



Sir Josiah Mason Trust

**SIR JOSIAH MASON'S
ALMSHOUSE CHARITY**

**TRUSTEES' REPORT &
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2017**

Charity Registration No. 209283

Homes & Communities Agency Registration No. A0629

SIR JOSIAH MASON'S ALMSHOUSE CHARITY

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SIR JOSIAH MASON'S ALMSHOUSE CHARITY

Trustees, Officers and Advisors

Trustees	Mrs A R Anderson – Chairman Ms A Crawley – Vice Chairman Mr M Goodwin Councillor Mr K I Meeson Mrs B Foster Councillor Mr G Moore Mrs J Houlder Mr M Baylis Mr P Soule Mr J Pyke Mr M Smith
Chief Executive & Company Secretary	Richard Hall
Registered Office	Mason Court Hillborough Road Birmingham B27 6PF
Bankers	HSBC Bank Plc 34 Poplar Road Solihull West Midlands B91 3AF
Solicitors	SGH Martineau LLP No.1 Colmore Square Birmingham B4 6AA Harris Cooper Brownings LLP 681 Warwick Road Solihull West Midlands B91 3DA
Auditor	Mazars LLP 45 Church Street Birmingham B3 2RT
Registered Charity No.	209283
Homes & Communities Agency Reg. No.	A0629

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 March 2017.

The financial statements have been prepared in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard FRS102 "The Financial Reporting Standard" applicable in the UK and Republic of Ireland), and comply with the Statement of Recommended Practice for registered social housing providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The accounts also comply, in all material respects, with charities' legislation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The original Trust Deed dated 29 July 1868 and the Scheme of the Charity Commission sealed on 11 December 1963 were superseded by a new Scheme effective from 1 April 1995 and approved by the Charity Commission and sealed on 10 May 1995. Under the Scheme the original charity was divided into two separate charities, the Sir Josiah Mason's Relief in Need and Educational Charity and the Sir Josiah Mason's Almshouse, Care and Nursing Home Charity. Under a subsequent Scheme effective from 1 April 1998 and approved by the Charity Commission on 19 January 1999 the Sir Josiah Mason's Almshouse, Care and Nursing Home Charity was itself divided into two separate charities, the Sir Josiah Mason's Almshouse Charity and the Sir Josiah Mason's Care and Nursing Home Charity. Following a change in its activities, the latter is now known as the Sir Josiah Mason Care Charity.

The charitable objects of the Relief in Need and Educational Charity enable it to provide assistance to the Care and Almshouse charities and the residents thereof.

All three Charities have the same Trustees.

TRUSTEES

When complete, the body of Trustees consists of four nominated Trustees and eight co-opted Trustees. Of the nominated Trustees, two are put forward by Birmingham City Council and two by Solihull Metropolitan Borough Council. Each appointment is made for a term of three years.

The Trustees who served as a 'Board of Trustees' during the year and to the date of this report were:

Mrs A R Anderson – Chair
Councillor K I Meeson
Mr M H Goodwin
Mrs J Houlder
Mr P Soule (from September 2016)
Mr M Smith (from April 2017)

Ms A Crawley – Vice Chair
Mrs B Foster
Councillor Mr G Moore
Mr M Baylis
Mr J Pyke (from December 2016)

Trustee Recruitment and Training

The power and responsibility to appoint new Trustees lies with the Board of Trustees and when recruiting new Trustees, they look for individuals whose skills and experience are such that they are able to make a significant contribution to the future strategic leadership and development of the Charity.

New Trustees are made aware of their responsibilities, the importance attached to 'good governance', and as Charity Trustees are helped to familiarise themselves with the practical and financial aspects of the Charity's operations. To assist they are provided with a copy of the Charity Commission's Scheme, the latest published financial statements and forward plans and appropriate Charity Commission publications. As the Charity is also a Registered Provider of Social Housing new Trustees are in addition guided by regulatory requirements of the Homes & Communities Agency. In addition the Charity is an Almshouse Trust and as such is affiliated to the National Almshouse Association.

Potential Trustees are identified as follows:-

- Candidates recommended by existing Trustees;
- Approaching other organisations for recommendations; or,
- Advertising in the local press and on appropriate websites.

Organisational Structure

All Trustees sit on the Charity's Board of Trustees of which Mrs A R Anderson is Chair and Ms A Crawley is Vice Chairman. All matters of business strategy, policy and management are determined by this Board at their regular meetings, which are held at least quarterly throughout the year.

