

**Charity number: 1116355**

**Walthamstow and Chingford Almshouse Charity**

**Trustees' report and financial statements**

**For the year ended 31 March 2019**

# **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 2019**

#### **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  
H Tredoux  
K Wenden  
P Williams  
L Wilson

#### **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 2019**

### **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 2019**

The Directors present their annual report together with the audited financial statements of Walthamstow and Chingford Almshouse Charity for the year ended 31 March 2019.

### **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.

Overall grants to individuals and organisations totalled £88,656 an increase of £9,033 on the previous year.

There had been 86 applications from individuals and families over the course of the year compared to 89 grant applications in 2017/18 (of which 77 were eligible and paid out). Of these 86 applications received, 68 were granted and paid out during the year and of the 18 applications that were not included – 3 were withdrawn, 3 had insufficient information provided on request, 3 were ineligible, 3 did not take up the grant, 3 were rejected and 3 were paid out in the financial year 2019/20 and will be accounted for next year, the grant spend for individuals and families for the year was £39,482 compared to £49,288 in 2018, for 77 eligible applications.

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 £49,174 (£30,335 2017/18) (£28,140 2016/17) to four organisations which work to alleviate the effects of poverty. 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.

Community Transport's aim is to ensure that local people with mobility needs have access to good quality services to assist with independence and access community facilities, including door to store service.

## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

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. Hearing Voices is a peer support group for individuals experiencing a range of hallucinations as part of their mental illness. Members have expressed that sessions make the difference between needing to contact overstretched professional mental health services or finding the inner resources to help themselves. All the group members are in receipt of welfare benefits, and the group organises occasional trips out that are very much valued by the members.

These organisations often provide added value by assisting their volunteers to acquire the skills and experience to go on to find paid employment.

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 grants are required to provide a written report of the use and impact of the grant after 12 months.

One of the aims of the year was for the charity to be working to raise its profile - 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. It is certainly the case that the Colby Lodge opening, the BBC news feature, the shortlisting for various architectural awards, Open House and the enthusiasm of staff and readiness to show people around has gone a long way to increase awareness of the charity. The charity has also got together with another local charity – Glasspool, which makes grants nationally to design a joint flyer advertising both charities to local people.

#### **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 when a vacancy arises those with sufficient priority 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 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 inclusion of the grant funding from the London Borough of Waltham Forest included, total income was £925,132 compared to £733,250 in 2017/18, the increase is largely due to weekly maintenance charge income from Colby Lodge which generated an additional £176,379 of income for the year.

Total expenditure has increased over last year by 33%, (£223,834) with the main reasons being the inclusion of a depreciation charge for the first time in relation to Colby Lodge £77,276. Repair costs increased by £71,765, Cyclical maintenance expenditure was £108,837, mainly due to interior and exterior communal redecorations on the Collard Court Almshouse.

The fixed asset investments value (investment properties and listed investments) increased from £12,417,610 to £12,907,341.

## Walthamstow and Chingford Almshouse Charity

### Trustees' report (continued) For the year ended 31 March 2019

#### b. Review of activities

##### Colby Lodge, 1C The Drive E17

Construction work commenced January 2016, and the charity took handover of Colby Lodge on 29th March 2018, and the last two residents, nominated by LB Waltham Forest moved in late September and early October 2018.

Not surprisingly it was quite an eventful year for the charity and Colby Lodge. In July Colby Lodge and two of its residents featured in a report on the BBC national news by the BBC Science Correspondent David Shukman and an engineer from CIBSE on the use of building design to mitigate the effects of overheating, these design features include dual aspect apartments to aid through ventilation, deep walkways and the William Morris inspired decorative screening to reduce solar gain, with a Passivhaus approach for a highly insulated building. The summer of 2018 went on to become the hottest since records began.

