

# **The City of London Almshouses**

**Annual Report and Financial Statements for the year  
ended 31 March 2021**

**Charity registration number 1005857**

**The Register of Social Housing Providers**

**Number A2266**

# CONTENTS

ORIGINS OF THE CHARITY ..... 1

STRUCTURE AND GOVERNANCE..... 2

ACHIEVEMENTS AND PERFORMANCE ..... 4

FINANCIAL REVIEW..... 5

TRUSTEE RESPONSIBILITIES ..... 7

INDEPENDENT AUDITOR’S REPORT ..... 9

STATEMENT OF FINANCIAL ACTIVITIES..... 13

BALANCE SHEET ..... 14

NOTES TO THE FINANCIAL STATEMENTS ..... 15

REFERENCE AND ADMINISTRATION DETAILS ..... 26

## 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 Freemen'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 2020/21 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](http://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 2019/20 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 26.

### **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 6 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. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

Owing to the COVID 19 pandemic and the recommendations from the Tackling Racism Taskforce, which was set up last year to identify the actions that the City Corporation could implement to tackle racism in all its forms, the Corporate Equality and Inclusion Plan is currently being updated. There is work ongoing relating the new Equalities and Inclusion objectives, that will include internal and external consultation. This is expected to take place in the summer, with publication of the revised Equalities and Inclusion objectives by the end of 2021.

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**

Despite Covid 19 pandemic, the Almshouse Manager continued to work as usual throughout 2020/2021, supporting residents in need. This was achieved by risk assessments of vulnerable residents, utilising monitoring equipment and social distancing, there was no significant changes in the day to day support to residents and management of Almshouses, until the end of the financial year. The refurbishment project has been delayed due to access requirements of resident homes and is due to recommence in July 2021.

## **PLANS FOR FUTURE PERIODS**

The objectives for 2021/22 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 pandemic restrictions.
- A full review of Almshouses policies and procedures will be undertaken in 2021/22 under the City of London's Charity review.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2020/21 the charity total income for the year was £354,290, an overall increase of £20,461 against the previous year (2019/20: £333,829).

Income from charitable activities totalled £314,966 (2019/20: £301,098), comprising rental and service charge income.

Income from investments comprised £39,324 (2019/20: £32,731), being £31,388 from managed investments (2019/20: £28,806) and £7,936 from bank interest (2019/20: £3,925).

### Expenditure

Total expenditure for the year was £270,215 (2019/20: £255,221). Within this, charitable activities expenditure totalled £269,865 (2019/20: £254,329). The key costs are Management, Services and Routine & Planned maintenance. Expenditure on raising funds was £350 (2019/20: £892), covering the costs of interest expenses.

### Investment performance

Financial markets recovered strongly over the twelve months to 31 March 2021 following the decline in asset prices in early 2020 during the emergence of the global pandemic. Under these conditions investments held in the Charities Pool performed very well, generating a gross return of +30.72% for 2020/21 (2019/20: -14.78%) which compares favourably against the FTSE All Share Index benchmark return of +26.71% (2019/20: -18.45%). As a result the longer term performance of the Charities Pool investments, as displayed in the table below, has significantly improved compared to the position reported twelve months ago

	2020/21		2019/20	
	3 year	5 year	3 year	5 year
Fund	5.04%	7.19%	-2.44%	1.37%
FTSE All Share	3.19%	6.29%	-4.24%	0.57%
Fund outperformance	+1.85%	+0.90%	+1.80%	+0.80%

### Funds held

The charity's total funds held increased by £234,883 to £3,106,905 as at 31 March 2021 (2019/20: £2,872,022). Within the total funds held, £37,648 (2019/20: £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 (2019/20: £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 £1,749,506 (2019/20: £1,514,623). 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 15 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.

The free reserves of the charity are held to cover working capital needs. The Trustee has revised its policy in 2020/21 to meet future working capital needs. The Trustee believes that a minimum amount of £2,800 should be held at present, which will be subject to annual review. Actual free reserves (unrestricted funds not designated or tied up in fixed assets) were £992k, well above the minimum amount, and the use of these reserves will be factored into the plans for future periods, including those set out on page 4.