The Trustees are also Trustees of Sir Josiah Mason's Care Charity and the Sir Josiah Mason's Relief in Need and Educational Charity. There are three standing committees which form part of the governance arrangements. The Finance Committee meets five times each year to consider financial matters, risk management, audit, investment strategy and associated affairs.

The Housing, Care & Property Services Committee meets quarterly to consider; policy and operational performance (relating to housing, care and property services), compliance matters, complaints, health and safety and resident related matters. The Trust continues to have three appointed resident representatives at the Housing, Care and Property Services Committee Meetings.

The third is the Remuneration Committee which meets at least annually to determine employment arrangements of the Chief Executive and other members of the management team. It comprises of the Chairs of the three individual charities plus the Chair of the Trust.

Each meeting of the Trustees, including those of the committees, covers the affairs of all three of the Sir Josiah Mason Charities. None of the Trustees has any beneficial interest in the Charity.

Risk Management

Trustees continue to keep under regular review significant risks which if materialised might have an adverse effect in delivering the charities' objectives, or impact adversely on its good reputation. Systems to give internal control assurance are in place to highlight potential exposures together with appropriate mitigation plans. Financial forecasting and the preparation of regular management accounts mean that adequate funding is available for the continuation of the Charity's operations. A robust system of Financial Regulation and delegated authorities ensures the proper authorisation of all major items of expenditure.

Objects and Activities for the Public Benefit

The objects of the Charity are:

- a) The provision of housing accommodation for beneficiaries; and
- b) Such charitable purposes for the benefit of the residents as the Trustees decide.

The Charity, which is an Almshouse and also a Registered Provider of Social Housing owns and manages Supported Housing Schemes for the Elderly at Olton, Shirley and Erdington - 147 homes in total, (plus 2 guest rooms) and also a 21 bedroom Extra Care Housing facility also located on the Olton complex.

The Trustees confirm that they have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, and in planning future activities.

The Charity meets this by the provision of a broad range of affordable homes, the provision of support, and where appropriate, care services to needy residents. The Charity has again continued to invest substantially over the past year in the fabric of its housing stock to upgrade the quality of its accommodation for the benefit of current and future residents.

Applicants wishing to reside in the Charity's accommodation undertake a formal assessment process to ensure they are suitable for the accommodation on offer, and that their support needs can be properly met by the Charity. Individual applications are prioritised on the basis of the needs of the applicants in accordance with an agreed Admissions Policy and Procedure. This policy is widely available with information of the Trust's housing schemes and any available accommodation more fully described (and weekly updated) on the Sir Josiah Mason Trust website – www.sjmt.org.uk

Applications for residency are welcome from older people, generally 60 years or more, regardless of gender, ethnicity or background. Indeed, the Trust actively seeks to encourage applicants who are representative of our diverse communities. Our staff also work closely with a number of referral agencies across Birmingham and Solihull so to widen opportunities for individuals to apply for residency within the Charity.

The Trust actively encourages residents to participate in a wide range of social events and other activities which are intended to add to the quality of life and enjoyment of living in the Charity's accommodation.

Our residents requiring additional support (for example after hospitalisation) can utilise temporary respite and care services in Alexandra Court, which is staffed on a permanent 24/7 basis. Alexandra Court, our Extra Care provision for frail elderly people is also registered as a domiciliary services provider with the Care Quality Commission and following inspection by the Care Quality Commission was again judged to be providing Good Quality services.

For those who then actually become infirm (because of illness or other reasons) we are usually able to arrange a transfer to Alexandra House which is a purposely designed 36 bed roomed Registered Care Home, operated by the Sir Josiah Mason Care Charity.

The Charity continues to benefit from the skills, expertise and commitment of its Trustees, who receive no remuneration in undertaking their governance role. They have arrangements in place to ensure that structured and regular meetings with residents take place.

Residents' needs are very well catered for as evidenced by high levels of satisfaction feedback, through independent quality assurance measures, and views expressed via external stakeholders. The Charity provides a wide range of services to support its residents including, welfare benefit and money advice, many social activities, training in the use of the internet and e-mail, and computers are now available at each location for all residents to use at their leisure.

The Trust has adopted a comprehensive approach to continuous improvement and for ensuring we achieve value for money in delivering our business objectives. Following a robust assessment of performance we conclude that the Trust has good evidence to support compliance with the expected outcomes of the VFM standard, but recognises that there are some areas of VFM activity that require further improvement to ensure that the track record of continuous improvement meets the high expectations that the Trustees and residents of the Almshouse charity require.

