

***THE CITY OF LONDON ALMSHOUSES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018***

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

THE CITY OF LONDON ALMSHOUSES

Trustee's Annual Report and Financial Statements for the year ended 31 March 2018

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THE CITY OF LONDON ALMSHOUSES

Trustee's Annual Report for the year ended 31 March 2018

1. Reference and Administration Details

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

THE CITY OF LONDON ALMSHOUSES

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

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

| | |
|---------------------------------|--|
| City of London Freemen's Houses | Regulated by a conveyance dated 1 January 1848 and comprised in a Scheme of the Charity Commissioners of the 19 August 1975. |
|---------------------------------|--|

| | |
|--------------------|---|
| Rogers' Almshouses | Comprised in a declaration of trust dated 15 July 1858. |
|--------------------|---|

| | |
|--------------|--|
| Brown's Gift | Regulated by declaration of trust dated 22 March 1934. |
|--------------|--|

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

Trustee selection methods

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

Policies and Procedures for the Induction and Training of Trustees

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

Organisational structure and decision making process

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

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

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Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

The Charity Governance Code was published in July 2017. The Trustee is supportive of the Code and its aim to assist in the development of high standards of governance throughout the charity sector. At this early point after the release of the Code, the Trustee is currently considering application of the recommended practice to the work of the City of London Almshouses charity.

Risk identification

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

In order to embed sound practice a Risk Management Group of employed officers has been established by the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity, and that appropriate advice and support is provided to elected members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation in the exercise of all of its functions, including when acting as charity trustee.

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

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

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

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

3. Objectives and Activities for the Public Benefit

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

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

4. Targets, Achievements and Performance for 2017/18

Review of the Year

- There was no significant changes in the day to day management of Almshouses.

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Trustee's Annual Report (continued)

5. Financial Review

The net income for the year was £12,613 (2016/17: £181,176). Investment income amounted to £39,990 (2016/17: £42,012). Interest income was £1,740 (2016/17: £1,855). Rental Income was £227,915 (2016/17: £240,906).

Going Concern

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

Reserves Policy

The Trustee manages the original endowment plus accumulated capital growth and uses it in maintaining the City of London Almshouses. Having reviewed the reserves and the level of annual income and expenditure we have concluded that there are sufficient resources to meet current and anticipated liabilities. Significant expenditure is anticipated in forthcoming periods for internal and external refurbishment works funded from reserves.

Investment Policy

The Trust's investments have been combined with many of the other smaller charities which are administered by the City of London Corporation and form part of the City of London Charities Pool. Where available, the underlying investments of the Pool are valued at the mid-price at the 31st March 2018 taken from the relevant stock exchange pricing systems. Other investments are valued annually at the mid-price of the market at the close of business on 31st March of each year mainly using commonly available pricing systems.

6. Plans for future Periods

The objectives for 2018/19 are:

- To continue to the provision of almshouses for poor or aged persons, giving preference to freemen of the City of London, their wives, widows, sons and daughters and where practicable to married couples.
- Significant work to refurbish the internal and external fabric of the housing properties is expected to begin in 2018/19.

7. The Financial Statements

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

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the Charity.
- **Balance Sheet** setting out the assets, liabilities and funds of the Charity.

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Trustee's Annual Report (continued)

7. Financial Statements (continued)

- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

8. Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

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

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

9. Adopted and signed for and on behalf of the Trustee on 13 November 2018

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

Jamie Ingham Clark
Deputy Chairman of
Finance Committee

THE CITY OF LONDON ALMSHOUSES

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

Opinion

We have audited the financial statements of City of London Almshouses (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE CITY OF LONDON ALMSHOUSES

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

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, 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 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.