## **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.



**Jamie Ingham Clark FCA**

**Chairman of Finance Committee of  
The City of London Corporation**

**Guildhall, London**

**10 December 2021**



**Jeremy Paul Mayhew MA MBA**

**Deputy Chairman of Finance  
Committee of The City of London  
Corporation**



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

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 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.

We have audited the financial statements of City of London Almshouses ("the Charity") for the year ended 31 March 2021 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).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain 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.

## Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustee is 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. The other information comprises: Trustee's Annual Report. 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. 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 Trustee**

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 intends 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.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and the sector within which it operates. This included but was not limited to compliance with the Charities Act 2011, United Kingdom Accounting Standards, and tax legislation;
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We addressed the risk of management override, in particular by testing any journal entries containing material or round sum amounts, and any irregular journals;
- We have considered the control environment at both entity level and financial statement level to consider the ability to detect and prevent fraud; and
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

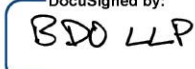
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:  
  
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**Heather Wheelhouse, Senior Statutory Auditor**  
**BDO LLP, statutory auditor**  
**London, UK**

14 December 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 2021

		Unrestricted	Restricted	Endowment	2020/21	2019/20
	Notes	Funds	Funds	Funds	Total	Total
		£	£	£	Funds	Funds
					£	£
<b>Income from:</b>						
Charitable activities	2	314,966	-	-	314,966	301,098
Investments	3	39,324	-	-	39,324	32,731
<b>Total income</b>		<b>354,290</b>	<b>-</b>	<b>-</b>	<b>354,290</b>	<b>333,829</b>
<b>Expenditure on:</b>						
Raising funds	4	350	-	-	350	892
Charitable activities	5	269,865	-	-	269,865	254,329
<b>Total expenditure</b>		<b>270,215</b>	<b>-</b>	<b>-</b>	<b>270,215</b>	<b>255,221</b>
Net gains/(losses) on investments	10	150,244	-	-	150,244	(139,703)
Net gains/(losses) on short term deposit		564	-	-	564	-
<b>Net movement in investment</b>		<b>150,808</b>	<b>-</b>	<b>-</b>	<b>150,808</b>	<b>(139,703)</b>
<b>Net income/(expenditure) and net movement in funds</b>		<b>234,883</b>	<b>-</b>	<b>-</b>	<b>234,883</b>	<b>(61,095)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	1,514,623	1,319,751	37,648	2,872,022	2,933,117
<b>Total funds carried forward</b>	<b>15</b>	<b>1,749,506</b>	<b>1,319,751</b>	<b>37,648</b>	<b>3,106,905</b>	<b>2,872,022</b>

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 2021**

	Notes	2021 Total £	2020 Total £
<b>Fixed assets:</b>			
Tangible assets	9	1,764,496	1,690,267
Investments	10	761,133	610,889
<b>Total fixed assets</b>		<b>2,525,629</b>	<b>2,301,156</b>
<b>Current assets</b>			
Debtors	11	17,283	44,980
Cash at bank and in hand		791,795	765,099
<b>Total current assets</b>		<b>809,078</b>	<b>810,079</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(85,851)</b>	<b>(80,811)</b>
<b>Net current assets</b>		<b>723,227</b>	<b>729,267</b>
<b>Total assets less current liabilities</b>		<b>3,248,856</b>	<b>3,030,424</b>
<b>Creditors: Amounts falling due after more than one year</b>	13	<b>(141,951)</b>	<b>(158,402)</b>
<b>Total net assets</b>		<b>3,106,905</b>	<b>2,872,022</b>
<b>The funds of the charity:</b>			
Endowment funds	15	37,648	37,648
Restricted funds	15	1,319,751	1,319,751
Unrestricted funds	15	1,749,506	1,514,623
<b>Total funds</b>		<b>3,106,905</b>	<b>2,872,022</b>

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

Approved and signed on behalf of the Trustee.



Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

9 December 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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) 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 12 months from the date of signing these accounts 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**

As per Section 14.1 of the Charities SORP the Charity is not required 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. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities.