Our continuing success as a high performing provider of housing and support services depends to a very large extent upon the commitment and skills of our staff and Trustees. We are conscious of this and attach great importance to training and personal development as we meet the challenges of future years.

FINANCIAL REVIEW

Income from lettings increased by £5,257 in the year despite supporting people grants falling year on year since 2011. Other Income increased by £14,623 as the Charity benefited from the termination of the contract for paramedic stations with West Midlands Ambulance Service. Loss of income through voids increased by £9,014 to £64,668 in the year and was still lower than it was in 2010/11. Occupancy rates for the year as a whole were 96% as the continuing bedsit conversion programme resulted in bedsits remaining unlettable for an average 6 weeks.

Expenditure on lettings increased by £30,604, 2.4% above the previous year. This increase was attributable to Management costs rising by £52,924 and in particular to:

- Staffing costs; and
- Depreciation and losses on disposal of assets arising from the continuing capital improvement to the Charity's housing stock.

Spending on Services and Repairs and Maintenance fell as a result of:

- Lower staffing costs; and
- Lower utility, security costs and health and safety expenditure.

The overall result for the year was an operating surplus of £428,104 (2016 £437,331) which generated a healthy cash flow which in turn was used to fund a continuing capital improvement programme. These surpluses over the years have enabled the acceleration of investment plans to our housing stock enabling significant improvements in the year including:-

- 15 bedsit conversions into one bedroom self-contained flats;
- The refurbishment of kitchens and bathrooms to 2 flats;
- New carpeting to communal areas at Mason Court; and
- New external doors to properties at Mason Cottages.

Expenditure on the fabric of the Charity's buildings amounted to £428,808 (2016 £498,582) in the year and of this expenditure, £330,443 (2016 £403,321) was capitalised and funded through Revenue Reserves.

Additionally, the computer server was replaced and upgraded along with the purchase of new desk top computers for staff.

RESERVES

The operating surplus helped improve Revenue Reserves to £6,446,952 (2016 £6,018,277). As in 2017, surpluses arising from the Charity's operations in future years will continue to be invested in improving the housing stock as well as setting aside monies for future cyclical repairs and sinking funds.

INVESTMENT POLICY

The Charity has no investments.

FUTURE PLANS

Trustees remain conscious of the need to ensure all services delivered by the Charity (internally and via external providers / contractors) are of the highest quality and within the financial means of beneficiaries. We will therefore maintain our drive for, "continual improvement in all that we do". The Charity intends to remain a highly efficient and effective housing provider, delivering accommodation and services focused on the needs of our residents - both current and future.

Looking to the longer term, Trustees will continue the programme of re-modelling the less popular bedsit accommodation (at Mason Court and Mason House), and our strategy is now to accelerate this programme and convert the remaining 6 bedsits into high quality, self-contained one bedroomed flats; completing the programme by the end of 2017.

GOING CONCERN

Under governance requirements the Trustees confirm that after making enquiries they have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

INTERNAL CONTROLS ASSURANCE

The Board of Trustees has overall responsibility for establishing and maintaining a robust system of internal control and for reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control currently in operation is designed to identify and manage risk and to provide reasonable assurance that all key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational performance information and the safeguarding of the Charity's assets and interests.

In meeting its responsibilities Trustees have adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the charity is exposed and is consistent with Turnbull principles (guidance on best practice in internal controls management).

TRUSTEES RESPONSIBILITIES

As a Registered Provider the Board of Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the entity at the end of the financial year and of its income and expenditure for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, and formulated, to the best of the Trustees knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the entity is a going concern.

The Board of Trustees is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the Charity's transactions and its assets and liabilities, and for maintaining a satisfactory system of control over the Charity's books of account and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COMPLIANCE WITH THE HCA GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Trustees confirm that the Charity complies with the requirements of the Governance and Financial Viability Standard.

TRUSTEES' LIABILITY INDEMNITY

All Trustees of the charity benefit from a 'Members and Officers Liability Insurance' policy operated through membership of the National Housing Federation which provided £45,000,000 of cover.

FINANCIAL INSTRUMENTS

The Charity does not have any abnormal exposure to price, credit, liquidity or cash flow risks arising from its trading activities. The Charity does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are Trustees of the Charity at the date when this report was approved:

- so far as each of the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- each of the Trustees has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the Charity's auditor is aware of that information.

