

Company Registration No. 6801953
Registered Social Landlord No. A2948
Charity No. 1127772 (England and Wales)

THE SKINNERS' ALMSHOUSE CHARITY
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019



THE SKINNERS' ALMSHOUSE CHARITY

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THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

BOARD OF DIRECTORS

Mr C J D Emms	(Chairman)
Mrs A D Buchanan	(Vice Chairman)
Dr C Anderson	(appointed 8.11.18)
Miss C F Attenborough	
Cmdr James Cohen	
Dr S Cooper	(resigned 1.7.19)
Mr C H D Everett CBE	
Mr S H Keith	
Mr A I B Lloyd	
Mrs L Lodge	(appointed 8.11.18)
Mr M A Loveday	
Mr N F Maltby	
Mr E D L Price	
Dr C M Roe	
Miss M C Stallebrass	

BANKERS AND PROFESSIONAL ADVISERS

Bankers	Royal Bank of Scotland PLC 62/63 Threadneedle Street London EC2R 8LA
Investment managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU Heartwood 12 Henrietta Street London WC2E 8LH
Surveyors and property advisers	Gerald Eve LLP 46 Bow Lane London EC4M 9DL
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Insurance brokers	Marsh Brokers Limited 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY
Scheme management	Anchor Hanover Alington Road St Neots Cambridgeshire PE19 6RE

THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

INTRODUCTION AND HISTORY

Skinners' almshouses have been in existence since the mid-sixteenth century, having been founded by the Skinners' Company, one of the Great Twelve Livery Companies. First located in Great St Helen's in the City of London, they have developed in size and scope, thanks to the generosity of Skinners' Company benefactors as well as the prudent husbandry of successive generations of Trustees. The almshouses have re-located twice in their history, from the City to Mile End and thence to Palmers Green in North London. The Palmers Green site has been completely rebuilt three times, most recently in 2007, and is now named Skinners Court, while Percy Bilton Court, a sheltered housing scheme, was added in Hounslow in West London in the early 1980's and substantially modernised in 2018.

CONSTITUTION

The Skinners' Almshouse Charity ("the Charity") which was incorporated as a company by Companies House in January 2009 (company number 6801953) is a registered charity (Charity number 1127772) and is governed by a scheme of the Charity Commission dated 12 October 2009. The Skinners' Company is sole member of the incorporated Charity.

The permanent endowment of the housing operation is held by two subsidiary charities – the Skinners' Almshouse Foundation (Charity number 210774-1) and the Percy Bilton Fund (Charity number 210774-8). These are both unincorporated charities whose sole trustee is the Skinners' Almshouse Charity and are accounted for here under a uniting direction from the Charity Commission. The principal activity of the Skinners' Almshouse Foundation is to retain the Skinners' Almshouse Charity's assets in trust for the benefit of current and future residents. The Percy Bilton Fund is applied exclusively for the benefit of maintaining Percy Bilton Court and for the benefit of its residents.

The Charity is a Registered Social Landlord (no A2948) with the Homes England. The Charity's address and registered office is Skinners' Hall, 8 Dowgate Hill, London, EC4R 2SP.

OBJECTIVES AND ACTIVITIES

The Charity's object is the relief of poverty by the provision of almshouse accommodation to persons in need. It may appoint residents in the following order of preference:

- a) Freemen and Freewomen of the Skinners' Company and their widows and widowers;
- b) Dependents or former dependents of the said Freemen and Freewomen;
- c) Any other such person in need.

Currently all residents are members of the third category above and none are members of The Skinners' Company. Enfield and Hounslow local authorities have nomination rights to fill 75% and 50% of the flats respectively with the balance being identified by the Charity through various older person support agencies.

The Charity's housing comprises of two schemes. Percy Bilton Court provides 38-one bedroom sheltered housing flats in Hounslow, West London. Skinners Court is an Extra Care scheme in Palmers Green, North London and offers 37 one-bedroom and 12 two-bedroom flats and an array of communal facilities for frailer older people. The Charity provides a full housing management service with care and support services being available through external providers. It aims to support older people to be as independent as possible through the provision of accessible accommodation.

GOVERNANCE AND MANAGEMENT

The Charity is led by its Board of Directors. The Skinners' Company, as sole member of the Charity, may elect or remove Directors.

THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS (continued). FOR THE YEAR ENDED 30 JUNE 2019

Key management personnel and remuneration

The Skinners' Company Clerk leads on the strategic and operational activities of the Charity under the guidance of its Board of Directors. The Directors give their time freely and received no remuneration in the year. Those working on behalf of the Charity are all employees of the Skinners' Company (the sole member) whose employment costs are charged to the Charity under a paymaster arrangement. The Charity does not have any direct employees.