A luncheon party was held in August for all the almshouse residents, staff and trustees to celebrate the opening of Colby Lodge, it was lovely to be able to use the sunny, airy and spacious garden room for this the first big event. The official opening of Colby Lodge was also a very successful and enjoyable occasion with representatives from the London Borough of Waltham Forest including the Mayor, councillors, the director of housing and guests from other housing providers. Stella Creasy MP unveiled a plaque commemorating the opening event, and congratulated the charity on its continuing work to provide high quality housing to the local older community. Councillor Limbarjee Waltham Forest Cabinet member for Adult Services praised the charity on developing an outstanding example of high quality housing that local older people are happy to move to and will continue to benefit from for decades to come. The Charity and the development had ultimately benefited from a £2.1m grant from the LB Waltham Forest, which had been granted from council house right to buy receipts, which if not spent would have had to be returned to central government. The Chair of the Walthamstow and Chingford Almshouse Charity John Moss said "It was a pleasure to welcome the MP, Stella Creasy and the Mayor, Cllr Sally Littlejohn, to Colby Lodge for its official opening today. I think the team has delivered a fabulous building for the charity and would think, were they here today, Messrs Monoux and Colby would approve!"

The new residents of Colby Lodge have settled in very well, and a number of social events helped people get to know each other and for the residents of the other almshouses to become familiar with the new building. The building has been shortlisted for a number of awards, the National Association of Almshouses Patrons Award, Inside Housing Magazine, New London Architecture Health & Care award and the prestigious national Housing Design Awards. Staff and Trustees are delighted to have had Colby Lodge recognised by the Housing Design Awards event on 11th July 2019, where Colby Lodge was awarded the GLA Award. The Housing Design Awards are "the longest running Awards programme in the country (since 1948) and the only one that sends a multidisciplinary set of judges to see shortlisted developments. Established and still controlled by government, this is the awards programme which all the others pretend to be".

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. Colby Lodge is the second new almshouse development for the charity in 9 years, the 'new' Ridgers' Almshouse was opened in April 2009.

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 and 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 they require nursing care. Such works, whilst relatively costly also ensure that the properties continue to offer attractive homes and to reduce the risk of difficult to let properties and the escalating problems that such bring, such as security risk, property deterioration etc.

## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

The charity employs scheme manager/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. Safeguarding is becoming a larger part of Staff work, and is a reflection of the oversight of care packages but also of residents' deteriorating health, cognitive ability, and general vulnerability and the time that elapses before thorough assessments can be made and appropriate care and support is put in place. Staff get to know residents well and are trusted by them, staff are well placed to encourage residents, 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 contact with Social Services if required.

#### Almshouse Vacancies

Across the four 'older' almshouses there were five vacancies over the course of the year, two of which were long term being subject to the extensive remedial works to eliminate a very long standing damp problem.

The other void flats were occupied within the financial year. Flats tend to be occupied by our residents for many years consequently the charity carries out quite extensive refurbishment including full redecorations, new floor coverings, increasingly as the properties age, new kitchens and bathrooms may be fitted, along with heating and hot water improvements. Despite the long term vacancies, the void loss of income for the year was just under the 5%, void loss at 4.6%. The minimum void loss provision is 5%.

Colby Lodge carried a void loss of 9% during the appointment of the first residents, this was not as pessimistic as had been predicted, with a budget provision for a 25% void loss. Charity staff worked closely with the allocations department at the council to try to ensure nominations were made speedily, the charity's process for the appointment of almshouse residents inevitably means that the whole process takes longer than that of most housing associations, for example, where applicants generally have one offer only and are required to confirm immediately that they will accept a property, and then required to move in within a week. The charity's selection process means applicants with sufficient priority first view the property to confirm whether they wish to be considered and are then each interviewed in their own homes, to assess priority. The selection and approval process is finalised via the Grants and Accommodation Committee.

#### Resident Activities

Activities enjoyed by residents included a day at the seaside in July, 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. Trustees are particularly pleased with a new link with the Henry Maynard Infants School, where we have five or six children come in to have reading support from five or six residents. Teachers accompanying the children tell us that the children love the afternoon with residents and their reading ability has noticeably improved. In turn our residents thoroughly enjoy the weekly afternoon session and are looking forward to it starting up again in September. 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 residents 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 in conjunction with residents have been working on ideas for making good use of the new club lounge/garden room at Colby Lodge, new activities include a knitting club and bingo.



## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

#### Open House

Staff and directors volunteered to open up the Monoux Hall and Colby Lodge to the public for the 2018 Open House London weekend. Approximately 60 people came to view each of the buildings and displays of photographs and the history of the almshouses, it is clear from the feedback in the visitors book that this was very much appreciated by visitors to Waltham Forest as well as those living locally, with comments such as "Brilliant work in the community" " An interesting history and future" " Very interesting – a good chance to see inside, thank you" "Fab, really well presented".

The Charity is taking part again in 2019, and we anticipate even more visitors than last year due to Waltham Forest being the first London Borough of Culture in 2019, the Open House event is also being sponsored by the architects of Colby Lodge, Pollard Thomas Edwards.

#### **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 2019, 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.

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 year to 31st March 2019, the managed portfolio produced a return of 8.5%, which was ahead of the benchmark return of 6.1%.

The good return was the result of a change in market expectations about the direction of monetary policy globally and the outlook for interest rates. In the second half of 2018 markets worried that monetary policy, which had been very favourable since the credit crisis, was starting to tighten as central banks withdrew from quantitative easing and the US market continued to raise interest rates. However, signs of slowing growth, particularly in China and Europe, worries about a trade war developing between the US and China and, for the UK, Brexit, led to central banks stepping back from tightening monetary policy. This resulted in a rebound in markets in the first quarter of 2019 and the gains for the financial year.

## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

The outperformance relative to benchmark was achieved by a good performance from UK equities, with a gain of 10.9% compared to 6.4% for the FT All Share index, where the managers remained underweight exposure to the domestic UK economy given the Brexit concerns. In addition, there was a very strong performance from the 3.0% of the portfolio in infrastructure assets, which appreciated by 17.3%, as the takeover of an infrastructure fund at a premium valuation led to a rise in the valuation of the rest of the sector, and a recovery from the undervaluation seen last year.

The Non-Tradeable portfolio appreciated by 6.4% compared to 5.7% for the benchmark.

#### **- Investment properties**

A valuation of the investment properties was undertaken by Strettons Chartered Surveyors in 2017 and revalued to £1,848,000. The valuation was increased in 2018 by £136,000 to account for 26 Brierley Road, an investment property coming to the end of its long lease in 2019, with the same property then increasing by an additional amount of £85,000 during the 2018/19 financial year. The charity is now in possession of the unencumbered property freehold, and the value has consequently increased to reflect this, bringing the total to £2,069,000.

### **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 £900,000 (previously £700,000, however income now increased with Colby WMC) should be retained, which equates to approximately one year's income. This is considered to be appropriate in view of the age of our beneficiaries.

### **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.

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.

## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

#### **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.

The key risk is ensuring there is sufficient investment income to enable the residents to live in accommodation of a good standard appropriate to their needs and to enable activities to be undertaken for the benefit of the residents.

## **Walthamstow and Chingford Almshouse Charity**

### **Trustees' report (continued) For the year ended 31 March 2019**

#### **Plans for future periods**

##### **a. Future developments**

The charity will be developing services and activities for residents to make good use of the splendid communal facilities at Colby Lodge. The garden room has been used by a local charity and St Mary's Church for meetings, and users have said that the room gives the meeting "a better vibe" being in such a pleasant space. 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, has helped the charity maintain its income levels which in turn will help ensure that grant funding into 2019/20 and beyond can continue at present levels. The Charity website is in the process of being remodelled and soon to be launched.

#### **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 24 July 2019 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 2019 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 2019 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.