The report was approved by the Board of Trustees on Friday 22nd September 2017 and signed on their behalf by:

Mrs A R Anderson – Chair A. R. Anderson

Ms A Crawley – Vice Chair Alice Crawley

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SIR JOSIAH MASON'S ALMSHOUSE CHARITY

We have audited the financial statements of Sir Josiah Mason's Almshouse Charity for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of Trustees and the auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 7 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

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 2017 and of the charity's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the charity has not kept property books of account; or
- a satisfactory system of control over transaction has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

MAZARS LLP

CHARTERED ACCOUNTANTS (Statutory Auditor)

45 Church Street

Birmingham

B3 2RT

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER	3	1,769,209	1,749,329
Operating costs	3	<u>(1,341,105)</u>	<u>(1,311,998)</u>
OPERATING SURPLUS	3	428,104	437,331
Interest receivable and other income		2,508	2,594
Interest and financing costs	5	<u>(1,937)</u>	<u>(1,902)</u>
SURPLUS FOR THE YEAR	6	428,675	438,023
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>428,675</u></u>	<u><u>438,023</u></u>

The financial statements on pages 10 to 24 were approved and authorised for issue by the Trustees on Friday 22nd September 2017 and were signed on their behalf by:-

Mrs A R Anderson - Chair A R. Anderson

Ms A Crawley - Vice Chair Alice Crawley

STATEMENT OF FINANCIAL POSITION
As at 31 MARCH 2017

	Notes	2017 £	2016 £
TANGIBLE FIXED ASSETS			
Housing properties – cost less depreciation	9	6,527,584	6,397,487
Other property, plant & equipment	10	33,153	25,232
		<u>6,560,737</u>	<u>6,422,719</u>
CURRENT ASSETS			
Inventories		1,349	1,224
Trade and other receivables	11	77,097	85,026
Cash and cash equivalents		1,509,728	1,205,066
		<u>1,588,174</u>	<u>1,291,316</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(159,986)</u>	<u>(136,263)</u>
NET CURRENT ASSETS		<u>1,428,188</u>	<u>1,155,053</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,988,925	7,577,772
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	<u>(1,541,973)</u>	<u>(1,559,495)</u>
NET ASSETS		<u>6,446,952</u>	<u>6,018,277</u>
RESERVES			
Revenue reserves		<u>6,446,952</u>	<u>6,018,277</u>

The financial statements on pages 10 to 24 were approved and authorised for issue by the Trustees on Friday 22nd September 2017 and were signed on their behalf by:-

Mrs A R Anderson - Chair A.R. Anderson

Ms A Crawley – Vice Chair Alice Crawley

STATEMENT ON CHANGES IN RESERVES
For the year ended 31 MARCH 2017

	Revenue Reserves 2017 £	Revenue Reserves 2016 £
BALANCE AT 1 APRIL 2016	6,018,277	5,580,254
Surplus from statement of Comprehensive income	428,675	438,023
BALANCE AT 31 MARCH 2017	<u>6,446,952</u>	<u>6,018,277</u>

STATEMENT OF CASH FLOWS
For the year ended 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
NET CASH GENERATED FROM OPERATING ACTIVITIES	A		653,317		582,326
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest received		2,508		2,594	
Interest and financing costs	5	<u>(1,937)</u>		<u>(1,902)</u>	
			571		692
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of housing properties	9	(330,443)		(403,321)	
Purchase of other fixed assets	10	<u>(18,783)</u>		<u>(17,404)</u>	
			<u>(349,226)</u>		<u>(420,725)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS			304,662		162,293
Cash and cash equivalents at the beginning of the year			<u>1,205,066</u>		<u>1,042,773</u>
Cash and cash equivalents at the end of the year			<u><u>1,509,728</u></u>		<u><u>1,205,066</u></u>

A) RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Surplus for the year	428,675	438,023
Movement in debtors	7,929	(39,044)
Movement in creditors	23,725	16,491
Deficit on disposal of housing properties	40,297	23,903
Depreciation	170,785	161,168
Movement in capital grants	(17,523)	(17,523)
Adjustments for investing or financing activities:		
Interest receivable	(2,508)	(2,594)
Interest and financing costs	<u>1,937</u>	<u>1,902</u>
Net cash inflow from operating activities	<u><u>653,317</u></u>	<u><u>582,326</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Statement of Recommended Practice for Registered Social Housing Providers 2014 (SORP). The accounts also comply, in all material respects, with charities legislation. The Charity is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

(b) Turnover

Turnover represents residents' contributions receivable in respect of almshouses (net of void losses), grants and donations and other sundry income.

