terms over this period. The remainder of the gain was from income.

Over 10 years (since March 2008 which in the midst of the credit crisis) the portfolios have produced total returns of 117.3% and 92.3%, compared to 99.1% and 89.8% for the benchmarks. The capital gains of 47.3% and 21.6% over this period compares with CPI inflation of 25.9% and RPI inflation of 30.0%. The portfolios have also generated income of £1.7m and £1.4m on starting capital values of £4.8m and £5.9m 10 years ago and a net £1.6 and £2.0m of capital have also been withdrawn, mainly to fund the Almshouse development.

- Investment properties

A valuation of the investment properties was undertaken by Strettons Chartered Surveyors in 2017 and revalued to £1,848,000. The valuation has been increased by £136,000 following the latest revaluation of one of the investment properties which has its lease coming to an end in 2019.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The Trustee has reviewed the reserves policy in the light of the strategy to develop further almshouses and has concluded that free reserves of £700,000 should be retained, which equates to approximately one year's income.

Structure, governance and management

a. Constitution and governance

The Charity is an amalgam of many charities, the first being endowed by Sir George Monoux upon the purchase of land from the Convent of the Holy Trinity Priory in Aldgate, London, in 1527, for building thirteen almshouses, a school and a feast room. In 1895 the numerous charities were regulated by a Scheme of the Charity Commission and were collectively called the Walthamstow Parochial Charities. There followed four varying Schemes of the Charity Commission and in 1957 a Charity Commission Scheme governed the thirty-three charities under the title of The Walthamstow Almshouse and General Charities. In June 2006 a Scheme was ordered to govern all the charities and amalgamate the Chingford Almshouse Charities with the Walthamstow Charities under the present-day title of the Walthamstow and Chingford Almshouse Charity.

A limited company, the Walthamstow and Chingford Almshouse Trustee Company was incorporated on 18th September 2007 and appointed by a Charity Commission Scheme of 28th September 2007 to administer the Charity.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

The Charity Trustee is sole shareholder of the Walthamstow Almshouse Development Company Ltd. The Development Company was established to undertake the development of 20 new almshouses at the site acquired by the charity in 2012, 1C The Drive, E17.

b. Method of appointment of Directors (Trustees)

The management of the Charity is the responsibility of the Directors who are nominated and co-opted under the terms of the Articles of Association.

c. Policies adopted for the induction and training of Directors (Trustees)

New Directors are provided with a copy of the latest set of audited accounts, the Schemes dated 14th June 2006 and 28th September 2007, the Memorandum and Articles of Association of the Trustee Company, the latest minutes of meetings, a brief history of the Charity, the Charity's book "The Walthamstow Charities" and the Charity Commissions Publication "The Essential Trustee". The Director will be offered a subscription to relevant publications and Trustee training and seminars. The Clerk to the Directors will meet with the new Director regarding finances including investments, almshouse management and grant making. The Director will be given a tour of the almshouses and a number of the investment properties. The new Director may attend one or two Committee meetings as a guest before deciding which committee(s) to serve on.

Directors' meetings are held quarterly, the board is supported by five active Committees, which meet regularly. The Committees are:

- Finance and General Purposes' committee, whose responsibilities include preparing and monitoring annual budgets, recommending pay awards and weekly maintenance charges.
- Grants and Accommodation, which deals with grant and housing applications.
- Personnel, which deals with staffing matters including policy and procedure, remuneration and disciplinary and grievance matters.
- Development, which progresses Almshouse development and refurbishment projects.
- Allotment, which deals with matters pertaining to the Charity's four allotment sites.

d. Pay policy for senior staff

In 2008, Directors appointed an Human Resources consultant to undertake salary benchmarking research for all staff employed by the charity and to set up a job evaluation scheme. The research included salary data from other London almshouse charities and data on smaller housing associations from two independent salary data providers. The job evaluation scheme was used by the consultant to recommend the salary ranges of senior and all other staff, and which were approved by the Board.

e. Risk management

The Directors have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Walthamstow and Chingford Almshouse Charity

Trustees' report (continued) For the year ended 31 March 2018

Plans for future periods

a. Future developments

The main focus for the year to come will be getting to know the new residents at Colby Lodge and developing services and activities for residents to make good use of the splendid communal facilities. Staff need to familiarise themselves with the large building and equipment within it. Maintenance works to the other almshouses will include a comparatively large contract for the external and internal redecoration of Collard Court and the updating of the interior furnishings, curtains, carpets etc. to the large communal lounge. Directors will begin turning attention to plans in respect of future developments and grant making.