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 are valued at bid-price. 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 £918.2m as at 31 March 2021 (£630.4m as at 31 March 2020). 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 2019/20, 2020/21 and 2021/22 have been set at 21% (2018/19: 21%).

#### **(k) Tangible fixed assets**

The City of London Almshouses were erected in the mid-19<sup>th</sup> 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	38

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 Corporations insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

## 2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2020/21 £	Unrestricted Funds 2019/20 £
Rental income	228,989	224,257
Service charges	82,488	76,841
Deferred income from Gresham Lease	3,489	-
<b>Total</b>	<b>314,966</b>	<b>301,098</b>

## 3. INCOME FROM INVESTMENTS

	Unrestricted Funds 2020/21 £	Unrestricted Funds 2019/20 £
Investment income	31,388	28,806
Interest	7,936	3,925
<b>Total</b>	<b>39,324</b>	<b>32,731</b>

## 4. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Raising funds	350	892



## 5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds			Unrestricted funds		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£	£	2020/21 £	£	£	2019/20 £
<b>Almshouses running costs</b>						
Management	-	110,589	<b>110,589</b>	-	82,055	82,055
Services	95,478	-	<b>95,478</b>	94,415	-	94,415
Routine maintenance	22,086	-	<b>22,086</b>	39,735	-	39,735
Planned maintenance	13,941	-	<b>13,941</b>	20,308	-	20,308
Supplementary Revenue Projects	554	-	<b>554</b>	10,516	-	10,516
Contributions to Funds and Provisions	19,917	-	<b>19,917</b>	-	-	-
Depreciation of housing properties	7,300	-	<b>7,300</b>	7,300	-	7,300
<b>Total</b>	<b>159,276</b>	<b>110,589</b>	<b>269,865</b>	<b>172,274</b>	<b>82,055</b>	<b>254,329</b>

Within charitable activities are the services costs, comprised of:

	2020/21	2019/20
	£	£
Lighting	<b>3,564</b>	1,057
Matrons	<b>52,972</b>	46,371
Window Cleaning	<b>1,473</b>	884
Water Rates	<b>(21)</b>	(83)
Groundsman	<b>25,904</b>	24,875
Rent	<b>6,695</b>	7,177
Council Tax	<b>4,351</b>	11,659
Pest Control	<b>540</b>	2,475
<b>Total</b>	<b>95,478</b>	<b>94,415</b>

## 6. 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 (2019/20: 2.3).

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

	2020/21	2019/20
	£	£
Salaries and wages	<b>59,399</b>	53,688
National Insurance costs	<b>6,075</b>	5,351
Employer's pension contributions	<b>13,402</b>	12,207
<b>Total emoluments of employees</b>	<b>78,876</b>	<b>71,246</b>

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee. The number of directly charged employees whose emoluments (excluding employer's pension contribution) for the year were over £60,000 was nil (2019/20: nil)

## 7. 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 (2019/20: nil). The City of London Corporation charges the audit fee to its City's Cash Fund. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the audit fee incurred from each of its charities.

## 8. 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 2020/21 (2019/20: nil)

## 9. TANGIBLE FIXED ASSETS

	Land and Buildings	Work in Progress	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	1,763,430	85,587	1,849,017
Additions		81,529	81,529
Disposals		-	-
At 31 March 2021	1,763,430	167,116	1,930,546
<b>Depreciation</b>			
At 1 April 2020	158,750	-	158,750
Charge for the year	7,300	-	7,300
Disposals	-	-	-
At 31 March 2021	166,050	-	166,050
<b>Net book value</b>			
At 31 March 2021	1,597,380	167,116	1,764,496
At 31 March 2020	1,604,680	85,587	1,690,267

## 10. 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:

	2021 £	2020 £
Market value 1 April	610,889	1,183,278
Disposals	-	(432,686)
Gain/ (loss) for the year	150,244	(139,703)
<b>Market value 31 March</b>	<b>761,133</b>	<b>610,889</b>
<b>Cost 31 March</b>	<b>417,370</b>	<b>417,370</b>
Units held in Charities Pool	86,077	86,077

