

The City of London Almshouses

Annual Report and Financial Statements for the year
ended 31 March 2020

Charity registration number 1005857

The Register of Social Housing Providers

Number A2266

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ORIGINS OF THE CHARITY

The City of London Almshouses was registered with the Charity Commission in July 1991, under the name 'City of London Almshouses Trust', under a scheme which amalgamated the following three charities:

| Charity name | History |
|---------------------------------|---|
| 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 |
| Roger's Almshouses | Comprised in a declaration of trust dated 15 July 1858 |
| Brown's Gift | Regulated by declaration of trust dated 22 March 1934 |

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

The City of London Almshouses is a registered charity and also a registered social landlord, under Section 1 (2) of the Housing Act 1996. It was registered with the Charity Commission in July 1991, under a scheme which amalgamated:

- City of London Freeman's Houses
- Rogers' Almshouses
- Brown's Gift

The Charity Commission agreed with effect from 26 July 2011 for the City of London Corporation to become the sole corporate Trustee in place of various individuals.

GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of The City of London Almshouses. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2019/20 was as follows:

The Housing Management and Almshouses Sub (Community and Children's Services) Committee of the City Corporation administers the charity on behalf of the Trustee.

The above committee is ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance commenced during the year and is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is

being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

OBJECTIVES AND ACTIVITIES

The objective 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.

Throughout the year the Almshouse Manager actively sought new applications, reporting to Trustees on applicants who may not quite meet the criteria (for instance within a year of the age requirement) making recommendations on applicants behalf when they filled all other criteria.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 22.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The City of London Almshouses' aims and objectives and in planning future activities. The purpose of the charity is as stated above.

Consequently, the Trustee considers that The City of London Almshouses operates to benefit the general public and satisfies the public benefit test.

Remuneration Policy

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of bonuses and recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 8 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against

the Equality Objectives for 2016-20. This also includes addressing the City Corporation's gender pay gap.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

ACHIEVEMENTS AND PERFORMANCE

There were no significant changes in the day to day management of Almshouses, until the end of the financial year. To support the impending refurbishment, void properties were refurbished while empty to avoid extra disruption upon occupancy. At the beginning of Covid-19 pandemic, the Almshouse Manager risk assessed all vulnerable residents and arranged appropriate support for residents to enable them to remain at home as majority of residents fall into the vulnerable category (i.e. at higher risk from the virus). The Almshouse Manager has remained on duty throughout the emergency to ensure all available support to residents has been available.

PLANS FOR FUTURE PERIODS

The objectives for 2020/21 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 was delayed due to planning permission queries relating to refurbishment of the property windows; however, refurbishment work commenced in February 2020. Works have been further delayed due to the Covid-19 pandemic and is expected to recommence in late Autumn 2020.
- The Trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 11.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2019/20 the charity total income for the year was £333,829, an overall decrease of £15,410 against the previous year (2018/19: £349,239).

Income from charitable activities totalled £301,098 (2018/19: £293,877), comprising rental and service charge income.

Income from investments comprised £32,731 (2018/19: £46,112), being £28,806 from managed investments (2018/19: £43,518) and £3,925 from bank interest (2018/19: £2,594).

Expenditure

Total expenditure for the year was £255,221 (2018/19: £377,182). Within this, charitable activities expenditure totalled £254,329 (2018/19: £375,824). The key costs are Management, Services and Routine & Planned maintenance. Expenditure on raising funds was £892 (2018/19: £1,358), covering the costs of interest expenses.

Investment performance

As at 31 March 2020, the investments held in the Charities Pool achieved a return of -14.78% (2018/19: +4.05%) compared to the FTSE All Share Index return of -18.45% (2018/19: +6.36%). Over three years this fund achieved a return of -2.44% (2018/19: +8.31%) compared to the FTSE All Share Index return of -4.24% (2018/19: +9.51%). Over five years, the fund achieved a return of +1.37% (2018/19: +6.77%) compared to the FTSE All Share Index return of +0.57% (2018/19: +6.10%).

| | 2019/20 | | 2018/19 | |
|---------------------|---------|--------|---------|--------|
| | 3 year | 5 year | 3 year | 5 year |
| Fund | -2.44% | 1.37% | 8.31% | 6.77% |
| FTSE All Share | -4.24% | 0.57% | 9.51% | 6.10% |
| Fund outperformance | +1.80% | +0.80% | -1.20% | +0.67% |

Funds held

The charity's total funds held decreased by £61,095 to £2,872,022 as at 31 March 2020 (2018/19: £2,933,117). Within the total funds held, £37,648 (2018/19: £37,648) represent permanent endowment funds which are held as a capital fund to generate income for the primary objectives of the charity. Restricted income funds amounted to £1,319,751 (2018/19: £1,319,751) being social housing grants which are repayable under certain circumstances, primarily following the sale of a property.