## **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

#### **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.

**Kreston Reeves LLP**  
Chartered Accountants  
Chatham Maritime  
26 July 2019

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income and endowments from:</b>						
Donations and legacies	2	-	85,250	-	85,250	799,655
Charitable activities	3	489,825	5,141	-	494,966	325,562
Investments	4	429,860	306	-	430,166	407,688
<b>Total income and endowments</b>		<b>919,685</b>	<b>90,697</b>	<b>-</b>	<b>1,010,382</b>	<b>1,532,905</b>
<b>Expenditure on:</b>						
Raising funds	5	34,209	3,254	17,861	55,324	49,709
Charitable activities	11	711,159	853	141,992	854,004	635,785
<b>Total expenditure</b>		<b>745,368</b>	<b>4,107</b>	<b>159,853</b>	<b>909,328</b>	<b>685,494</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>						
		<b>174,317</b>	<b>86,590</b>	<b>(159,853)</b>	<b>101,054</b>	<b>847,411</b>
Net gains/(losses) on investments	15,16	175,841	-	287,083	462,924	(11,161)
<b>Net income before transfers</b>		<b>350,158</b>	<b>86,590</b>	<b>127,230</b>	<b>563,978</b>	<b>836,250</b>
Transfers between Funds	22	2,078,342	(2,078,342)	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>2,428,500</b>	<b>(1,991,752)</b>	<b>127,230</b>	<b>563,978</b>	<b>836,250</b>
<b>Net movement in funds</b>		<b>2,428,500</b>	<b>(1,991,752)</b>	<b>127,230</b>	<b>563,978</b>	<b>836,250</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		9,347,821	2,004,390	11,023,247	22,375,458	21,539,208
<b>Total funds carried forward</b>		<b>11,776,321</b>	<b>12,638</b>	<b>11,150,477</b>	<b>22,939,436</b>	<b>22,375,458</b>

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



## Walthamstow and Chingford Almshouse Charity

### Balance sheet As at 31 March 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	14	<b>9,250,291</b>		9,052,741	
Investment property	15	<b>2,069,000</b>		1,984,000	
Total tangible assets			<b>11,319,291</b>		11,036,741
Investments	16		<b>10,838,341</b>		10,433,610
			<b>22,157,632</b>		21,470,351
<b>Current assets</b>					
Debtors	18	<b>100,868</b>		428,754	
Investments	19	<b>700,214</b>		690,081	
Cash at bank and in hand		<b>149,352</b>		157,704	
		<b>950,434</b>		1,276,539	
<b>Creditors:</b> amounts falling due within one year	20	<b>(168,630)</b>		(371,432)	
<b>Net current assets</b>			<b>781,804</b>		905,107
<b>Net assets</b>			<b>22,939,436</b>		22,375,458
<b>Charity Funds</b>					
Endowment funds	22		<b>11,150,477</b>		11,023,247
Restricted funds	22		<b>12,638</b>		2,004,390
Unrestricted funds	22		<b>11,776,321</b>		9,347,821
<b>Total funds</b>			<b>22,939,436</b>		22,375,458

The financial statements were approved by the Trustees on 24 July 2019 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 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	24	<u>(70,382)</u>	<u>2,242,484</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		430,166	407,688
Purchase of tangible fixed assets		(341,329)	(2,661,632)
Proceeds from sale of investments		823,752	646,190
Purchase of investments		(850,559)	(851,531)
<b>Net cash provided by/(used in) investing activities</b>		<u>62,030</u>	<u>(2,459,285)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(8,352)</b>	<b>(216,801)</b>
Cash and cash equivalents brought forward		<u>157,704</u>	<u>374,505</u>
<b>Cash and cash equivalents carried forward</b>	25	<u><u>149,352</u></u>	<u><u>157,704</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 2019**

#### **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 2019**

**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 or 80 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 2019**

**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 2019**

**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 2019

#### 2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Government grants	-	85,250	-	85,250	799,655
Total 2018	-	799,655	-	799,655	

#### 3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Almshouses - weekly maintenance contributions	481,836	-	-	481,836	298,850
Sundry income	1,605	-	-	1,605	10
Spade Husbandry	-	5,141	-	5,141	5,106
Management charge from development company	6,384	-	-	6,384	21,596
Total 2018	320,456	5,106	-	325,562	

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 4. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from investment properties	19,505	-	-	19,505	16,243
Dividends receivable	400,019	288	-	400,307	380,522
Interest on loan to subsidiary	7,721	-	-	7,721	7,620
Deposit interest	2,615	18	-	2,633	3,303
	<u>429,860</u>	<u>306</u>	<u>-</u>	<u>430,166</u>	<u>407,688</u>
Total 2018	<u>407,108</u>	<u>580</u>	<u>-</u>	<u>407,688</u>	