The important aim of making grants to local organisations and individuals will continue, and the grant from the Council to part fund the development of the new almshouses, Colby Lodge, will help the Charity maintain its income levels which in turn will help ensure that grant funding into 2018/19 and beyond can continue at present levels. The Charity will be working to raise its profile again this year, there is a sense that staff turnover within other organisations and the Council, leads to the presence of the Charity in the area being forgotten. The Charity website will be remodelled over the coming year which should help with raising the Charity profile, as is hoped will some positive publicity for the official opening of Colby Lodge. The grant budget for the coming year is £100,000.

Information on fundraising practices

The Charity has not used a professional fund-raiser or commercial participator for any of its fundraising activities.

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are 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.

This report was approved by the Trustees, on 25 July 2018 and signed on their behalf by:

**J J C Moss (Chairman)
Trustee**

Walthamstow and Chingford Almshouse Charity

Independent auditor's report to the Trustees of Walthamstow and Chingford Almshouse Charity

Opinion

We have audited the financial statements of Walthamstow and Chingford Almshouse Charity (the 'charity') for the year ended 31 March 2018 set out on pages 14 to 37. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Walthamstow and Chingford Almshouse Charity

Independent auditor's report to the Trustees of Walthamstow and Chingford Almshouse Charity

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:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's 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 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 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. 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Walthamstow and Chingford Almshouse Charity

Independent auditor's report to the Trustees of Walthamstow and Chingford Almshouse Charity

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.

Kreston Reeves LLP
Chartered Accountants
Chatham Maritime
25 July 2018

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Walthamstow and Chingford Almshouse Charity

Statement of financial activities For the year ended 31 March 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:						
Donations and legacies	2	-	799,655	-	799,655	1,193,156
Charitable activities	3	320,456	5,106	-	325,562	300,275
Investments	4	407,108	580	-	407,688	423,179
Total income and endowments		727,564	805,341	-	1,532,905	1,916,610
Expenditure on:						
Raising funds	5	30,040	2,401	17,268	49,709	49,587
Charitable activities	11	570,324	745	64,716	635,785	502,202
Total expenditure		600,364	3,146	81,984	685,494	551,789
Net income / (expenditure) before investment gains/(losses)						
		127,200	802,195	(81,984)	847,411	1,364,821
Net gains/(losses) on investments	15,16	(3,938)	-	(7,223)	(11,161)	1,685,754
Net income / (expenditure) before other recognised gains and losses						
		123,262	802,195	(89,207)	836,250	3,050,575
Net movement in funds		123,262	802,195	(89,207)	836,250	3,050,575
Reconciliation of funds:						
Total funds brought forward		9,224,559	1,202,195	11,112,454	21,539,208	18,488,633
Total funds carried forward		9,347,821	2,004,390	11,023,247	22,375,458	21,539,208

The notes on pages 17 to 37 form part of these financial statements.

Walthamstow and Chingford Almshouse Charity

Balance sheet As at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14	9,052,741		6,457,612	
Investment property	15	1,984,000		1,848,000	
Total tangible assets			11,036,741		8,305,612
Investments	16		10,433,610		10,376,666
			21,470,351		18,682,278
Current assets					
Debtors	18	428,754		539,056	
Investments	19	690,081		2,396,778	
Cash at bank and in hand		157,704		374,505	
			1,276,539	3,310,339	
Creditors: amounts falling due within one year	20	(371,432)		(453,409)	
Net current assets			905,107		2,856,930
Net assets			22,375,458		21,539,208
Charity Funds					
Endowment funds	22		11,023,247		11,112,454
Restricted funds	22		2,004,390		1,202,195
Unrestricted funds	22		9,347,821		9,224,559
Total funds			22,375,458		21,539,208

The financial statements were approved by the Trustees on 25 July 2018 and signed on their behalf, by:

J J C Moss (Chairman)

The notes on pages 17 to 37 form part of these financial statements.