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 Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE CITY OF LONDON ALMSHOUSES

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Stephens LLP

Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

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

Date: *18 December 2018*

THE CITY OF LONDON ALMSHOUSES

Statement of Financial Activities for the year ended 31 March 2018

| | Note | Unrestricted Funds | | | Total | Total (Restated) |
|--|------|--------------------|--------------------|--------------------|-------------------------|---------------------|
| | | General Fund | Designated Fund | Restricted Fund | 2017/18 | 2016/17 |
| | | £ | | | £ | £ |
| Income and endowments from: | | | | | | |
| Charitable activities | | 295,750 | - | - | 295,750 | 310,874 |
| Income from investments | | 41,730 | - | - | 41,730 | 43,867 |
| Grant from COL | | 9,068 | - | - | 9,068 | 8,891 |
| Total income and endowments | 4 | <u>346,548</u> | <u>-</u> | <u>-</u> | <u>346,548</u> | <u>363,632</u> |
| Expenditure on: | | | | | | |
| Charitable activities | | 343,564 | - | - | 343,564 | 307,172 |
| Raising Funds | | 1,227 | - | - | 1,227 | 1,482 |
| Total expenditure | 5 | <u>344,791</u> | <u>-</u> | <u>-</u> | <u>344,791</u> | <u>308,654</u> |
| Net gains on investments | 12 | 9,768 | 1,088 | - | 10,856 | 126,198 |
| Net income | | 11,525 | 1,088 | - | 12,613 | 181,176 |
| Other recognised gains/(losses) | | - | - | - | - | - |
| Net movement in funds | | <u>11,525</u> | <u>1,088</u> | <u>-</u> | <u>12,613</u> | <u>181,176</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 15 | <u>1,396,563</u> | <u>205,341</u> | <u>1,357,399</u> | <u>2,959,303</u> | <u>2,778,127</u> |
| Total funds carried forward | 15 | <u>1,408,088</u> | <u>206,429</u> | <u>1,357,399</u> | <u>2,971,916</u> | <u>2,959,303</u> |

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

All incoming resources and resources expended derive from continuing activities

The notes at pages 12 to 21 form part of these accounts.

THE CITY OF LONDON ALMSHOUSES

Balance Sheet as at 31 March 2018

| | Notes | 2018 £ | (Restated) 2017 £ |
|--|-------|------------------|-------------------------|
| Fixed Assets | | | |
| Tangible Fixed Assets | 11 | 1,619,280 | 1,626,580 |
| Managed Investments – 135,697 Charities Pool Units | 12 | 1,194,134 | 1,183,278 |
| | | <u>2,813,414</u> | <u>2,809,858</u> |
| Current Assets | | | |
| Debtors | 13 | 21,053 | 16,791 |
| Cash | | 416,139 | 422,499 |
| | | <u>437,192</u> | <u>439,290</u> |
| Creditors: Amounts falling due within a year | 14 | <u>(73,039)</u> | <u>(62,064)</u> |
| Net Current Assets | | 364,153 | 377,226 |
| Creditors: Amounts falling due after more than one year | 14 | (58,771) | (79,461) |
| Long term creditor – operating lease | 2(f) | (146,880) | (148,320) |
| | | <u>2,971,916</u> | <u>2,959,303</u> |
| Net Assets | | <u>2,971,916</u> | <u>2,959,303</u> |
| The funds of the charity: | | | |
| Unrestricted income funds | | | |
| General fund | 15 | 1,408,088 | 1,396,562 |
| Designated Funds | 15 | 206,429 | 205,342 |
| Restricted endowment funds | 15 | 1,357,399 | 1,357,399 |
| Total funds | | <u>2,971,916</u> | <u>2,959,303</u> |

Approved and signed for and on behalf of the Trustee.

The notes at pages 12 to 21 form part of these accounts.

x 

Dr Peter Kane
Chamberlain of London
13 November 2018

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

1. Legislative Background

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

2. Accounting Policies

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

(a) *Basis of Preparation*

The 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 Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued 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.

(b) *Going Concern*

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

(c) *Investment Income*

Investment income consists of distributions from the Charities Pool, a common investment fund and a registered charity, and interest received on cash balances. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

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

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

2. Accounting Policies (continued)

(d) *Expenditure Recognition*

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

(e) *Fund Accounting*

The reserves are divided into the following reserves:-

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

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

(f) *Lease to Gresham Almshouses*

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

(g) *Cash Flow Statement*

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

(h) *Pension Costs*

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

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £592.6m as at 31 March 2018 (£597.9m as at 31 March 2017). Since this net

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

2. Accounting Policies (continued)

deficit is apportioned between the accounts of the City of London's three main funds, the charity's trustees do not anticipate that any of the liability will fall on the charity.