#### 5. Costs of raising funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Allotment expenses	4,720	-	-	4,720	1,169
Telephone	462	-	-	462	585
Staff training and travel	83	-	-	83	127
Printing, postage and stationery	298	-	-	298	223
Computer costs	644	-	-	644	344
Subscriptions	209	-	-	209	133
Sundry costs	825	-	-	825	212
Investment managers' fees	8,931	-	17,861	26,792	25,902
Staff costs	18,037	3,254	-	21,291	21,014
	<u>34,209</u>	<u>3,254</u>	<u>17,861</u>	<u>55,324</u>	<u>49,709</u>
Total 2018	<u>30,040</u>	<u>2,401</u>	<u>17,268</u>	<u>49,709</u>	



## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 6. Analysis of grants

	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Total 2019 £	Total 2018 £
Grants payable	<u>49,174</u>	<u>39,482</u>	<u>88,656</u>	<u>79,623</u>
Total 2018	<u>30,335</u>	<u>49,288</u>	<u>79,623</u>	

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

#### 7. Grants to individuals

	Number	Total 2019 £	Number	Total 2018 £
Grants to individuals	<u>68</u>	<u>39,482</u>	<u>77</u>	<u>49,288</u>

#### 8. Grants to institutions

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Grants to institutions	<u>49,174</u>	<u>-</u>	<u>-</u>	<u>49,174</u>	<u>30,335</u>

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

	2019 £	2018 £
St Mary's	7,500	7,500
Bags of Taste	-	10,000
Christian Kitchen	13,500	10,000
Waltham Forest Community Transport	11,360	-
Hearing Voices	5,000	-

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 2019

#### 9. Direct costs

	Almshouses £	Grant Giving £	Spade Husbandry £	Total funds 2019 £	Total funds 2018 £
Legal and professional fees	33,518	-	-	33,518	30,739
Routine repairs	251,338	-	-	251,338	179,573
Computer costs	850	-	-	850	1,523
Light and heat	53,184	-	-	53,184	41,507
Water rates	16,506	-	-	16,506	12,096
Council tax for empty flats	282	-	-	282	1,196
Security	8,408	-	-	8,408	6,627
Residents outings and parties	14,133	-	-	14,133	6,221
Residents TV licences	884	-	-	884	589
Insurance	15,028	-	-	15,028	9,948
Cleaning	11,176	-	-	11,176	4,944
Garden maintenance	14,195	-	-	14,195	13,792
Wages and salaries	106,309	10,300	2,994	119,603	115,136
National insurance	7,963	588	260	8,811	8,192
Pension costs	8,663	-	-	8,663	2,008
Depreciation	143,779	-	-	143,779	66,503
	<b>686,216</b>	<b>10,888</b>	<b>3,254</b>	<b>700,358</b>	<b>500,594</b>

Included within the routine repairs costs of £251,338 shown above is expenditure of £86,911 attributable to the extraordinary repairs designated fund and £119,212 attributable to the cyclical maintenance designated fund. 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 2019 £	Total funds 2018 £
Telephone	4,665	-	-	4,665	5,914
Staff training and travel	833	-	-	833	1,282
Printing, postage and stationery	1,814	-	853	2,667	2,744
Computer costs	6,518	-	-	6,518	3,482
Subscriptions	2,123	-	-	2,123	1,350
Sundry costs	8,363	-	-	8,363	2,150
Trustee meetings and expenses	1,160	-	-	1,160	1,102
Audit fee and statutory accounts production	12,240	-	-	12,240	11,820
Legal and professional fees	402	-	-	402	249
Wages and salaries	24,038	-	-	24,038	23,535
National insurance	1,981	-	-	1,981	1,940
Total	<b>64,137</b>	<b>-</b>	<b>853</b>	<b>64,990</b>	<b>55,568</b>

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 11. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Charitable activities	<b>700,358</b>	<b>88,656</b>	<b>64,990</b>	<b>854,004</b>	635,785
	<u>700,358</u>	<u>88,656</u>	<u>64,990</u>	<u>854,004</u>	<u>635,785</u>
Total 2018	500,594	79,623	55,568	635,785	
	<u>500,594</u>	<u>79,623</u>	<u>55,568</u>	<u>635,785</u>	

#### 12. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	<b>143,779</b>	66,503
	<u>143,779</u>	<u>66,503</u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, Trustees received reimbursement of expenses amounting to £50 (2018 - £50).