Walthamstow and Chingford Almshouse Charity

Statement of cash flows For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>2,242,484</u>	<u>2,388,083</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		407,688	423,179
Purchase of tangible fixed assets		(2,661,632)	(2,479,668)
Proceeds from sale of investments		646,190	468,657
Purchase of investments		(851,531)	(701,191)
Net cash used in investing activities		<u>(2,459,285)</u>	<u>(2,289,023)</u>
Change in cash and cash equivalents in the year		(216,801)	99,060
Cash and cash equivalents brought forward		<u>374,505</u>	<u>275,445</u>
Cash and cash equivalents carried forward	25	<u><u>157,704</u></u>	<u><u>374,505</u></u>

The notes on pages 17 to 37 form part of these financial statements.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

1.1 General information and basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The 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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Walthamstow and Chingford Almshouse Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustee believes that no material uncertainties exist. The Trustee has considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. The budgeted income and expenditure is sufficient, with the charity's reserves, for the charity to be able to continue as a going concern.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Freehold land	-	Not depreciated
Almshouse equipment	-	20 years straight line
Computer and office equipment	-	5 years straight line
Almshouse under development	-	Not depreciated

1.6 Investments

Listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investment properties are measured at fair value at each reporting date. Changes in fair value are recognised in 'Gains/(losses) on investments' in the Statement of financial activities.

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below:

- depreciation rates for tangible fixed assets
- basis of valuation of investment properties and financial instruments
- useful economic lives of assets

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Legacies	-	-	-	-	5
Government grants	-	799,655	-	799,655	1,193,151
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	-	799,655	-	799,655	1,193,156
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2017	5	1,193,151	-	1,193,156	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Almshouses - weekly maintenance contributions	298,850	-	-	298,850	286,739
Sundry income	10	-	-	10	250
Spade Husbandry	-	5,106	-	5,106	4,775
Management charge from development company	21,596	-	-	21,596	8,511
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	320,456	5,106	-	325,562	300,275
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2017	295,500	4,775	-	300,275	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from investment properties	16,243	-	-	16,243	35,224
Dividends receivable	379,948	574	-	380,522	367,194
Interest on loan to subsidiary	7,620	-	-	7,620	7,275
Deposit interest	3,297	6	-	3,303	13,486
	<u>407,108</u>	<u>580</u>	<u>-</u>	<u>407,688</u>	<u>423,179</u>
Total 2017	<u>422,872</u>	<u>307</u>	<u>-</u>	<u>423,179</u>	

5. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Allotment expenses	1,169	-	-	1,169	5,291
Telephone	585	-	-	585	409
Staff training and travel	127	-	-	127	211
Printing, postage and stationery	223	-	-	223	307
Computer costs	344	-	-	344	302
Subscriptions	133	-	-	133	207
Sundry costs	212	-	-	212	84
Investment managers' fees	8,634	-	17,268	25,902	24,327
Staff costs	18,613	2,401	-	21,014	18,449
	<u>30,040</u>	<u>2,401</u>	<u>17,268</u>	<u>49,709</u>	<u>49,587</u>
Total 2017	<u>26,173</u>	<u>7,196</u>	<u>16,218</u>	<u>49,587</u>	

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

6. Analysis of grants

	Grants to Institutions 2018 £	Grants to Individuals 2018 £	Total 2018 £	Total 2017 £
Grants payable	30,335	49,288	79,623	88,361

In both the current and previous financial year the total grants payable were all from unrestricted funds.

7. Grants to individuals

	Number	Total 2018 £	Number	Total 2017 £
Grants to individuals	77	49,288	98	60,223

8. Grants to institutions

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Grants to institutions	30,335	-	-	30,335	28,138

Grants to institutions above include the following grants of £5,000 or more in the year:

	2018 £	2017 £
Stay Safe	-	10,343
St Mary's	7,500	7,500
Carefree Kids	-	10,000
Bags of Taste	10,000	-
Christian Kitchen	10,000	-

Recipients of grants must reside or operate within Walthamstow or Chingford. Applications are submitted on a standard form and checked for eligibility before usually passing to two Directors of the Trustee who will visit the applicant. The visiting Directors report back to the Grants and Accommodation Committee and make a recommendation as to whether the grant should be approved and then agree upon the amount to be awarded.