In April 2018 the charity entered into a contract with Hanover Housing Association, now Anchor Hanover (AH), for the full management of Skinners Court, including property maintenance and estate management. This gave rise to changes in the staff structure with some staff being transferred to AH under TUPE (Transfer of Undertakings Protection in Employment) arrangements, and some leaving.

Recruitment and training of Directors

Directors are appointed by the Skinners' Company and shall hold office as specified by the Company on appointment. Directors hold office for a term of four years but are eligible for re-appointment following the expiration of one term. As part of the selection process, due consideration is given to the individual's personal and professional knowledge and the experience they bring to the Board. New Directors are inducted into the workings of the Charity via an organised programme.

Organisational management

The Directors, as Trustees of the Charity, are legally responsible for the overall management and control of the Charity. They meet a minimum of four times per year to determine the Charity's performance and strategic direction. Committees of the Board of Directors include Property and Finance. The Finance Committee reviews the Charity's framework for financial accountability and its tasks include detailed scrutiny of charges to residents before they are presented to the Board, as well as ensuring the Charity complies with relevant financial regulations and good practice. This includes an annual meeting with the auditor prior to considering statutory accounts. Oversight of monitoring and planning for the maintenance of the two schemes is delegated to the Property Committee. Additional support services, such as administration, secretarial, finance, HR and IT, are supplied by the Skinners' Company. As part of this arrangement the Charity has an Almshouse Manager who is responsible for the day-to-day management of the Charity and its two Almshouses.

The Board has delegated the management of the Charity's investment portfolio to the Investment Committee of the Skinners' Company. The Investment Committee reports on performance, its findings and recommendations to the Board.

ACHIEVEMENTS AND PERFORMANCE

The Charity achieved a satisfactory operating surplus in the year, which will allow it to continue to support beneficiaries in the future. The Charity is proud to have continued to meet the costs of full time managers at each of the schemes and an Almshouse Manager based at Skinners' Hall. This is despite the current cost saving trend across the sector of reducing staff presence on site. Whilst income overall was reduced from last year due to 2018 being a fundraising year for Percy Bilton Court, income from licence fees and investments has increased. Costs savings as a result of outsourcing the scheme management at Skinners' Court contribute to the overall reduction of total charitable activity costs from £299,810 to £193,003.

The Charity's focus on improvement continued apace. The level of resident engagement increased in the year to allow residents greater choice about the service they receive and how it is delivered.

In addition, the charity has funded a number of social events during the year which facilitate engagement between Skinners and residents such as a new year lunch at Skinners' Hall, visits by the Master and Wardens, the Corpus Christi celebrations and a late Summer lunch at Skinners' Hall for the residents and their families.

THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

Financial review

The Directors present their report and accounts for the year ended 30 June 2019. These have been prepared on a going concern basis in accordance with the accounting policies set out in note 1 to the accounts. In preparing these accounts the Directors have complied with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, (FRS 102) and the Statement of Recommended Practice for Charities issued on 16 July 2015.

The funds under the Directors' control consist of:

Unrestricted funds: The funds available to the Directors for the general purposes of the Charity.

Designated funds:

- The Almshouse Development Fund. A sum is set aside annually if surplus permits in order to fund future redevelopment of the properties.
- Repairs Reserves. This is the net accumulation of reserves designated for future repairs and replacements at each of the properties and are detailed in note 21.

Restricted funds: The Percy Bilton Court Fund. Accumulation of net income relating to this Scheme.

Endowment funds: The permanent endowment of the Charity.

The Statement of Financial Activities demonstrates that the objectives have been met and is summarised below.

	2019	2018
	£	£
Available income for the year		
Income from licence fees	1,000,609	999,532
Donations	2,269	255,369
Investment income	156,183	148,270
	<u>1,159,061</u>	<u>1,403,171</u>
Housing costs	(785,255)	(787,409)
Support costs	(193,003)	(299,810)
Fundraising	-	-
	<u>(978,258)</u>	<u>(1,087,219)</u>
Net incoming resources for the year before transfers and gains	<u>180,803</u>	<u>315,952</u>

The Directors confirm that the assets of the various funds are available and adequate to fulfil the relevant obligations.

Value for money

The Regulator of Social Housing requires all registered providers to calculate value for money (VfM) metrics. As this is the first year it is unclear whether any meaningful conclusions and comparisons can be drawn. The results are as follows:

Reinvestment: Investment in housing supply as a percentage of total housing property held – nil.

New Housing Supply: New housing delivered as a percentage of housing stock held – nil.

Gearing: Proportion of borrowing in relation to housing assets – 11.42%.

EBITDA: Earnings before interest, tax, depreciation and amortisation - interest cover 31 times.

Headline Social Housing cost: £9,131 per unit.

Operating Margin Social Housing Lettings: demonstrates the surplus compared to turnover – 21.5%.