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

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in Note 7 and any employer's pension contributions within support services costs as disclosed at Note 6. A triennial valuation was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21%. There are no outstanding or pre-paid contributions at the balance sheet date. (2016/17: 17.5%)

(i) *Housing Properties and Depreciation*

The City of London Almshouses were erected in the mid-19th century. There is no record of the original cost and no value has been attributed thereto. The cost of fixed assets for housing land and buildings relates to subsequent improvements and refurbishments. Depreciation is charged so as to write down the costs of refurbishment to their estimated residual value on a straight-line basis over their remaining expected useful economic lives of 46 years.

(j) *Maintenance Policy*

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

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

The auditors 2017/18 remuneration of £9,068 (2016/17: £8,891) for the year was also borne by the City of London's City's Cash and is therefore reflected as a donated service to the Almshouses.

(l) *Financial Assets and Liabilities*

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

3. Tax Status of the Charity

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

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Notes to the Financial Statements for the year ended 31 March 2018

4. Incoming Resources

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

| | 2017/18 £ | 2016/17 £ |
|------------------------------------|----------------|----------------|
| Income and endowments | | |
| Managed investment income | 39,990 | 42,012 |
| Interest | 1,740 | 1,855 |
| Total | 41,730 | 43,867 |
| Charitable activities | | |
| Rental income | 227,915 | 240,906 |
| Service Charge | 66,395 | 68,528 |
| Deferred Income from Gresham Lease | 1,440 | 1,440 |
| | 295,750 | 310,874 |
| Grant from City of London | 9,068 | 8,891 |
| Total Income and Endowments | 346,548 | 363,632 |

5. Resources Expended

Resources expended are analysed as follows:

| | Activities undertaken directly £ | Support costs £ | 2017/18 £ | 2016/17 £ |
|------------------------------------|---|-----------------------|----------------|----------------|
| Charitable activities | | | | |
| Almshouses running costs | | | | |
| Management | - | 100,878 | 100,878 | 67,389 |
| Services | 103,232 | - | 103,232 | 95,696 |
| Routine maintenance | 96,008 | - | 96,008 | 115,481 |
| Planned maintenance | 36,146 | - | 36,146 | 21,306 |
| Depreciation of housing properties | 7,300 | - | 7,300 | 7,300 |
| | 242,686 | 100,878 | 343,564 | 307,172 |
| Raising funds | 1,227 | - | 1,227 | 1,482 |
| Total Expenditure | 243,913 | 100,878 | 344,791 | 308,654 |

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

5. Resources Expended (Continued)

Services comprise:

| Services | 2017/18 £ | 2016/17 £ |
|-----------------|----------------|---------------|
| Lighting | 4,234 | 5,370 |
| Matrons | 46,921 | 44,858 |
| Window Cleaning | 884 | 2,022 |
| Water Rates | 7,310 | 7,148 |
| Groundsman | 24,943 | 21,360 |
| Rent | 7,099 | 7,083 |
| Council Tax | 9,051 | 7,003 |
| Pest Control | 2,790 | 852 |
| TOTAL | 103,232 | 95,696 |

6. Support Costs

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

7. Staff numbers and costs

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

| | Matron £ | Groundsman £ |
|------------------|---------------|-----------------|
| Basic/Agency Pay | 35,076 | 17,476 |
| N.I | 3,658 | 1,511 |
| Pension | 8,187 | 3,670 |
| Temp/Agency | 0 | 2,286 |
| Total | 46,921 | 24,943 |

The amount classified as Temp/Agency cost in the table is the cost incurred for a Temporary Agency Staff hired when the Groundsman was on annual leave.

There were no employees whose total employee benefits were above the £60,000 threshold (2016/17 Nil).

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Notes to the Financial Statements for the year ended 31 March 2018

8. Other Items of Expenditure

Trustee emoluments

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

9. Housing Stock

The number of units supported social housing accommodation under management at 31 March 2018 was 42 with 1 unit for wardens' use. (2017: 42 and 1 respectively).