More details of grant giving are provided within the Trustee's Report.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

9. Direct costs

	Almshouses £	Grant Giving £	Spade Husbandry £	Total funds 2018 £	Total funds 2017 £
Legal and professional fees	30,739	-	-	30,739	10,040
Routine repairs	179,573	-	-	179,573	90,811
Computer costs	1,523	-	-	1,523	967
Light and heat	41,507	-	-	41,507	31,276
Water rates	12,096	-	-	12,096	11,453
Council tax for empty flats	1,196	-	-	1,196	409
Security	6,627	-	-	6,627	4,528
Residents outings and parties	6,221	-	-	6,221	6,941
Residents TV licences	589	-	-	589	564
Insurance	9,948	-	-	9,948	9,494
Cleaning	4,944	-	-	4,944	4,469
Garden maintenance	13,792	-	-	13,792	11,245
Wages and salaries	100,840	12,087	2,209	115,136	105,635
National insurance	7,140	860	192	8,192	6,472
Pension costs	2,008	-	-	2,008	982
Depreciation	66,503	-	-	66,503	66,503
	485,246	12,947	2,401	500,594	361,789

Included within the routine repairs costs of £179,573 shown above is expenditure of £80,043 incurred in respect of replacing various boilers at the Collard Court properties. These costs have been allocated to the designated extraordinary repairs fund, as shown in note 22 of these financial statements.

10. Support costs

	Almshouses £	Grant Giving £	Spade Husbandry £	Total funds 2018 £	Total funds 2017 £
Telephone	5,914	-	-	5,914	4,137
Staff training and travel	1,282	-	-	1,282	2,137
Printing, postage and stationery	1,999	-	745	2,744	3,103
Computer costs	3,482	-	-	3,482	3,054
Subscriptions	1,350	-	-	1,350	2,100
Sundry costs	2,150	-	-	2,150	850
Trustee meetings and expenses	1,102	-	-	1,102	1,174
Audit fee and statutory accounts production	11,820	-	-	11,820	11,400
Legal and professional fees	249	-	-	249	1,200
Wages and salaries	23,535	-	-	23,535	21,153
National insurance	1,940	-	-	1,940	1,744
Total	54,823	-	745	55,568	52,052

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

11. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	500,594	79,623	55,568	635,785	502,202
	<u>500,594</u>	<u>79,623</u>	<u>55,568</u>	<u>635,785</u>	<u>502,202</u>
Total 2017	361,789	88,361	52,052	502,202	
	<u>361,789</u>	<u>88,361</u>	<u>52,052</u>	<u>502,202</u>	

12. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	66,503	66,503
	<u>66,503</u>	<u>66,503</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, Trustees received reimbursement of expenses amounting to £50 (2017 - £1,174).

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

13. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	158,217	143,752
Social security costs	11,600	9,618
Other pension costs	2,008	1,065
	<u>171,825</u>	<u>154,435</u>

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Office staff	3	3
Operational staff	4	4
	<u>7</u>	<u>7</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Office staff	2	2
Operational staff	3	3
	<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of remuneration and benefits received by the charity's key management personnel during the financial year was £73,853, including employer's national insurance contributions (2017: £69,662, including employer's national insurance contributions).

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

14. Tangible fixed assets

	Freehold property £	Almshouse equipment £	Office equipment £	Almshouse under development £	Total £
Cost					
At 1 April 2017	3,244,222	35,743	7,805	4,161,142	7,448,912
Additions	-	-	-	2,661,632	2,661,632
At 31 March 2018	<u>3,244,222</u>	<u>35,743</u>	<u>7,805</u>	<u>6,822,774</u>	<u>10,110,544</u>
Depreciation					
At 1 April 2017	973,695	9,801	7,804	-	991,300
Charge for the year	64,716	1,787	-	-	66,503
At 31 March 2018	<u>1,038,411</u>	<u>11,588</u>	<u>7,804</u>	<u>-</u>	<u>1,057,803</u>
Net book value					
At 31 March 2018	<u>2,205,811</u>	<u>24,155</u>	<u>1</u>	<u>6,822,774</u>	<u>9,052,741</u>
At 31 March 2017	<u>2,270,527</u>	<u>25,942</u>	<u>1</u>	<u>4,161,142</u>	<u>6,457,612</u>

The Charity's freehold land, with the exception of the freehold almshouse under development at 1C The Drive, was all donated and was not capitalised; given that the gifts were made many years ago the Directors of the Trustee Company believe the value when given was not material. Hence no land value is included above for the original properties and the full cost of the buildings is being depreciated.