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 13. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	163,448	158,217
Social security costs	12,276	11,600
Other pension costs	8,663	2,008
	<u>184,387</u>	<u>171,825</u>

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

	2019 No.	2018 No.
Office staff	3	3
Operational staff	4	4
	<u>7</u>	<u>7</u>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 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 £80,958, including employer's national insurance contributions (2018: £73,583, including employer's national insurance contributions).

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 14. Tangible fixed assets

	Freehold property £	Almshouse equipment £	Office equipment £	Almshouse under development £	Total £
<b>Cost</b>					
At 1 April 2018	3,244,222	35,743	7,805	6,822,774	10,110,544
Additions	341,329	-	-	-	341,329
Transfer between classes	6,822,774	-	-	(6,822,774)	-
At 31 March 2019	<u>10,408,325</u>	<u>35,743</u>	<u>7,805</u>	<u>-</u>	<u>10,451,873</u>
<b>Depreciation</b>					
At 1 April 2018	1,038,411	11,588	7,804	-	1,057,803
Charge for the year	141,992	1,787	-	-	143,779
At 31 March 2019	<u>1,180,403</u>	<u>13,375</u>	<u>7,804</u>	<u>-</u>	<u>1,201,582</u>
<b>Net book value</b>					
At 31 March 2019	<u>9,227,922</u>	<u>22,368</u>	<u>1</u>	<u>-</u>	<u>9,250,291</u>
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>

The Charity's freehold land, with the exception of the freehold almshouse 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

	2019 £
The Ridgers Almshouses	955,748
Monoux Almshouses	647,819
Squires Almshouses	133,830
Collard Almshouses	1,506,825
1C The Drive (see below)	7,164,103
Total	<u>10,408,325</u>

Most of the above cost (other than 1C The Drive) represents rehabilitation and renovation work carried out over the last 22 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 £341,329, have been capitalised above under 'Freehold property'. The amounts from previous years were included within 'Almshouses under Development' but as the property is now complete and fully in use, the total amount of £6,822,774 has now been transferred to 'Freehold Property' and depreciation is now being charged on this balance.

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 2019

#### 15. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 April 2018	1,984,000
Surplus on revaluations	85,000
	<hr/>
At 31 March 2019	<b>2,069,000</b>
	<hr/> <hr/>

The 2019 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 2019**

**16. Fixed asset investments**

	Listed securities £	Unlisted securities £	Total £
<b>Market value</b>			
At 1 April 2018	10,433,609	1	10,433,610
Additions	850,559	-	850,559
Disposals	(797,388)	-	(797,388)
Revaluations	351,560	-	351,560
	<hr/>	<hr/>	<hr/>
At 31 March 2019	10,838,340	1	10,838,341
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Historical cost</b>	<b>6,044,503</b>	<b>1</b>	<b>6,044,504</b>

**Investments at market value comprise:**

	2019 £	2018 £
Listed investments	10,838,340	10,433,609
Group	1	1
	<hr/>	<hr/>
Total market value	10,838,341	10,433,610

All the fixed asset investments are held in the UK

**Material investments**

	31 March 2019 £	31 March 2018 £
Charities Prop Fd Property Fund Income	256,604	253,193
M&G Investment Man Charibond Inc	286,629	286,722
M&G Investment Man NAACIF Inc	3,723,141	3,627,810
M&G Investment Man NAACIF Acc	1,372,331	1,284,967
	<hr/>	<hr/>
	5,638,705	5,452,692

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 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 15) as 'Almshouse under development'.