Operating Margin Overall: Operating surplus and gains compared to overall turnover 15.1%.

Return on Capital Employed: Operating surplus compared to current net assets – 2.11%.

THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

Future plans

Proposals are being considered for an additional flat at Skinners Court by converting underused space whilst retaining a smaller meeting room and kitchenette.

RESERVES POLICY

The Directors monitor and review the reserves policy annually.

The Charity's sheltered and extra care housing operates in a highly regulated environment, which controls in particular the charges which may be levied in respect of residents. These charges represent the entire housing income. The most substantial costs to be met from this income are the upkeep of buildings and payment of staff costs via the paymaster arrangement.

The Charity maintains a repairs reserve to which annual transfers are made for maintenance, cyclical and extraordinary repairs of the housing properties, as recommended by the Almshouse Association. These reserves will be expended over the terms of the maintenance and repairs schedules.

The Charity also maintains a redevelopment reserve, which is the Charity's contribution to the redevelopment of housing properties in the future and is not regarded as distributable reserves. The current reserves policy states that £35,000 be transferred from revenue reserves to this fund each year subject to affordability.

The Percy Bilton Fund supports only the sheltered housing at Percy Bilton Court, Hounslow. The financial position of Percy Bilton Court is stable and can be supported by revenue reserves if necessary. Donations received during the year totalling £1,230 have been credited to this fund.

The undesignated reserves at £531,789 are used to support the operating activities of the Charity.

FUNDRAISING

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities. The charity undertakes specific fundraising activity to support the development of its work but is mainly focused on receiving such donations from grant giving trusts and Skinners as opposed to the general public. During the year to 30 June 2019, the charity received no complaints in relation to fundraising.

INVESTMENT POLICY AND PERFORMANCE

On 14 January 2014 the Board passed a resolution under s104(B) of the Charities Act 2011 to adopt a total return policy for the permanently endowed portion of the managed portfolio, having calculated the unapplied total return on those assets at that date of £142,766. All returns (both capital and income) on these investments subsequent to the resolution are credited to the Endowment Fund. The Board, in consultation with the Skinners' Company Investment Committee, have decided to transfer 2.5% of the asset value to unrestricted funds for application, and this is reviewed annually.

The managed portfolio is divided equally between Cazenove Capital, and Heartwood. The Charity's revised investment objective is to maintain the real value of the endowment and to achieve a total return of RPI + 3.5% p.a. over the medium to long term. The performance of the managed portfolio, together with the property unit trust portfolio, in the year was closely monitored by the Skinners' Company Investment Committee, which reports regularly to the Board. Last year was a difficult one for financial markets and the performance of the portfolio fell below the benchmark. The portfolio however is invested for the long term and the Investment Committee does not place undue weight on a single year's performance. The long term performance remains satisfactory.

THE SKINNERS' ALMSHOUSE CHARITY

DIRECTORS' REPORT AND ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

RISK MANAGEMENT

The Directors have sought to identify the major risks to which the Charity is exposed and have established systems to ensure that these risks are reviewed and are minimised as far as possible. The Board closely monitors its risks under health and safety legislation.

Following strong representations made by the Almshouse Association on behalf of its members, the Minister of State for Work & Pensions announced that almshouse charities that are registered providers will be exempt from the proposal to reduce Target Rent by 1% per annum over four years, and has deferred the transfer to LHA rates until 2019/2020. The Board will continue to monitor housing policy developments very closely in particular the impact of any income restrictions that may be placed on almshouses in the future.

PUBLIC BENEFIT

The Directors have complied with the duty in section 4 of the Charities Act 2011 to have due regard to all guidance published by the Charity Commission.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the Trustees of The Skinners' Almshouse Charity for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware there is no relevant audit information of which the charitable company's auditor is unaware and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 7 November 2019 and signed on behalf of the Directors by



.....John Emms

THE SKINNERS' ALMSHOUSE CHARITY

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial statements of the Skinners' Almshouse Charity for the year ended 30 June 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 charitable company's state of affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE SKINNERS' ALMSHOUSE CHARITY

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2019

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors (who are also Trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company'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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

THE SKINNERS' ALMSHOUSE CHARITY

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2019

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ms C Turlington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Queen Victoria Street
London EC4V 4BE