Original cost of freehold property

	2017
	£
The Ridgers Almshouses	955,748
Monoux Almshouses	647,819
Squires Almshouses	133,830
Collard Almshouses	1,506,825
1C The Drive (see below)	4,161,142
Total	<u>7,405,364</u>

Most of the above cost (other than 1C The Drive) represents rehabilitation and renovation work carried out over the last 21 years.

In 2012/13 the Charity purchased a freehold property at 1C The Drive, Walthamstow for £900,000. As the building on the land was to be demolished, all that cost has been treated as being in relation to the land. This and all related costs, including the costs payable to the subsidiary company, which made up the additions during the year of £2,661,632, have been capitalised above under 'Almshouse under development.' The building will not be depreciated until the development is completed.

The Directors of the Trustee Company do not consider it practical or helpful (given that the properties are all held for the long-term) to quantify the difference between the net book value of freehold buildings and their market values at the year end.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

15. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	1,848,000
Surplus on revaluations	136,000
	<hr/>
At 31 March 2018	1,984,000
	<hr/> <hr/>

The 2018 valuations were made by the Trustees and Strettons (Chartered Surveyors) of London E17, on an open market value for existing use basis. Investment properties consist of:

Land used as allotments:

- Hale End Road (8.0 Acres)
- Honeybone Lane (3.2 Acres)
- Trencherfield (3.8 Acres)

Other Land:

- South Side of Shernhall Street, London E17 (0.2 Acres).

Properties:

- 880 Forest Road, London, E17
- 882 - 884 Forest Road, London, E17
- 886 - 888 Forest Road, London, E17
- William E. Whittingham School
- Flats at Dennis Court, London, E17
- 85 Albert Road, London, E17
- 26 Brierley Road, London, E11

Walthamstow and Chingford Almshouse Charity

**Notes to the financial statements
For the year ended 31 March 2018**

16. Fixed asset investments

	Listed securities £	Unlisted securities £	Total £
Market value			
At 1 April 2017	10,376,665	1	10,376,666
Additions	851,531	-	851,531
Disposals	(610,492)	-	(610,492)
Revaluations	(184,095)	-	(184,095)
	<u>10,433,609</u>	<u>1</u>	<u>10,433,610</u>
At 31 March 2018	<u>10,433,609</u>	<u>1</u>	<u>10,433,610</u>
Historical cost	<u>6,027,677</u>	<u>1</u>	<u>6,027,678</u>

Investments at market value comprise:

	UK £	Overseas £	2018 £	2017 £
Listed investments	9,075,345	1,358,264	10,433,609	10,376,665
Group	1	-	1	1
	<u>9,075,346</u>	<u>1,358,264</u>	<u>10,433,610</u>	<u>10,376,666</u>
Total market value	<u>9,075,346</u>	<u>1,358,264</u>	<u>10,433,610</u>	<u>10,376,666</u>

Material investments

	31 March 2018 £	31 March 2017 £
Charities Prop Fd Property Fund Income	253,193	237,523
M&G Investment Man Charibond Inc	286,722	301,131
M&G Investment Man NAACIF Inc	3,627,810	3,727,077
M&G Investment Man NAACIF Acc	1,284,967	1,269,285
	<u>5,452,692</u>	<u>5,535,016</u>

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

17. Subsidiary company

On 7 February 2013 the charity incorporated a new company called Walthamstow Almshouse Development Company Limited to develop a new almshouse at 1C, The Drive, Walthamstow. The company has one £1 share which is held by the Walthamstow and Chingford Almshouse Trustee Company as Trustee on behalf of the Charity.