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

	2019 £	2018 £
Turnover	317,522	2,606,118
Management charge from parent charity	(6,384)	(21,596)
Trading expenditure (mainly cost of construction work)	(293,869)	(2,573,469)
Interest on loan from parent charity	(7,721)	(7,620)
	<u>9,548</u>	<u>3,433</u>
Profit before tax for the period	<u><u>9,548</u></u>	<u><u>3,433</u></u>

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:

	2019 £	2018 £
Cash at bank	40,094	3,461
Sundry debtors	8,801	54,022
Accruals	(81,480)	(18,530)
Trade creditors	(28,312)	(72,030)
Loan from parent charity (see below)	-	(257,380)
Amounts due (to) / from parent charity	73,885	294,549
Corporation tax payable	-	(652)
	<u>12,988</u>	<u>3,440</u>
Capital and reserves at period end (including £1 share capital)	<u><u>12,988</u></u>	<u><u>3,440</u></u>

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%.



## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 18. Debtors

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	6,204	64,002
Amounts owed by group undertakings	-	257,380
Other debtors	24,120	-
Prepayments and accrued income	70,544	107,372
	<u>100,868</u>	<u>428,754</u>

#### 19. Current asset investments

	2019 £	2018 £
Investment deposit funds	700,214	690,081
	<u>700,214</u>	<u>690,081</u>

#### 20. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	23,277	33,416
Amounts owed to group undertakings	73,885	294,549
Other creditors	160	110
Accruals and deferred income	71,308	43,357
	<u>168,630</u>	<u>371,432</u>

#### Deferred income

Deferred income at 1 April 2018	13,296
Resources deferred during the year	12,880
Amounts released from previous years	(13,296)
	<u>12,880</u>
Deferred income at 31 March 2019	<u>12,880</u>

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 21. Financial instruments

	2019 £	2018 £
Financial assets measured at fair value through income and expenditure	10,838,341	10,433,610
Financial assets measured at amortised cost	911,657	1,001,171
	<u>11,749,998</u>	<u>11,434,781</u>
Financial liabilities measured at amortised cost	<u>81,865</u>	<u>63,587</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 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Designated funds</b>						
Almshouse building	7,231,074	-	-	1,787,994	93,815	9,112,883
Extraordinary repairs	1,208,406	-	(86,911)	188,709	53,449	1,363,653
Cyclical maintenance	208,341	-	(119,212)	310,656	-	399,785
	<u>8,647,821</u>	<u>-</u>	<u>(206,123)</u>	<u>2,287,359</u>	<u>147,264</u>	<u>10,876,321</u>
<b>General funds</b>						
Unrestricted funds	700,000	919,685	(539,245)	(209,017)	28,577	900,000
Total Unrestricted funds	<u>9,347,821</u>	<u>919,685</u>	<u>(745,368)</u>	<u>2,078,342</u>	<u>175,841</u>	<u>11,776,321</u>

The Charity has now completed 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 (2018: £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 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).

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 22. Statement of funds (continued)

##### Endowment funds

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Capital fund	11,016,218	-	(159,853)	-	286,898	11,143,263
Spade Husbandry	7,029	-	-	-	185	7,214
	<u>11,023,247</u>	<u>-</u>	<u>(159,853)</u>	<u>-</u>	<u>287,083</u>	<u>11,150,477</u>

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 63.0%. The percentage held at the start of the year was 62.0%, 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	11,584	5,447	(4,107)	(286)	-	12,638
New Build grants	1,992,806	85,250	-	(2,078,056)	-	-
	<u>2,004,390</u>	<u>90,697</u>	<u>(4,107)</u>	<u>(2,078,342)</u>	<u>-</u>	<u>12,638</u>

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 new almshouses. This development was completed during the financial year, other than the final retention costs and so the balance in this fund has now been transferred out.