Statutory Auditors

Date: 16 December 2019

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

THE SKINNERS' ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2019

	Notes	£ Unrestricted	£ Percy Bilton Fund	£ Repairs Fund	£ Almshouse Development	£ Endowment Fund	£ Total 2019	£ Total 2018
Income from:								
Charitable activities – licence fees	2	601,485	399,124	-	-	-	1,000,609	999,532
Donations		1,039	1,230	-	-	-	2,269	255,369
Investments	5	76,836	15,106	-	-	64,241	156,183	148,270
Total income		<u>679,360</u>	<u>415,460</u>	<u>-</u>	<u>-</u>	<u>64,241</u>	<u>1,159,061</u>	<u>1,403,171</u>
Expenditure on:								
Charitable activities - housing costs	7	473,672	311,583	-	-	-	785,255	787,409
Charitable activities – other support and governance	7	140,341	52,662	-	-	-	193,003	299,810
Generating funds - fundraising		-	-	-	-	-	-	-
Total expenditure		<u>614,013</u>	<u>364,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>978,258</u>	<u>1,087,219</u>
Net gains on investments	11+14	-	17,833	-	-	216,154	233,987	137,180
Movement in fair value of investments	12	-	(28,775)	-	-	(146,035)	(174,810)	92,310
Net income		<u>65,347</u>	<u>40,273</u>	<u>-</u>	<u>-</u>	<u>134,360</u>	<u>239,980</u>	<u>545,442</u>
Transfers between funds - total return for application	20	120,000	-	-	-	(120,000)	-	-
- allocation to repairs fund	21	(48,115)	(93,125)	141,240	-	-	-	-
- Almshouse development fund		(35,000)	-	-	35,000	-	-	-
Net movement in funds		<u>102,232</u>	<u>(52,852)</u>	<u>141,240</u>	<u>35,000</u>	<u>14,360</u>	<u>239,980</u>	<u>545,442</u>
Funds brought forward		<u>429,557</u>	<u>776,065</u>	<u>674,658</u>	<u>-</u>	<u>8,594,679</u>	<u>10,474,959</u>	<u>9,929,517</u>
Funds carried forward		<u>531,789</u>	<u>723,213</u>	<u>815,898</u>	<u>35,000</u>	<u>8,609,039</u>	<u>10,714,939</u>	<u>10,474,959</u>

The Charity's turnover and expenses all relate to continuing operations.

Approved by the Directors on 7 November 2019.

Director.....

Director.....


Clerk to the Member.....


THE SKINNERS' ALMSHOUSE CHARITY

BALANCE SHEET AS AT 30 JUNE 2019

	Notes	30 June 2019 £	30 June 2018 £
Fixed assets			
Freehold housing properties, at cost less depreciation	9	3,481,635	3,588,662
Equipment	10	-	-
Freehold investment properties at valuation	11	318,000	400,000
Investments at valuation	12	6,087,418	6,197,978
		<u>9,887,053</u>	<u>10,186,640</u>
Current assets			
Debtors	15	237,890	366,715
Cash		1,209,939	650,203
		<u>1,447,829</u>	<u>1,016,918</u>
Creditors			
Amounts falling due within one year	16	<u>(314,514)</u>	<u>(330,954)</u>
Net current assets		1,133,315	685,964
Total assets less current liabilities		<u>11,020,368</u>	<u>10,872,604</u>
Creditors			
Amounts falling due after more than one year	17	<u>(305,429)</u>	<u>(397,645)</u>
Total net assets		<u>10,714,939</u>	<u>10,474,959</u>
The funds of the charity	19		
General Endowment Capital		8,609,039	8,594,679
Percy Bilton Fund		723,213	776,065
Designated reserve - Almshouse Development		35,000	-
Designated reserve - Repairs	21	815,898	674,658
Revenue reserve		531,789	429,557
Total charity funds		<u>10,714,939</u>	<u>10,474,959</u>

Approved by the Directors on


C J D Emms
Director


Mrs A D Buchanan
Director

The notes on pages 13 to 26 form part of these financial statements.
Company number 6801953

THE SKINNERS' ALMSHOUSE CHARITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 20189

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	25	239,110	86,876
Cash flows from investing activities			
Dividends, interest and rents from investments		156,183	148,270
Proceeds from the sale of property		211,085	-
Purchase of property plant and equipment		-	(975,116)
Proceeds from sale of investments		1,196,958	1,071,405
Purchase of investments		(1,156,307)	(849,641)
Net cash provided by (used in) investing activities		407,919	(605,082)
Cash flows from financing activities			
Repayment of borrowing		(87,293)	(80,530)
New borrowing		-	(42,000)
Net cash provided by (used in) financing activities		(87,293)	(38,530)
Change in cash and cash equivalents in the reporting period		559,736	(556,736)
Cash and cash equivalents at the beginning of the reporting period		650,203	1,206,939
Cash and cash equivalents at the end of the reporting period		<u>1,209,939</u>	<u>650,203</u>

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies

1.1 Accounting basis

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments (detailed below), and in accordance with the memorandum and articles of association.

The financial statements have been prepared in accordance with the accounting policies set out below, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The accruals basis is followed throughout.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

After reviewing the Charity's forecasts and projections, the Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its accounts.