The Development Company was dormant until 1 August 2013, when it began incurring costs on the construction of 1C The Drive. Almost all of the income in the subsidiary is from the parent charity and the company has not undertaken any projects in the year other than the design and construction of 1C The Drive for the charity. The gross expenditure of the company is being invoiced to the charity as the construction progresses. The cost of this construction work is included in tangible fixed assets of the charity (note 14) as 'Almshouse under development'.

The results for Walthamstow Almshouse Development Company Limited for the year were as follows:

	2018 £	2017 £
Turnover	2,606,118	2,418,171
Bank interest received	-	54
Management charge from parent charity	(21,596)	(8,511)
Trading expenditure (mainly cost of construction work)	(2,573,469)	(2,374,703)
Interest on loan from parent charity	(7,620)	(7,275)
	<hr/>	<hr/>
Profit before tax for the period	3,433	27,736
	<hr/> <hr/>	<hr/> <hr/>

The turnover is incorporated in the financial statements of the charity as the largest part of the capital expenditure on 1C The Drive and, as shown above, is very close to the trading expenditure. Other income and expenditure is not considered to be material to the charity. Similarly, apart from the balances with the charity shown below, which would be eliminated on consolidation, other balance sheet amounts are not considered to be material to the charity. Accordingly consolidated financial statements would not vary materially from the Charity financial statements and hence have not been prepared.

The subsidiary's assets and liabilities at the year end were:

	2018 £	2017 £
Cash at bank	3,461	20,559
Sundry debtors	54,022	132,733
Accruals	(18,530)	(1,000)
Trade creditors	(72,030)	(277,878)
Loan from parent charity (see below)	(257,380)	(249,760)
Amounts due from parent charity	294,549	376,170
Corporation tax payable	(652)	(165)
	<hr/>	<hr/>
Capital and reserves at period end (including £1 share capital)	3,440	659
	<hr/> <hr/>	<hr/> <hr/>

The charity has in the past made loans to the subsidiary company, at a rate of interest of the higher of 3% or the Bank of England Base Rate plus 1%. The loans are deemed to be fully recoverable at the year end.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

18. Debtors

	2018 £	2017 £
Trade debtors	64,002	222,184
Amounts owed by group undertakings	257,380	249,760
Other debtors	-	1,028
Prepayments and accrued income	107,372	66,084
	<u>428,754</u>	<u>539,056</u>

19. Current asset investments

	2018 £	2017 £
Investment deposit funds	690,081	2,396,778
	<u>690,081</u>	<u>2,396,778</u>

20. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	33,416	14,938
Amounts owed to group undertakings	294,549	376,170
Other creditors	110	90
Accruals and deferred income	43,357	62,211
	<u>371,432</u>	<u>453,409</u>

Deferred income

Deferred income at 1 April 2017	17,827
Resources deferred during the year	20,849
Amounts released from previous years	(17,827)
	<u>20,849</u>
Deferred income at 31 March 2018	<u>20,849</u>

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

21. Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	10,433,610	10,376,666
Financial assets measured at amortised cost	1,001,171	3,040,633
	<u>11,434,781</u>	<u>13,417,299</u>
Financial liabilities measured at amortised cost	<u>56,034</u>	<u>59,412</u>

Financial assets measured at fair value through income and expenditure comprise fixed asset listed investments.

Financial assets measured at amortised cost comprise current asset investments, trade debtors, other debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds						
Almshouse building	7,064,072	-	-	169,103	(2,101)	7,231,074
Extraordinary repairs	1,271,554	-	(80,043)	18,092	(1,197)	1,208,406
Cyclical maintenance	188,933	-	(10,375)	29,783	-	208,341
	<u>8,524,559</u>	<u>-</u>	<u>(90,418)</u>	<u>216,978</u>	<u>(3,298)</u>	<u>8,647,821</u>
General funds						
Unrestricted funds	700,000	727,564	(509,946)	(216,978)	(640)	700,000
Total Unrestricted funds	<u>9,224,559</u>	<u>727,564</u>	<u>(600,364)</u>	<u>-</u>	<u>(3,938)</u>	<u>9,347,821</u>

The charity is in the process of building a new almshouse as discussed in the Trustee's Report and a designated fund is held for this project and future almshouse development. Directors of the Trustee Company have decided to move funds in the general fund in excess of around one year's income (2017: £700,000) to designated funds. The fund at the end of the year is principally represented by investment deposit funds, with the balance represented by fixed asset investments and the capitalised costs of the almshouse under development.