Unrestricted income funds amounted to £1,514,623 (2018/19: £1,575,718). These funds are held for use in future years in accordance with the objectives of the charity.

Details of all funds held, including their purposes, is set out within note 16 to the financial statements.

Reserves

The Reserves Policy is to maintain the endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income together with other funds, in accordance with the objectives of the charity.

Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate 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 the Trustee to ensure that the financial statements comply with the Charities Act 2011. 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee of
The City of London Corporation
Guildhall, London
10 November 2020

Jamie Ingham Clark FCA, Deputy
Chairman of Finance Committee
of The City of London Corporation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON ALMSHOUSES

We have audited the financial statements of City of London Almshouses (the charity) for the year ended 31 March 2020 which comprise the statement of financial activities, the 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 Financial Reporting Standard 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 2020 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- adequate 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 Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at:

<https://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 Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP, statutory auditor
London

28 January 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 2019/20 Total Funds £ | 2018/19 Total Funds £ |
|------------------------------------|-----------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations | 2 | - | - | - | - | 9,250 |
| Charitable activities | 3 | 301,098 | - | - | 301,098 | 293,877 |
| Investments | 4 | 32,731 | - | - | 32,731 | 46,112 |
| Total income | | 333,829 | - | - | 333,829 | 349,239 |
| Expenditure on: | | | | | | |
| Raising funds | 5 | 892 | - | - | 892 | 1,358 |
| Charitable activities | 6 | 254,329 | - | - | 254,329 | 375,824 |
| Total expenditure | | 255,221 | - | - | 255,221 | 377,182 |
| Net (losses) on investments | 11 | (139,703) | - | - | (139,703) | (10,856) |
| Net (expenditure) | | (61,095) | - | - | (61,095) | (38,799) |
| Net movement in funds | | (61,095) | - | - | (61,095) | (38,799) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 16 | 1,575,718 | 1,319,751 | 37,648 | 2,933,117 | 2,971,916 |
| Total funds carried forward | 16 | 1,514,623 | 1,319,751 | 37,648 | 2,872,022 | 2,933,117 |

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 15 to 25 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 Total £ | 2019 Total £ |
|--|-------|--------------------|--------------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 1,690,267 | 1,643,312 |
| Investments | 11 | 610,889 | 1,183,278 |
| Total fixed assets | | 2,301,156 | 2,826,590 |
| Current assets | | | |
| Debtors | 12 | 44,980 | 40,197 |
| Cash at bank and in hand | | 765,099 | 308,640 |
| Total current assets | | 810,079 | 348,837 |
| Creditors: Amounts falling due within one year | 13 | (80,811) | (60,844) |
| Net current assets | | 729,267 | 287,993 |
| Total assets less current liabilities | | 3,030,424 | 3,114,583 |
| Creditors: Amounts falling due after more than one year | 14 | (158,402) | (181,466) |
| Total net assets | | 2,872,022 | 2,933,117 |
| The funds of the charity: | | | |
| Endowment funds | 16 | 37,648 | 37,648 |
| Restricted funds | 16 | 1,319,751 | 1,319,751 |
| Unrestricted funds | 16 | 1,514,623 | 1,575,718 |
| Total funds | | 2,872,022 | 2,933,117 |

The notes on pages 15 to 25 form part of these financial statements

Approved and signed on behalf of the Trustee.



Dr Peter Kane

Chamberlain of London

25 January 2021

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

(a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (2nd Edition) and the Charities Act 2011.

(b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The majority of the charity's income is from rents from the properties and the Trustee is active in ensuring that these are fully let by advertising and maintaining a waiting list. A long-term financial plan has been agreed to ensure that funds are available as major works arise. The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

(c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

(d) Statement of Cash Flows

The Charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirements to produce a statement of cash flows on the grounds that it is a small entity.

(e) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of rental and service charge income, investment income and grants.

(f) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'raising funds' and 'expenditure on charitable activities'. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Support costs include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is the employee time spent on the respective services.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

(g) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(h) Investments

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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 were previously valued at mid-price. To ensure compliance with FRS102, bid-price is now used. The difference in valuation as a result in the year is considered immaterial. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(i) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the cash held in this fund can be spent on

the charitable purpose of the charity, hence is allocated to the unrestricted income fund.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment and from those representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

(j) 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 benefit 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 £630.4m as at 31 March 2020 (£608.6m as at 31 March 2019). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does 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 these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The actuary will carry out the next assessment of the scheme as at 31 March 2022, which will set contributions for the period from 1 April 2022 to 31 March 2024. Contribution rates adopted for the financial years 2017/18, 2018/19 and 2019/20 have been set at 21% (2016/17: 17.5%).