1.3 Investments

Securities held as investments are stated at market value at the year end. Investment property, in which the Charity has a freehold interest, is stated in the accounts at market value. The valuation of the commercial property was undertaken by Gerald Eve, Chartered Surveyors, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

Profit and loss on disposals is calculated as the difference between the sales proceeds and the market value at the beginning of the year (purchase date if later).

1.4 Income

Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable.

Property rentals and interest on short term deposits are recognised when they arise. Dividends and interest on investments are recognised when they become due and payable.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable.

1.6 Housing land and buildings and depreciation

Percy Bilton Court, Hounslow, is included in the accounts at net book value transferred from Hunt and Almshouse Charity plus additions at cost. The land was originally donated by the Percy Bilton Charity and its market value at the date of acquisition is treated as cost.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

Skinners Court is shown in the accounts at net book value at date of transfer from the Hunt and Almshouse Charity.

Housing properties are depreciated on a straight line basis over the estimated useful economic lives of component categories. The minibus is fully depreciated. Useful economic lives for component categories for identified components are as follows:

Structure	75 years	Roof	40 years
Bathrooms & mechanical	30 years	Windows	25 years
Lifts & additions at PBC	25 years	Painting and fascias	25 years
Kitchens	20 years	Boilers	15 years

1.7 Charitable activities

Costs of charitable activities comprises direct costs attributable to each activity which include provision of housing and directly attributable overhead and support costs, including governance costs, as shown in Note 7.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits at call with banks and bank overdrafts.

1.9 Financial instruments

The Charitable Fund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The charity has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

1.10 Unrestricted funds: The funds available to the Directors for the general purposes of the Charity.

1.10 Restricted fund: The Percy Bilton Fund. Accumulation of net income relating to the Scheme at Hounslow.

1.11 Designated funds:

- The Almshouse Development Fund. A sum is set aside annually if surplus permits in order to fund future redevelopment of the properties.
- Repairs Reserves. This is the net accumulation of reserves designated for future repairs and replacements at each of the properties and are detailed in note 21.

1.12 Endowment funds: The permanent endowment of the Charity.

2. Income from lettings	2019 £	2018 £
Rents	613,672	578,035
Service charges and utilities	396,270	430,695
Rent losses from voids	(9,333)	(9,198)
	<u>1,000,609</u>	<u>999,532</u>

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

3. Staff costs

The average headcount of persons employed by the Charity during the year was nil (2018: nil). Those working on behalf of the Charity are employed either by The Skinners' Company and the costs are recharged to the Charity at cost under a paymaster arrangement or by Anchor Hanover. The Charity bore a share of overall employment costs in this manner of £227,925 shown under staff costs and £57,364 shown under management costs & charges.

The Company contributes towards pension arrangements for employees by way of a group personal pension plan, managed by Standard Life. The employer contributes 15% of gross annual salary and the employee 3%. Directors receive no remuneration, nor does the Member. No share of paymaster salary recharged to the Charity exceeded £60,000.

4. Auditors' remuneration

	2019 £	2018 £
Audit	9,084	8,904

5. Investment income

	2019 £	2018 £
Income from investment properties		
Rental income	200	205
Management and legal costs	(5,217)	(588)
Net income	(5,017)	(383)
Property unit trust income	73,538	72,775
Investment income	68,728	56,557
Deposit interest	3,828	1,604
	141,077	130,553
Percy Bilton Fund Investment income	15,106	17,717
	156,183	148,270

6. Interest payable

Interest of £35,023 was payable in respect of the loans from Fresh plc (formerly Orchardbrook Limited) and Allied Irish Bank (see note 18).

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

7. Charitable activities

	Other charitable support and governance		Housing Activities	
	2019	2018	2019	2018
Resident Welfare and support	31,971	34,393	1,676	1,187
Staff costs	92,051	191,372	135,874	144,104
Building repairs	-	--	224,082	262,460
Garden and equipment	-	-	12,339	32,767
Utilities	-	-	83,315	95,974
Cleaning	-	-	33,155	31,665
Administration	56,045	60,121	1,715	2,075
Scheme management staff and charges	-	-	134,576	108,064
Insurance	3,852	5,020	16,473	14,146
Depreciation	-	-	107,027	55,106
Audit	9,084	8,904	-	-
Interest	-	-	35,023	39,861
Total charitable costs	193,003	299,810	785,255	787,409