The total cost of the almshouse currently under development (including the cost of the land) is anticipated to be £7,125,824 (2017: £6,875,889) of which £6,822,774 (2017: £4,161,142) had been expended before the year end. Once the project has been finished the Directors will review whether there are sufficient resources to develop any further almshouses.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

22. Statement of funds (continued)

The Charity also holds designated funds for extraordinary repairs to its almshouses (represented by investments) and cyclical maintenance carried out every 5 years on the almshouses (represented by investment deposits). Transfers into those funds are in accordance with guidance from the Almshouse Association.

Endowment funds

Capital fund	11,105,233	-	(81,984)	-	(7,031)	11,016,218
Spade Husbandry	7,221	-	-	-	(192)	7,029
	11,112,454	-	(81,984)	-	(7,223)	11,023,247

The Capital fund represents the Charity's endowments from the various different charities that have been amalgamated to create it. It comprises all freehold properties (except 1C The Drive) and all investment properties, together with a balance of non-property investments. The percentage of non-property investments held within the fund at the year end was 62.0%. The percentage held at the start of the year was 63.0%, which is applied to investment gains and losses and investment management costs in order to apportion these to the fund.

Please see the note below on the Spade income fund for details of the Spade Husbandry Allotments endowment fund, which is mainly represented by investments with the balance in the bank (the associated land is owned by the Corporation of London who allow its use as allotments in accordance with Act of Parliament).

Restricted funds

Spade income	9,044	5,686	(3,146)	-	-	11,584
New Build grants	1,193,151	799,655	-	-	-	1,992,806
	1,202,195	805,341	(3,146)	-	-	2,004,390

The Spade income fund represents money held for the Spade Husbandry Allotments Charity. The Charity acts as Trustee of Spade Husbandry Allotments and in particular holds its endowment fund (see above). Income from the endowment fund, along with rent from the charity's allotments (which are included in land owned by the Corporation of London, with the charity having statutory rights to the land), is used to manage the allotments. The income and expenditure for the year is as shown for the restricted fund above.

The New Build grant fund represents grant funding received from the London Borough of Waltham Forest to assist the Charity in meeting the costs of the almshouse under development. These funds are to be reflected as restricted until completion of the new development, which is expected to occur in 2018/19, after some minor delays to the project.

Total of funds	21,539,208	1,532,905	(685,494)	-	(11,161)	22,375,458
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Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds						
Almshouse building	6,359,802	-	-	314,178	390,092	7,064,072
Extraordinary repairs	1,041,670	-	(26,052)	33,612	222,324	1,271,554
Cyclical maintenance	136,443	-	(2,843)	55,333	-	188,933
	<u>7,537,915</u>	<u>-</u>	<u>(28,895)</u>	<u>403,123</u>	<u>612,416</u>	<u>8,524,559</u>
General funds						
Unrestricted funds	700,000	718,377	(434,081)	(403,123)	118,827	700,000
Total Unrestricted funds	<u>8,237,915</u>	<u>718,377</u>	<u>(462,976)</u>	<u>-</u>	<u>731,243</u>	<u>9,224,559</u>
Endowment funds						
Capital fund	10,232,518	-	(80,934)	-	953,649	11,105,233
Spade Husbandry	6,359	-	-	-	862	7,221
	<u>10,238,877</u>	<u>-</u>	<u>(80,934)</u>	<u>-</u>	<u>954,511</u>	<u>11,112,454</u>
Restricted funds						
Spade income	11,841	5,082	(7,879)	-	-	9,044
New Build grants	-	1,193,151	-	-	-	1,193,151
	<u>11,841</u>	<u>1,198,233</u>	<u>(7,879)</u>	<u>-</u>	<u>-</u>	<u>1,202,195</u>
Total of funds	<u><u>18,488,633</u></u>	<u><u>1,916,610</u></u>	<u><u>(551,789)</u></u>	<u><u>-</u></u>	<u><u>1,685,754</u></u>	<u><u>21,539,208</u></u>