10. Accommodation Managed by Others

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

11. Tangible Fixed Assets

| | Land and Buildings | Total |
|-------------------------------------|--------------------|------------------|
| | £ | 2017-18 £ |
| Cost | | |
| At 31 March 2017 | 1,763,430 | 1,763,430 |
| At 31 March 2018 | 1,763,430 | 1,763,430 |
| Depreciation and impairments | | |
| At 31 March 2017 | 136,850 | 136,850 |
| Depreciation | 7,300 | 7,300 |
| At 31 March 2018 | 144,150 | 144,150 |
| Net book values | | |
| At 31 March 2018 | 1,619,280 | 1,619,280 |
| At 31 March 2017 | 1,626,580 | 1,626,580 |

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

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

THE CITY OF LONDON ALMSHOUSES
Notes to the Financial Statements for the year ended 31 March 2018

12. Investment Assets

The value and cost of investments is comprised as follows:

| | Unrestricted Fund £ | 2018 £ | 2017 £ |
|------------------------------|---------------------------|------------------|-----------|
| Market Value 1 April | 1,183,278 | 1,183,278 | 1,057,080 |
| Acquisitions | - | - | - |
| Gain for the year | 10,856 | 10,856 | 126,198 |
| Market Value 31 March | 1,194,134 | 1,194,134 | 1,183,278 |
| Cost 31 March | 657,966 | 657,966 | 657,966 |
| Units in Charities Pool | 135,697 | 135,697 | 135,697 |

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

| | 2018 £ | 2017 £ |
|---------------------------|------------------|-----------|
| Equities | | |
| UK | 931,898 | 921,209 |
| Overseas | 146,358 | 166,461 |
| Bonds - UK | 7,720 | 6,506 |
| Pooled Units - UK | 81,093 | 58,630 |
| Cash held by Fund Manager | 27,065 | 30,472 |
| Total Funds | 1,194,134 | 1,183,278 |

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

On 31 March 2018 the total number of units held in the Charities Pool was 135,697. Of the 135,697 total units held, 13,603 have been designated to the extraordinary repairs fund. All listed on recognised stock exchanges. Current allocation: 78% UK equities, 12% Overseas equities, 8% UK bonds and 2% Cash.

As at 31 March 2018 the Fund achieved a return of +4.28% compared to the FTSE All Share Index return of +1.25%, an out-performance of 3.03%. Over three and five years the Fund has outperformed the index as follows:

| | 3 Years | 5 Years |
|-----------------|---------|---------|
| Fund | 5.97% | 7.96% |
| FTSE All Share | 5.86% | 6.59% |
| Out performance | 0.11% | 1.37% |

THE CITY OF LONDON ALMSHOUSES
Notes to the Financial Statements for the year ended 31 March 2018

13. Debtors

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

| | 2018 £ | 2017 £ |
|-------------------------------------|---------------|---------------|
| Debtors: due within one year | | |
| Other Debtors | 21,053 | 16,791 |
| Total | 21,053 | 16,791 |

14. Creditors

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Creditors: Amounts falling due within one year | | |
| Housing loans repayable | 20,135 | 19,393 |
| Trade and other creditors | 52,904 | 42,671 |
| | 73,039 | 62,064 |
| Creditors: Amounts falling due after more than one year | | |
| Housing loans repayable | | |
| <i>Low start loan</i> | | |
| Original sum | - | - |
| Deferred interest | 58,771 | 79,461 |
| Deferred Income – operating lease Gresham Almshouses | 146,880 | 148,320 |
| | 205,651 | 227,781 |
| Total | 278,690 | 289,845 |

| | 2018 £ | 2017 £ |
|-----------------------|---------------|---------------|
| Loan Repayable | | |
| 1 - 2 years | 20,497 | 19,620 |
| 2 - 5 years | 38,274 | 59,841 |
| 5 and more | - | - |
| Total | 58,771 | 79,461 |

The above loans, advanced by the Tenants Services Authority (formerly the Housing Corporation), (which was transferred to Orchardbrook Ltd) are secured by a charge on the Trust's housing land and buildings. The low - start loan is on a variable rate of interest; the rate of interest applicable from 1 April 2017 to 30 September 2017 was 1.16% and 1.47% from 1 October 2017 to 31 March 2018. The final instalment of the low - start loan is due in 2022. (1 April 2016 to 30 September 2016 1.44% and 1.17% from 1 October 2016 to 31 March 2017)