8. Allocation of surplus for year

	Percy Bilton Fund £	Alms house Development Fund £	Repairs Reserves £	Endowment Fund £	Revenue Reserves £	Total £
Housing activities: Surplus	87,541	-	-	-	127,813	215,354
Non-housing activities:						
Resident welfare	(12,404)	-	-	-	(19,567)	(31,971)
Other operating costs*	(40,258)	-	-	-	(120,774)	(161,032)
Fundraising	-	-	-	-	-	-
Income from property units	-	-	-	-	73,538	73,538
Investment income	15,106	-	-	64,241	3,298	82,645
Donations received	1,230	-	-	-	1,039	2,269
Realised gain on investments	17,833	-	-	216,154	-	233,987
Unrealised gain on investments	(28,775)	-	-	(146,035)	-	(174,810)
Transfers to Repairs Reserve:						
Renewals reserve	(19,807)	-	47,216	-	(27,409)	-
Cyclical repairs	(20,537)	-	12,643	-	7,894	-
Extraordinary repairs	(52,781)	-	81,381	-	(28,600)	-
Transfer to development fund	-	35,000	-	-	(35,000)	-
	(52,852)	35,000	141,240	134,360	(17,768)	239,980

* 25% of operating costs are associated with Percy Bilton Court

The transfer to endowment above represents the cost in the year of additions to Percy Bilton Court. This building forms part of the permanent endowment and therefore the funds used in the redevelopment are transferred into the permanent endowment fund

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

9. Freehold housing properties

Sheltered and Extra Care Housing

	Skinnners Court Palmers Green £	Percy Bilton Court Hounslow £	Total £
Cost brought forward 1 July 2018	2,419,027	1,653,302	4,072,329
Additions	-	-	-
Gross cost net of grants at 30 June 2019	<u>2,419,027</u>	<u>1,653,302</u>	<u>4,072,329</u>
Analysis of cost			
Buildings	2,419,027	1,503,302	3,922,329
Freehold land	-	150,000	150,000
	<u>2,419,027</u>	<u>1,653,302</u>	<u>4,072,329</u>
Depreciation			
Accumulated depreciation at 1 July 2018	433,590	50,077	483,667
Charge for year	49,553	57,474	107,027
Accumulated depreciation at 30 June 2019	<u>483,143</u>	<u>107,551</u>	<u>590,694</u>
Net book value at 30 June 2019	<u>1,935,884</u>	<u>1,545,751</u>	<u>3,481,635</u>
Net book value at 30 June 2018	<u>1,985,437</u>	<u>1,603,225</u>	<u>3,588,662</u>
The number of units of accommodation in management at 30 June 2019 was:			
- accommodation let at market rent	<u>48</u>	<u>38</u>	<u>86</u>

The freehold value of Percy Bilton Court is considered to be in excess of the book cost disclosed above. The value of the freehold land at Skinnners Court is not included on the balance sheet.

The transfer from expendable funds into endowed funds as shown on the SOFA represents the cost of the additions to Percy Bilton Court arising from the redevelopment project.

10. Equipment

	£
Cost at 30 June 2018	29,805
Cost at 30 June 2019	<u>29,805</u>
Accumulated Depreciation at 30 June 2018	29,805
Depreciation – charge for year	-
Accumulated Depreciation at 30 June 2019	<u>29,805</u>
Net Book Value 30 June 2019	<u>-</u>
Net Book Value 30 June 2018	<u>-</u>

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

11. Freehold investment properties

	2019 £	2017 £
Valuation 1 July 2018	400,000	400,000
Less reduction in value due to leases extended	(82,000)	-
Valuation 30 June 2019	<u>318,000</u>	<u>400,000</u>

This investment relates to the freehold interest in two blocks of flats in Pellipar Close, Palmers Green. The freehold interest was valued at 30 June 2019 by Gerald Eve. Leases were extended on four flats during the year, which gave rise to net disposal proceeds of £211,085.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

12. Investments held as fixed assets

	Market value 30 June 2019 £	Cost 30 June 2019 £	Market value 30 June 2018 £	Cost 30 June 2018 £
General Funds				
Cazenove Portfolio	1,931,695	1,579,750	1,982,349	1,535,279
Heartwood Portfolio	1,737,270	1,575,557	1,773,779	1,566,702
Property Unit Trusts	1,578,816	1,131,374	1,582,284	1,131,374
Charifund	88,162	58,989	90,238	58,989
	5,335,943	4,345,670	5,428,650	4,292,344
Percy Bilton Fund				
Cazenove Portfolio	395,648	323,563	406,024	314,455
Heartwood Portfolio	355,827	322,705	363,304	320,891
	751,475	646,268	769,328	635,346
	<u>6,087,418</u>	<u>4,991,938</u>	<u>6,197,978</u>	<u>4,927,690</u>

Charifund is a fund designed for charities and invests primarily in listed securities.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