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

22. Statement of funds (continued)

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	8,524,559	-	(90,418)	216,978	(3,298)	8,647,821
General funds	700,000	727,564	(509,946)	(216,978)	(640)	700,000
	<u>9,224,559</u>	<u>727,564</u>	<u>(600,364)</u>	<u>-</u>	<u>(3,938)</u>	<u>9,347,821</u>
Endowment funds	11,112,454	-	(81,984)	-	(7,223)	11,023,247
Restricted funds	1,202,195	805,341	(3,146)	-	-	2,004,390
	<u>21,539,208</u>	<u>1,532,905</u>	<u>(685,494)</u>	<u>-</u>	<u>(11,161)</u>	<u>22,375,458</u>

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	7,537,915	-	(28,895)	403,123	612,416	8,524,559
General funds	700,000	718,377	(434,081)	(403,123)	118,827	700,000
	<u>8,237,915</u>	<u>718,377</u>	<u>(462,976)</u>	<u>-</u>	<u>731,243</u>	<u>9,224,559</u>
Endowment funds	10,238,877	-	(80,934)	-	954,511	11,112,454
Restricted funds	11,841	1,198,233	(7,879)	-	-	1,202,195
	<u>18,488,633</u>	<u>1,916,610</u>	<u>(551,789)</u>	<u>-</u>	<u>1,685,754</u>	<u>21,539,208</u>

Where funds are represented by fixed asset investments, their share of gains and losses arising on those investments is accordingly credited to or charged against the funds pro rata.

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	4,854,124	1,992,806	2,205,811	9,052,741
Fixed asset investments	3,600,174	-	6,833,436	10,433,610
Investment property	-	-	1,984,000	1,984,000
Current assets	1,264,955	11,584	-	1,276,539
Creditors due within one year	(371,432)	-	-	(371,432)
	<u>9,347,821</u>	<u>2,004,390</u>	<u>11,023,247</u>	<u>22,375,458</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	4,187,085	-	2,270,527	6,457,612
Fixed asset investments	3,376,510	-	7,000,156	10,376,666
Investment property	-	-	1,848,000	1,848,000
Current assets	2,108,144	1,202,195	-	3,310,339
Creditors due within one year	(447,180)	-	(6,229)	(453,409)
	<u>9,224,559</u>	<u>1,202,195</u>	<u>11,112,454</u>	<u>21,539,208</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	836,250	3,050,575
Adjustment for:		
(Gains) / Losses on investments	66,503	66,503
Gains/(losses) on investments	12,397	(1,685,754)
Dividends, interest and rents from investments	(407,688)	(423,179)
Decrease/(increase) in debtors	110,302	(272,500)
(Decrease)/increase in creditors	(81,977)	85,132
Decrease / (increase) in current asset investments	1,706,697	1,567,306
Net cash provided by operating activities	<u>2,242,484</u>	<u>2,388,083</u>

25. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	157,704	374,505
Total	<u>157,704</u>	<u>374,505</u>

Walthamstow and Chingford Almshouse Charity

Notes to the financial statements For the year ended 31 March 2018

26. Capital commitments

At 31 March 2018 the charity had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>302,320</u>	<u>2,714,747</u>

The above commitment relates to the development of the new almshouse.

27. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,008 (2017: £1,065). Contributions totalling £Nil (2017: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

28. Related party transactions

J J C Moss, a Director of the Trustee Company, is an elected official of LB Waltham Forest. During the year the Charity received from LB Waltham Forest a grant of £799,655 (2017: £1,193,151) in respect of the construction of the new almshouses. At the year end a balance of £62,822 (2017: £219,354) was owing to the Charity.

Rev V Conant, the ex-officio director, is the Team Rector of St Mary's Church which received a grant in the year of £7,500 (2017: £7,500). No balances exist at the year end (2017: £Nil).

R Belam, the husband of W Belam, is the Chair of Waltham Forest Community Transport. During the year the Charity made payments to this Charity of £Nil (2017: £229). No balances exist at the year end (2017: £Nil).

The Director concerned was not involved in the decision making process relating to these awards.

29. Controlling party

The Walthamstow and Chingford Almshouse Trustee Company Limited, a company limited by guarantee, is the charity's Trustee and therefore controls the charity. The company is dormant and has never had any assets or liabilities. The members and directors of the company are as shown on page 1.