(k) Tangible fixed assets

The City of London Almshouses were erected in the mid-19th century. There is no record of the original cost and no value has therefore been attributed. The cost stated for fixed assets for land and buildings relates to subsequent improvements and refurbishments. This excludes expenditure on routine and planned repairs and maintenance of fixed assets which is charged directly within the Trust's charitable activities.

Depreciation for improvements and refurbishments to buildings is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

| | Years |
|--|-------|
| Improvements and refurbishments to buildings | 40 |

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.

(I) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

2. INCOME FROM DONATIONS

| | Unrestricted Funds 2019/20 £ | Unrestricted funds 2018/19 £ |
|--|--|---------------------------------------|
| Benefit in kind received from the City of London Corporation (note 8) | - | 9,250 |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds 2019/20 £ | Unrestricted funds 2018/19 £ |
|------------------------------------|--|---------------------------------------|
| Rental income | 224,257 | 221,724 |
| Service charges | 76,841 | 70,713 |
| Deferred income from Gresham Lease | - | 1,440 |
| Total | 301,098 | 293,877 |

4. INCOME FROM INVESTMENTS

| | Unrestricted Funds 2019/20 £ | Unrestricted funds 2018/19 £ |
|-------------------|--|---------------------------------------|
| Investment income | 28,806 | 43,518 |
| Interest | 3,925 | 2,594 |
| Total | 32,731 | 46,112 |

5. EXPENDITURE ON RAISING FUNDS

| | Unrestricted funds 2019/20 £ | Unrestricted funds 2018/19 £ |
|---------------|--|---------------------------------------|
| Raising funds | 892 | 1,358 |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted funds | | | Unrestricted funds | | |
|------------------------------------|----------------------|-----------------------|-------------------------------------|----------------------|-----------------------|-----------------------|
| | Direct costs £ | Support costs £ | Total 2019/20 £ | Direct costs £ | Support costs £ | Total 2018/19 £ |
| Almshouses running costs | | | | | | |
| Management | - | 82,055 | 82,055 | - | 83,474 | 83,474 |
| Services | 94,415 | - | 94,415 | 103,564 | - | 103,564 |
| Routine maintenance | 39,735 | - | 39,735 | 106,967 | - | 106,967 |
| Planned maintenance | 20,308 | - | 20,308 | 74,519 | - | 74,519 |
| Supplementary Revenue Projects | 10,516 | - | 10,516 | - | - | - |
| Depreciation of housing properties | 7,300 | - | 7,300 | 7,300 | - | 7,300 |
| Total | 172,275 | 82,055 | 254,329 | 292,350 | 83,474 | 375,824 |

Within charitable activities are the services costs, comprised of:

| | 2019/20 £ | 2018/19 £ |
|-----------------|---------------------|---------------------|
| Lighting | 1,057 | 5,772 |
| Matrons | 46,371 | 46,808 |
| Window Cleaning | 884 | 884 |
| Water Rates | (83) | 8,013 |
| Groundsman | 24,875 | 23,582 |
| Rent | 7,177 | 7,055 |
| Council Tax | 11,659 | 7,785 |
| Pest Control | 2,475 | 3,665 |
| Total | 94,415 | 103,564 |

7. STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 2.3 (2018/19: 3.1).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

| | 2019/20 | 2018/19 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Salaries and wages | 53,688 | 53,142 |
| National Insurance costs | 5,351 | 5,248 |
| Employer's pension contributions | 12,207 | 12,000 |
| Total emoluments of employees | 71,246 | 70,390 |

The number of directly charged employees whose emoluments (excluding employer's pension contribution) for the year were over £60,000 was nil (2018/19: nil)

8. AUDITOR'S REMUNERATION

BDO are the auditors of the City of London's City's Cash Fund and all of the different charities of which it is Trustee. The City of London Corporation charges the audit fee to its City's Cash Fund and does not attempt to apportion the audit fee between all of the different charities. No other services were provided to the charity by its auditors during the year (2018/19: nil). The auditor's 2018/19 remuneration of £9,250 for the year was borne by the City of London's City's Cash and is reflected as a donated service to the Almshouses, also referenced in note 2.