12. Investments held as fixed assets (continued)

	Total 30.6.19 £	Cazenove/ Heartwood Portfolio 30.6.19 £	Property unit trusts 30.6.19 £	Charifund 30.6.19 £	Cazenove/ Heartwood portfolio 30.6.18 £	Property unit trusts 30.6.18 £	Charifund 30.6.18 £	Total 30.6.18 £
Surplus on revaluation								
Market value at 1 July 2018	6,197,977	4,525,455	1,582,284	90,238	4,610,170	1,491,258	88,824	6,190,252
Purchases	1,156,307	1,156,307	-	-	849,641	-	-	849,641
Disposal proceeds	(1,196,958)	(1,196,958)	-	-	(1,071,406)	-	-	(1,071,406)
Realised (loss)/gain on disposal	(7,278)	(7,278)	-	-	1,305	-	-	1,305
Unrealised (loss)/gain in year	(62,630)	(57,086)	(3,468)	(2,076)	135,745	91,026	1,414	228,185
Market value at 30 June 2019	6,087,418	4,420,440	1,578,816	88,162	4,525,455	1,582,284	90,238	6,197,977
Unrealised gains								
at 1 July 2018	1,270,287	788,128	450,910	31,249	788,258	359,884	29,835	1,177,977
Unrealised (loss)/gain in year	(62,630)	(57,086)	(3,468)	(2,076)	135,745	91,026	1,414	228,185
Less realised transferred to Income and expenditure	(112,180)	(112,180)	-	-	(135,875)	-	-	(135,875)
Movement in year	(174,810)	(169,266)	(3,468)	(2,076)	(130)	91,026	1,414	92,310
Unrealised gain at 30 June 2019	1,095,477	618,862	447,442	29,173	788,128	450,910	31,249	1,270,287
*General fund (83%)		(140,491)			(103)			
Percy Bilton Fund (17%)		(28,775)			(27)			
		(169,266)			(130)			

- The funds were rebalanced at 1 July 2018 to 83%/17% split to reflect investment withdrawals made to fund improvements in the building at Percy Bilton Court.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

13. Material Investments

As at 30 June 2019 the Charity held one material investment. This was The Charities Property Fund with a market value of £863,678. The Directors consider material for these purposes to be investments valued over £600,000, being in excess of 10% of the value of the portfolio.

14. Realised gain on investments

	General fund £	Percy Bilton fund £	Total £
Historic cost gain realised in year	87,069	17,833	104,902
Adjustment for gain recognised in previous years	(93,109)	(19,071)	(112,180)
Loss recognised in year	(6,040)	(1,238)	(7,278)

15. Debtors

	2019 £	2018 £
Arrears of residents' rent	17,957	22,306
Accrued investment income and interest	16,739	18,343
Trade debtors and prepayments	203,194	326,066
	237,890	366,715

16. Creditors

Amounts falling due within one year

	2019 £	2018 £
Audit	9,084	8,904
Trade creditors, etc	213,214	234,757
Loans (note 18)	92,216	87,293
	314,514	330,954

17. Creditors

Amounts falling due after more than one year

	2019 £	2018 £
Loans (note 18)	305,429	397,645

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

18. Loans

	(1*)	(2*)	(3*)	30 June 2019
	£	£	£	£
Brought forward 1 July 2018	208,292	236,746	39,900	484,938
New loan drawn	-	-	-	-
Loan repaid during period	(1,363)	(81,730)	(4,200)	(87,293)
Total creditors	206,929	155,016	35,700	397,645
Due within 1 year	1,515	86,501	4,200	92,216
Due after 1 year	205,414	68,515	31,500	305,429

(1*) This loan, originally from the Housing Corporation, was assigned by the Corporation to Fresh plc (formerly Orchardbrook Ltd) on 26 March 1997. The terms are unchanged. The loan is repayable by instalments over 60 years from July 1985 and is secured by a charge on freehold housing property at Hounslow. The amount repayable in the period to 30 June 2020 will be £1,515. The loan carried interest during the period at 10.875% per annum.

(2*) This loan from Allied Irish Bank was to fund the development of Skinnners Court. The balance of £155,016 is at a fixed rate of 6.03% until 2021.

(3*) This loan is from the Almshouse Association to help fund major refurbishment at Percy Bilton Court. It is interest free and repayable over 10 years.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

19. Reconciliation of movements in funds

	Notes	Endowment capital £	Almshouse Development Fund £	Percy Bilton Fund £	Repairs Reserve £	Revenue Reserves £	Total £
Balance 1 July 2018		8,594,679	-	776,065	674,658	429,557	10,474,959
Surplus for the year	8	134,360	35,000	(52,852)	141,240	(17,768)	239,980
Transfer from total return for application		(120,000)	-	-	-	120,000	-
Balance at 30 June 2019		8,609,039	35,000	723,213	815,898	531,789	10,714,939
Represented by:-							
Investment property and fixed asset investments	11/12	5,653,943	-	751,475	-	-	6,405,418
Other net assets/liabilities		(102,610)	35,000	(146,762)	815,898	531,789	1,133,315
Housing properties		3,331,635	-	150,000	-	-	3,481,635
Long term loan		(273,929)	-	(31,500)	-	-	(305,429)
		8,609,039	35,000	723,213	815,898	531,789	10,714,939
Revaluation Reserves							
Included within the funds above are revaluation reserves with the following values:							
Quoted securities		990,270	-	105,207	-	-	1,095,477