Total of funds	<u>22,375,458</u>	<u>1,010,382</u>	<u>(909,328)</u>	<u>-</u>	<u>462,924</u>	<u>22,939,436</u>
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## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 22. Statement of funds (continued)

##### Statement of funds - prior year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
<b>Designated funds</b>						
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>
Unrestricted funds	<u>700,000</u>	<u>727,564</u>	<u>(509,946)</u>	<u>(216,978)</u>	<u>(640)</u>	<u>700,000</u>
<b>Endowment funds</b>						
Capital fund	11,105,233	-	(81,984)	-	(7,031)	11,016,218
Spade Husbandry	7,221	-	-	-	(192)	7,029
	<u>11,112,454</u>	<u>-</u>	<u>(81,984)</u>	<u>-</u>	<u>(7,223)</u>	<u>11,023,247</u>
<b>Restricted funds</b>						
Spade income	9,044	5,686	(3,146)	-	-	11,584
New Build grants	1,193,151	799,655	-	-	-	1,992,806
	<u>1,202,195</u>	<u>805,341</u>	<u>(3,146)</u>	<u>-</u>	<u>-</u>	<u>2,004,390</u>
Total of funds	<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>

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 22. Statement of funds (continued)

##### Summary of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds	8,647,821	-	(206,123)	2,287,359	147,264	10,876,321
General funds	700,000	919,685	(539,245)	(209,017)	28,577	900,000
	<u>9,347,821</u>	<u>919,685</u>	<u>(745,368)</u>	<u>2,078,342</u>	<u>175,841</u>	<u>11,776,321</u>
Endowment funds	11,023,247	-	(159,853)	-	287,083	11,150,477
Restricted funds	2,004,390	90,697	(4,107)	(2,078,342)	-	12,638
	<u>22,375,458</u>	<u>1,010,382</u>	<u>(909,328)</u>	<u>-</u>	<u>462,924</u>	<u>22,939,436</u>

##### Summary of funds - prior 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>

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 2019

#### 23. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	7,109,196	-	2,141,095	9,250,291
Fixed asset investments	3,897,959	-	6,940,382	10,838,341
Investment property	-	-	2,069,000	2,069,000
Current assets	937,796	12,638	-	950,434
Creditors due within one year	(168,630)	-	-	(168,630)
	<u>11,776,321</u>	<u>12,638</u>	<u>11,150,477</u>	<u>22,939,436</u>

##### Analysis of net assets between funds - prior 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>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	563,978	836,250
<b>Adjustment for:</b>		
Depreciation charges	143,779	66,503
(Losses)/gains on investments	(462,924)	12,397
Dividends, interest and rents from investments	(430,166)	(407,688)
Decrease in debtors	319,763	110,302
Decrease in creditors	(194,679)	(81,977)
Decrease / (increase) in current asset investments	(10,133)	1,706,697
<b>Net cash (used in)/provided by operating activities</b>	<u>(70,382)</u>	<u>2,242,484</u>

#### 25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	149,352	157,704
Total	<u>149,352</u>	<u>157,704</u>

## Walthamstow and Chingford Almshouse Charity

### Notes to the financial statements For the year ended 31 March 2019

#### 26. Capital commitments

At 31 March 2019 the charity had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>25,273</u>	<u>302,320</u>

The capital commitment comprises amounts in respect of the refurbishment works being undertaken at 26 Brierley Road.

#### 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 £8,663 (2018: £2,008). Contributions totalling £Nil (2018: £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 £102,959 (2018: £799,655) in respect of the construction of the new almshouses. The Charity also made purchases from LB Waltham Forest of £497 (2018: £2,050). In addition to the above figures, debtors include a further £24,250 that will be receivable when the retention on Colby Lodge is paid (2018: £62,822).

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 (2018: £7,500). No balances exist at the year end (2018: £Nil).

R Belam, the husband of W Belam, is the Chair and H Tredoux, Trustee is the CEO, of Waltham Forest Community Transport, which received a grant in the year of £11,360 (2018: £Nil). No balances exist at the year end (2018: £Nil).

S Kearns, the husband of J Kearns, is a Board Member of Christian Kitchens which received a grant in the year of £13,500 (2018: £10,000). At the balance sheet date a balance of £13,227 is owed to Christian Kitchens (2018: £Nil).

The Directors concerned in the above transactions were 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.