9. TRUSTEE EXPENSES

The Members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2019/20 (amend if any Trustee expenses received) (2018/19: nil)

10. TANGIBLE FIXED ASSETS

| | Land and Buildings | Work in Progress | Total |
|-------------------------|--------------------|------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2019 | 1,763,430 | 31,332 | 1,794,762 |
| Additions | - | 54,255 | 54,255 |
| Disposals | - | - | - |
| At 31 March 2020 | 1,763,430 | 85,587 | 1,849,017 |
| Depreciation | | | |
| At 1 April 2019 | 151,450 | - | 151,450 |
| Charge for the year | 7,300 | - | 7,300 |
| Disposals | - | - | - |
| At 31 March 2020 | 158,750 | - | 158,750 |
| Net book value | | | |
| At 31 March 2020 | 1,604,680 | 85,587 | 1,690,267 |
| At 31 March 2019 | 1,611,980 | 31,332 | 1,643,312 |

11. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

| | 2020 | 2019 |
|------------------------------|----------------|------------------|
| | £ | £ |
| Market value 1 April | 1,183,278 | 1,194,134 |
| Additions | - | - |
| Disposals | (432,686) | - |
| (Loss) for the year | (139,703) | (10,856) |
| Market value 31 March | 610,889 | 1,183,278 |
| Cost 31 March | 417,370 | 657,966 |
| Units held in Charities Pool | 86,077 | 135,697 |

The type of listed investments held as at 31 March was as follows:

| | Total at 31 March 2020 | Total at 31 March 2019 |
|---------------------------|---------------------------|---------------------------|
| | £ | £ |
| Equities | 542,363 | 1,049,031 |
| Bonds | - | - |
| Pooled Units | 44,065 | 80,964 |
| Cash held by Fund Manager | 24,461 | 53,283 |
| Total | 610,889 | 1,183,278 |

12. DEBTORS

| | 2020 | 2019 |
|---------------|--------|--------|
| | £ | £ |
| Other debtors | 44,980 | 40,197 |

13. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 57,987 | 38,870 |
| Other creditors | 22,824 | 21,974 |
| Total | 80,811 | 60,844 |

14. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR

| | 2020 | 2019 |
|-----------------|----------------|----------------|
| | £ | £ |
| Deferred income | 145,440 | 145,440 |
| Other creditors | 12,962 | 36,026 |
| Total | 158,402 | 181,466 |

| | 2020 | 2019 |
|---|---------|------|
| | £ | £ |
| Deferred income analysis within creditors: | | |
| Balance at 1st April | 145,440 | - |
| Amounts released to income | - | - |
| Amounts deferred in the year | - | - |
| Balance at 31 March | 145,440 | - |

Deferred income: 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.

| Low-start loan repayable | 2020 | 2019 |
|---|--------|--------|
| | £ | £ |
| Not later than one year | 12,962 | 22,365 |
| Later than one year and not later than five years | - | 13,661 |

| Low-start loan interest repayment rates | 2020 | 2019 |
|--|------|------|
| | % | % |
| 1 April to 30 September | 1.77 | 1.79 |
| 1 October to 31 March | 1.61 | 1.90 |

15. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2020

| | Unrestricted funds | | Restricted funds | Endowment funds | Total at 31 March 2020 | Total at 31 March 2019 |
|----------------------------|--------------------|------------------|------------------|-----------------|------------------------|------------------------|
| | General funds | Designated funds | | | | |
| | £ | £ | £ | £ | £ | £ |
| Tangible fixed assets | 284,929 | 85,587 | 1,319,751 | - | 1,690,267 | 1,643,312 |
| Fixed assets - investments | 458,958 | 151,931 | - | - | 610,889 | 1,183,278 |
| Current assets | 772,431 | - | - | 37,648 | 810,079 | 348,837 |
| Current liabilities | (239,213) | - | - | - | (239,213) | (242,310) |
| Total | 1,277,105 | 237,518 | 1,319,751 | 37,648 | 2,872,022 | 2,933,117 |

At 31 March 2019

| | Unrestricted funds | | Restricted funds | Endowment funds | Total at 31 March 2019 | Total at 31 March 2018 |
|----------------------------|--------------------|------------------|------------------|-----------------|------------------------|------------------------|
| | General funds | Designated funds | | | | |
| | £ | £ | £ | £ | £ | £ |
| Tangible fixed assets | 292,229 | 31,332 | 1,319,751 | - | 1,643,312 | 1,619,280 |
| Fixed assets - investments | 1,009,269 | 174,009 | - | - | 1,183,278 | 1,194,134 |
| Current assets | 311,189 | - | - | 37,648 | 348,837 | 437,192 |
| Current liabilities | (242,310) | - | - | - | (242,310) | (278,690) |
| Total | 1,370,377 | 205,341 | 1,319,751 | 37,648 | 2,933,117 | 2,971,916 |