(c) Depreciation

Depreciation is charged so as to write down the cost of freehold housing properties and other fixed assets to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

Freehold land	Not depreciated
Housing properties:	
Structures and Pitched Roof	100 years
Lifts	50 years
Doors and Windows	35 years
Flat Roof	30 years
Central Heating including Boilers	25 years
Electrics	20 years
Bathrooms and Kitchens	15 years
Soft Furnishings	10 years
Computers	4 years
Fixtures and fittings	4 years
Vehicles	4 years

(d) Impairment

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

(e) Works to existing properties

Expenditure on housing properties, other than the replacement of components, which results in an enhancement of the economic benefits of the property or relates to a major overhaul of the property is capitalised.

(f) Social Housing Grant (SHG) and other grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

(g) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(h) Pensions

The Charity operates a defined contribution pension scheme, the cost of which is written off to the Statement of Comprehensive Income on an accruals basis. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

(i) Donations

Cash donations are accounted for when the receipt is recorded in the accounting records. Material donations of items other than cash are included in income at market value on receipt.

(j) Voluntary help

No value has been put on the voluntary help received by the Charity during the year.

(k) Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables.

Any non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financing transactions

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(m) Charitable Status

The Charity is registered with the Charity Commission, number 209283, and is exempt from Income Tax and Capital Gains Tax provided its income and gains are applied for charitable purposes.

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Provisions and accruals

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Impairment of trade debtors

An estimate of the collectible amount of trade debtors is made when collection of the full amount is no longer probable. This estimation is performed on an individual basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3 TURNOVER AND OPERATING COSTS

	2017			2016		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Income and expenditure from Lettings						
Almshouse accommodation (See Note 4)	1,679,248	(1,329,591)	349,657	1,673,991	(1,298,987)	375,004
Other income and expenditure						
Catering	-	-	-	-	-	-
Donations	890	-	890	29,614	-	29,614
Management fee	8,000	(8,000)	-	7,808	(7,808)	-
Other income and expenditure	81,071	(3,514)	77,557	37,916	(5,203)	32,713
Total	1,769,209	(1,341,105)	428,104	1,749,329	(1,311,998)	437,331

	2017	2016
	£	£
4 INCOME AND EXPENDITURE FROM LETTINGS		
Income:		
Rents net of voids	843,252	839,851
Service charges net of voids	715,690	703,726
Supporting People grants	102,784	112,892
Amortisation of SHG	17,522	17,522
	<u>1,679,248</u>	<u>1,673,991</u>
Expenditure:		
Services	399,898	408,145
Management	696,778	643,854
Repairs and maintenance	232,915	246,988
	<u>1,329,591</u>	<u>1,298,987</u>
Operating surplus on letting activities	<u>349,657</u>	<u>375,004</u>
Void losses	<u>64,668</u>	<u>55,654</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
5 INTEREST AND FINANCING COSTS		
Bank interest and charges	1,937	1,902
	<u>1,937</u>	<u>1,902</u>
No interest was capitalised in the year (2016 £nil).		
6 SURPLUS FOR THE YEAR		
Surplus for the year is stated after charging:		
Staff costs (note 7)	750,102	742,699
Depreciation of tangible owned fixed assets	170,785	161,168
Auditor's remuneration:		
In their capacity as auditor	7,260	7,154
Other services	-	-
	<u>750,102</u>	<u>742,699</u>
7 STAFF COSTS		
Salaries	662,589	656,982
Social security costs	57,257	52,915
Other pension costs	30,256	32,802
	<u>750,102</u>	<u>742,699</u>
Agency staff	<u>16,352</u>	<u>12,413</u>
Highest paid employee (CEO) (excluding pension contributions)	68,096	66,306
Less Recharges to associated Charities	(12,017)	(11,701)
	<u>56,079</u>	<u>54,605</u>
No other employee was paid in excess of £60,000 in the year.		
Average number of full time equivalent persons employed during the year:	Number	Number
Office	7	7
Carers & other site staff	26	25
Total employees	<u>33</u>	<u>32</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	£	£
8 TRUSTEES' REMUNERATION		
Out of pocket expenses reimbursed in the year.	196	-
9 FIXED ASSETS - Housing properties		
COST		
At 1 April 2016	7,322,818	
Additions	330,443	
Less Disposals	(82,986)	
	<u>7,570,275</u>	
At 31 March 2017	<u>7,570,275</u>	
DEPRECIATION		
At 1 April 2016	925,331	
Charge for the year	159,922	
Less Disposals	(42,562)	
	<u>1,042,691</u>	
At 31 March 2017	<u>1,042,691</u>	
NET BOOK VALUE		
At 31 March 2016	<u>6,397,487</u>	
At 31 March 2017	<u>6,527,584</u>	