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

15. Movement of Funds during the year to 31 March 2018

| | Fund Balances Brought Forward (Restated) £ | Income £ | Expenditure £ | Gains and Losses £ | Fund Balances Carried Forward £ |
|---------------------------------|---|-------------|------------------|--------------------------|---|
| Unrestricted Funds | | | | | |
| <i>General Funds</i> | 1,396,563 | 346,548 | (344,791) | 9,768 | 1,408,088 |
| <i>Designated Funds</i> | | | | | |
| Cyclical Repairs | 36,000 | - | - | - | 36,000 |
| Extraordinary Repairs | 169,341 | - | - | 1,088 | 170,429 |
| | 205,341 | - | - | 1,088 | 206,429 |
| Total Unrestricted Funds | 1,601,904 | 346,548 | (344,791) | 10,856 | 1,614,517 |
| Restricted Funds | | | | | |
| Social Housing Grant | 1,319,751 | - | - | - | 1,319,751 |
| Trust Fund | 37,648 | - | - | - | 37,648 |
| Total Restricted Funds | 1,357,399 | - | - | - | 1,357,399 |
| Total Funds | 2,959,303 | 346,548 | (344,791) | 10,856 | 2,971,916 |

Notes to the funds:

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

Cyclical Repairs - Provision for future repainting.

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

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

THE CITY OF LONDON ALMSHOUSES

Notes to the Financial Statements for the year ended 31 March 2018

15. Movement of Funds during the year to 31 March 2018 (Continued)

Social Housing Grant – Social Housing Grants are repayable under certain circumstances primary following the sale of a property.

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

16. Related Party Transactions

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

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances. Investment income of £41,730 was earned during the year (2016/17: £43,867).

These transactions are undertaken at arm's length.

17. Restatement Note

A social housing grant for £1.3m was received from the Housing Corporation in the 1980/90s for the development of the City of London Almshouses. Under the charities SORP, it is required to apply the performance model for government grants under FRS 102. Based on the terms of the grant, there should have been immediate recognition of this grant income at the point of receipt in the 1980/90s. As such, this error which has been in force for a number of years, since receipt of the grant. An adjustment has been made to correct this error resulting in the removal of the liability and a credit to restricted endowment funds. There has been no impact on the Statement of Financial Activities for the prior year.

| | £ |
|--|------------------|
| Funds as Previously stated (01/04/16) | 1,458,376 |
| Adjustment to recognize Social Housing Grant | <u>1,319,751</u> |
| Funds Restated (01/04/16) | 2,778,127 |

SUNDRY TRUSTS AND OTHER ACCOUNTS

Adoption by and on behalf of the Trustees


At a meeting of the Finance Committee of the Corporation of London held at Guildhall on 13 November 2018, the under mentioned Sundry Trusts and Other Funds were adopted on behalf of the Trustees:

| | |
|---|----|
| <i>Banking and Investments</i> | B |
| Corporation of London Charities Pool | B1 |
| <i>Open Spaces</i> | C |
| Hampstead Heath Trust | C1 |
| King George's Field | C2 |
| <i>Books and Libraries</i> | D |
| Guildhall Library Centenary Fund | D1 |
| <i>Education</i> | E |
| City Educational Trust Fund | E1 |
| The City of London Corporation Combined Relief of Poverty Charity | E2 |
| City of London School Education Trust | E3 |
| Charities Administered ICW The City of London Freeman's School | E4 |
| City of London School Bursary Fund | E5 |
| City of London School for Girls Bursary Fund | E6 |
| City of London Freeman's School Bursary Fund | E7 |
| The City of London Corporation Combined Education Charity | E8 |
| <i>Other Trusts and Funds</i> | F |
| Emanuel Hospital* | F1 |
| Sir William Coxen Trust Fund* | F2 |
| Signore Pasquale Favale Bequest | F3 |
| Samuel Wilson's Loan Trust * | F4 |
| Vickers Dunfee Memorial Benevolent Fund * | F5 |
| City of London Almshouses | F6 |
| The Ada Lewis Winter Distress Fund | F7 |

*These Trusts are received by the Finance Committee and signed by one of the specific Trustees.



Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee



Jamie Ingham Clark, FCA, Deputy
Deputy Chairman of Finance Committee

Guildhall, London
13 November 2018