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

	Total at 31 March 2021 £	Total at 31 March 2020 £
Equities	710,056	542,363
Pooled Units	40,717	44,065
Cash held by Fund Manager	10,360	24,461
<b>Total</b>	<b>761,133</b>	<b>610,889</b>

## 11. DEBTORS

	2021 £	2020 £
Other debtors	17,283	44,980

## 12. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	70,986	57,987
Other creditors	12,234	22,824
Deferred income	2,631	-
<b>Total</b>	<b>85,851</b>	<b>80,811</b>

**13. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred income	<b>141,951</b>	<b>145,440</b>
Other creditors	<b>-</b>	<b>12,962</b>
<b>Total</b>	<b>141,951</b>	<b>158,402</b>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Deferred income analysis within creditors:</b>		
Balance at 1st April	<b>145,440</b>	<b>145,440</b>
Amounts released to income	<b>-</b>	<b>-</b>
Amounts deferred in the year	<b>(858)</b>	<b>-</b>
<b>Balance at 31 March</b>	<b>144,582</b>	<b>145,440</b>

**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.

<b>Low-start loan repayable</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	<b>-</b>	<b>12,962</b>
Later than one year and not later than five years	<b>-</b>	<b>-</b>

<b>Low-start loan interest repayment rates</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
1 April to 30 September	<b>1.20</b>	<b>1.77</b>
1 October to 31 March	<b>1.12</b>	<b>1.61</b>

## 14. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2021

	Unrestricted funds		Restricted funds	Endowment funds	Total at 31 March 2021	Total at 31 March 2020
	General funds	Designated funds				
	£	£	£	£	£	£
Tangible fixed assets	277,629	167,116	1,319,751	-	1,764,496	1,690,267
Fixed assets - investments	585,458	175,675	-	-	761,133	610,889
Current assets	771,430	-	-	37,648	809,078	810,079
Total liabilities	(227,802)	-	-	-	(227,802)	(239,213)
Total	1,406,715	342,791	1,319,751	37,648	3,106,905	2,872,022

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
Total liabilities	(239,213)	-	-	-	(239,213)	(242,310)
Total	1,277,105	237,518	1,319,751	37,648	2,872,022	2,933,117

## 15. MOVEMENT IN FUNDS

	Total as at 1 April 2020	Income	Expenditure	Gains & (losses)	Transfers	Total as at 31 March 2021
	£	£	£	£	£	£
<b>At 31 March 2021</b>						
Endowment funds:						
Permanent endowment	37,648	-	-	-	-	37,648
Restricted funds:						
Social Housing Grant	1,319,751	-	-	-	-	1,319,751
Unrestricted funds:						
General funds	1,277,105	354,290	(270,215)	127,064	(81,529)	1,406,715
Designated funds:						
Cyclical repairs	36,000	-	-	-	-	36,000
Capital reserves fund	85,587	-	-	-	81,529	167,116
Extraordinary repairs	115,931	-	-	23,744	-	139,675
Total unrestricted funds	1,514,623	354,290	(270,215)	150,808	-	1,749,506
<b>Total funds</b>	<b>2,872,022</b>	<b>354,290</b>	<b>(270,215)</b>	<b>150,808</b>	<b>-</b>	<b>3,106,905</b>

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

### 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.

## 16. RELATED PARTY TRANSACTIONS

The City Corporation acting by the Court of Aldermen is the sole Trustee of the charity, as described on page 2.

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](http://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 transactions

Related party	Connected party	2020/21 £	2019/20 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	31,388 (nil)	28,806 (nil)	Distribution from the Charities Pool
Sir Thomas Gresham Charity (221982)	The City of London Corporation is the Trustee for the charity	3,489 (141,851)	Nil (145,440)	Sir Thomas Gresham Charity entered into a 125 year lease of the site from CoLA as per the agreement dated 7 December 1994

## 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**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation (appointed 1 May 2021)

Dr Peter Kane – The Chamberlain of the City of London Corporation (retired 30 April 2021)

**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-ChamberlainSecretariat@cityoflondon.gov.uk](mailto:PA-ChamberlainSecretariat@cityoflondon.gov.uk)