All housing properties are freehold and completed. Total expenditure on works to existing properties amounted to £428,808 (2016 £498,582). Of this expenditure, £330,443 (2016 £403,321) was capitalised in the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10 Other property, plant & equipment

		2017		
	Fixtures & fittings £	Computers £	Motor Vehicles £	Total £
COST				
At 31 March 2016	86,839	42,728	9,070	138,637
Additions	4,623	14,160	-	18,783
Less Disposals	-	(19,747)	-	(19,747)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	<u>91,462</u>	<u>37,141</u>	<u>9,070</u>	<u>137,673</u>
DEPRECIATION				
At 31 March 2016	67,630	36,704	9,070	113,404
Charge for the year	6,812	4,051	-	10,863
Less Disposals	-	(19,747)	-	(19,747)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	<u>74,442</u>	<u>21,008</u>	<u>9,070</u>	<u>104,520</u>
NET BOOK VALUE				
At 31 March 2016	<u>19,209</u>	<u>6,023</u>	<u>-</u>	<u>25,232</u>
At 31 March 2017	<u>17,020</u>	<u>16,133</u>	<u>-</u>	<u>33,153</u>
Depreciation rates	25%	25%	25%	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	£	£
11 DEBTORS		
Sundry debtors and prepayments	36,617	47,940
Almshouse contribution arrears	40,224	34,822
Due from Sir Josiah Mason's:		
Care Charity	-	2,181
Relief in Need Charity	256	83
	<u>77,097</u>	<u>85,026</u>
	<u><u>77,097</u></u>	<u><u>85,026</u></u>
12 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Almshouse contribution prepayments	28,472	25,173
Due to Sir Josiah Mason's Care Charity	3,483	-
Trade creditors	50,497	32,500
Government grants	17,522	17,523
Taxation and social security	24,635	22,425
Accruals and deferred income	26,484	30,174
Other creditors	8,893	8,468
	<u>159,986</u>	<u>136,263</u>
	<u><u>159,986</u></u>	<u><u>136,263</u></u>
13 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)		
Government grants:		
At 1 April 2016	1,577,018	1,594,541
Amortised in the year	(17,523)	(17,523)
	<u>1,559,495</u>	<u>1,577,018</u>
At 31 March 2017	<u>1,559,495</u>	<u>1,577,018</u>
Amortisation charge < 1 year	<u>17,522</u>	<u>17,523</u>
Amortisation charge > 1 year	<u>1,541,973</u>	<u>1,559,495</u>

Total accumulated SHG received at the year-end amounted to £1,752,241.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14 FINANCIAL INSTRUMENTS

The carrying values of the Charity's financial assets and liabilities are summarised by category below:

	2017 £	2016 £
Financial Assets		
Measured at undiscounted amount received		
• Rent arrears and other debtors (see Note 11)	43,803	52,530
• Amounts due from related undertakings (see Note 11)	256	2,264
	<u>44,059</u>	<u>54,794</u>
Measured at undiscounted amount payable		
• Trade and other creditors (see Note 12)	112,498	88,566
• Amounts owed to related undertakings (see Note 12)	3,483	-
	<u>115,981</u>	<u>88,566</u>

15 OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payments due:		
Within one year	2,929	2,929
Within 2 to 5 years	4,639	7,565
-		
	<u>7,568</u>	<u>10,424</u>

16 CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the financial statements

-	-
<u>-</u>	<u>-</u>

17 LEGISLATIVE PROVISIONS

The Charity is an Almshouse Charity regulated by a scheme of the Charity Commissioners.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18 RELATED PARTY TRANSACTIONS

	2017	2016
	£	£
Grants received from:		
Sir Josiah Mason's Relief in Need and Educational Charity	19,219	14,066
Management fee received from:		
Sir Josiah Mason's Relief in Need and Educational Charity	<u>8,000</u>	<u>7,808</u>

Trustees, Councillor Mr G Moore is the representative of Birmingham City Council, and Councillor K I Meeson and Mr M H Goodwin are representatives of Solihull MBC. Sir Josiah Mason's Almshouse Charity has contracted at arm's length with both councils and is not in receipt of any preferred terms of contract.

	2017	2016
	No's	No's
19 ACCOMMODATION		
Number of units of accommodation in use at 31 March was	<u>168</u>	<u>168</u>