16. MOVEMENT IN FUNDS

| At 31 March 2020 | Total as at 1 April 2019 | Income | Expenditure | Gains & (losses) | Transfers | Total as at 31 March 2020 |
|---------------------------------|--------------------------|----------------|------------------|------------------|-----------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Endowment funds: | | | | | | |
| Permanent endowment | 37,648 | - | - | - | - | 37,648 |
| Restricted funds: | | | | | | |
| Social Housing Grant | 1,319,751 | - | - | - | - | 1,319,751 |
| Unrestricted funds: | | | | | | |
| General funds | 1,370,377 | 333,829 | (255,221) | (117,625) | (54,255) | 1,277,105 |
| Designated funds: | | | | | | |
| Cyclical repairs | 36,000 | - | - | - | - | 36,000 |
| Capital reserves fund | 31,332 | - | - | - | 54,255 | 85,587 |
| Extraordinary repairs | 138,009 | - | - | (22,078) | - | 115,931 |
| Total unrestricted funds | 1,575,718 | 333,829 | (255,221) | (139,703) | - | 1,514,623 |
| Total funds | 2,933,117 | 333,829 | (255,221) | (139,703) | - | 2,872,022 |

| At 31 March 2019 | Total as at 1 April 2018 £ | Income £ | Expenditure £ | Gains & (losses) £ | Transfers £ | Total as at 31 March 2019 £ |
|---------------------------------|----------------------------------|----------------|------------------|--------------------------|----------------|-----------------------------------|
| Endowment funds: | | | | | | |
| Permanent endowment | 37,648 | - | - | - | - | 37,648 |
| Restricted funds: | | | | | | |
| Social Housing Grant | 1,319,751 | - | - | - | - | 1,319,751 |
| Unrestricted funds: | | | | | | |
| General funds | 1,408,088 | 349,239 | (377,182) | (9,768) | - | 1,370,377 |
| Designated funds: | | | | | | |
| Cyclical repairs | 36,000 | - | - | - | - | 36,000 |
| Capital reserves fund | - | - | - | 31,332 | - | 31,332 |
| Extraordinary repairs | 170,429 | - | - | (32,420) | - | 138,009 |
| Total unrestricted funds | 1,614,517 | 349,239 | (377,182) | (10,856) | - | 1,575,718 |
| Total funds | 2,971,916 | 349,239 | (377,182) | (10,856) | - | 2,933,117 |

Purpose of endowment funds

The permanent endowment is held to generate income that is accounted for within the unrestricted funds. This original permanent endowment can only be used at the winding up of the Trust.

Purpose of the restricted funds

Social Housing Grant

Social Housing Grants are repayable under certain circumstances, primarily following the sale of a property.

Purpose of the unrestricted funds

The general fund comprises the accumulation of income surpluses as a result of unspent investment income. Any undistributed annual income is held for use in future years in accordance with the objectives of the Trust.

Purpose of the designated funds

Those unrestricted funds that have been set aside by the Trustee for specific purposes, as follows:

Cyclical repairs

Provision for future repainting, consists of yearly transfers from the revenue account based on the expected cost of repainting and transferred out to the revenue account in the year when cost arises.

Extraordinary repairs

To fund the future extraordinary repair, improvement or rebuilding of the Trust's property, consisting of yearly transfers based on income generated from investments

alongside any increase or decrease in the market value of the investments representing this reserve.

17. RELATED PARTY TRANSACTIONS

The City Corporation acting by the Court of Aldermen is the sole Trustee of the charity, as described on page 26.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

| Related party | Connected party | 2019/20 £ | 2018/19 £ | Detail of transaction |
|-------------------------------------|---|-----------------|--------------|--|
| Sir Thomas Gresham Charity (221982) | | - | 1,440 | |
| City of London Corporation | The City of London Corporation is the Trustee for the charity | (28,806) | 43,518 | Distribution from the Charities Pool |
| | | - | 9,250 | Benefit in kind relating to audit fees |

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: The City of London Almshouses

Registered charity number: 1005857

The Register of Social Housing Providers Number: A2266

PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

SENIOR MANAGEMENT:

Chief Executive

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation

Treasurer

Dr Peter Kane - The Chamberlain of the City of London Corporation

Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

AUDITORS:

BDO LLP, 55 Baker Street, London, W1U 7EU

BANKERS:

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

INVESTMENT FUND MANAGERS:

Artemis Investment Management LLP, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents:

PA-DeputyChamberlain@cityoflondon.gov.uk