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued) **FOR THE YEAR ENDED 30 JUNE 2019**

20. Total Return	Endowment	Unapplied Total Return	Total
	£	£	£
Permanent endowment at start of reporting period	7,841,639	753,040	8,594,679
Movements in the reporting period			
Add: Investment returns dividends and interest	-	83,479	83,479
Investment returns gains	129,085	87,069	216,154
Investment returns unrealised losses	(5,544)	(140,491)	(146,035)
Investment management cost	-	(19,238)	(19,238)
Total	123,541	10,819	134,360
Less: Unapplied total return applied	-	(120,000)	(120,000)
Net movement in reporting period	123,541	(109,181)	14,360
At end of reporting period	7,965,180	643,859	8,609,039

The Percy Bilton Fund is expendable endowment and therefore not subject to the total return policy.

21. Repairs reserve

An annual allocation is made to Repairs Reserve, in order to set funds aside for future extraordinary and cyclical repairs at Skinners Court and Percy Bilton Court. This procedure is recommended by the Almshouse Association. The following were the movements on Repairs Reserve in the period to 30 June 2019.

	Renewals	Skinners Court Extraordinary	Cyclical	Renewals	Percy Bilton Court Extraordinary	Cyclical	Total
	£	£	£	£	£	£	£
Balance 1 July 2018	205,865	117,797	156,867	75,692	72,503	45,934	674,658
Allocation in period	27,409	28,600	23,800	25,465	65,600	24,400	195,274
Expended in period	-	-	(31,694)	(5,658)	(12,819)	(3,863)	(54,034)
Balance at 30 June 2019	233,274	146,397	148,973	95,499	125,284	66,471	815,898

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

22. Comparative year statement of financial activities

	£	£	£	£	£	£
	Unrestricted	Percy Bilton Fund	Repairs fund	Almshouse Development	Endowment Fund	Total 2018
Income						
Charitable activities – licence fees	619,392	380,140	-	-	-	999,532
Donations	731	254,638	-	-	-	255,369
Investments	78,228	17,717	-	-	52,325	148,270
Total income	<u>698,351</u>	<u>652,495</u>	<u>-</u>	<u>-</u>	<u>52,325</u>	<u>1,403,171</u>
Expenditure						
Charitable activities - Housing costs	539,033	248,376	-	-	-	787,409
Charitable activities – other support and governance*	217,965	81,845	-	-	-	299,810
Fundraising	-	-	-	-	-	-
Total costs	<u>756,998</u>	<u>330,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087,219</u>
Net gains on investments	-	28,808	-	-	108,372	137,180
Unrealised gains on investments	-	(27)	-	-	92,337	92,310
Net income	<u>(58,647)</u>	<u>351,055</u>	<u>-</u>	<u>-</u>	<u>253,034</u>	<u>545,442</u>
Transfers between funds - total return for application	120,000	-	-	-	(120,000)	-
- allocation to repairs fund	51,716	(84,267)	32,551	-	-	-
- Redevelop Percy Bilton Court	-	(678,496)	(256,619)	-	935,115	-
Net movement in funds	<u>113,069</u>	<u>(411,708)</u>	<u>(224,068)</u>	<u>-</u>	<u>1,068,149</u>	<u>545,442</u>
Funds brought forward	<u>316,488</u>	<u>1,187,773</u>	<u>898,726</u>	<u>-</u>	<u>7,526,530</u>	<u>9,929,517</u>
Funds carried forward	<u>429,557</u>	<u>776,065</u>	<u>674,658</u>	<u>-</u>	<u>8,594,679</u>	<u>10,474,959</u>

*25% other costs plus PBC welfare allocated to PBC.

THE SKINNERS' ALMSHOUSE CHARITY

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 30 JUNE 2019

23. Related party transactions

During the course of the period £35,835 (excluding VAT) was paid to Pellipar Services Company Limited, a company wholly owned by the sole member, in respect of recharges for rent and other costs. All such recharges were made on an arm's length basis.

24. Taxation

The Skinners' Almshouse Charity is a registered charity and its income is not liable to direct taxation as it is applied to wholly charitable purposes.

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

	2019	2018
	£	£
Net income for the reporting period (as per SOFA)	239,980	545,442
Adjustments for:		
Depreciation charges	107,027	55,106
(Gains)/losses on investments	(59,177)	(229,490)
Dividends, interest and rents from investments	(156,183)	(148,270)
Decrease/(Increase) in debtors	128,825	(39,279)
(Decrease) in creditors	(21,362)	(96,633)
Net cash provided by operating activities	<u>239,110</u>	<u>86,876</u>