

Charity registration number 1037430

Company registration number 02919404 (England and Wales)

ST ANNE'S HOSTEL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ST ANNE'S HOSTEL

LEGAL AND ADMINISTRATIVE INFORMATION

Board

Mr S W Morgan (Chairman)
Mr J S Martin
Mr P S Higman
Ms P C Shepherd
Dr A Passmore
Ms E A Millet
Mr S Sharma
Ms Caroline Naven
Mr David Kinnair
Ms D Harris

Secretary Ms Amanda Trappett

Charity number 1037430

Company number 02919404

Registered office 112 Moseley Street
Highgate
Birmingham
West Midlands
B12 0RY

Independent examiner Jerroms
Lumaneri House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AH

ST ANNE'S HOSTEL

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BOARD REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Board present their annual report and financial statements for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

Objectives and activities

The objectives are the provision of accommodation in the city of Birmingham for single homeless men who are provided with assistance in seeking resettlement in the community.

The Board have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Rent Policy

The company's policy is to charge rent at levels that are affordable and reflect the quality of accommodation, management and support provided. The principle of affordable rents is to encourage residents to find employment and escape from the culture of State benefits. To enable the company to achieve this, the rent levels at some of its existing and new properties which are used for move-on accommodation have been reduced or set at a lower level than those where intensive support is provided. These reduced rent levels have not affected the quality of the accommodation provided.

Long term stock maintenance repair policy

The company's policy is to maintain its housing stock to the highest possible standards, thereby ensuring both staff and resident safety.

Each financial year a detailed plan is drawn up, which is included in the budgets, to carry out the work detailed and this is monitored by senior management to ensure all appropriate repairs are carried out.

General repairs are carried out on a day-to-day basis when needed. The company's manager is responsible for ensuring that repairs are identified and carried out when needed and the performance of contractors is constantly reviewed to ensure the company achieves value for money.

Reserves policy

The Board have adopted the policy of putting funds into a designated reserve and of using the designated reserve as required. The directors consider that the company has sufficient assets to meet obligations as they arise on designated and general funds.

The Directors are of the opinion that the need for a designated reserve has diminished as a result of substantial repairs and maintenance expenditure. The Company has decided not to top up the cyclical maintenance reserve from general reserves this year.

The level of and need for the designated reserve will continue to be assessed each year.

Achievements and performance

St Anne's continued to invest in its facilities during the year and has successfully maintained the quality of its provision for service users at a time where funding is constrained. The Company has continued to progress plans for the development of its development site, with the plans for the development site now agreed and the planning application underway.

Assessment of how the RP is achieving value for money

The Board recognises the importance of running the charity in a business-like way in order to maximise the resources available to invest in the services provided to residents who are at the centre of all that we do.

We seek to do this by working together with like-minded suppliers and contractors. They help us deliver services in a more cost-effective and efficient way by working collaboratively to offer joined up solutions which are more innovative and better targeted. By working together and sharing skills and experience, we can seek to achieve more.

We constantly review our services and operations to ensure we achieve greater efficiencies and deliver value to our residents.

St Anne's Hostel has prepared the groundwork to report against an agreed set of measures for Value for Money, that were required by Regulator for Social Housing (RSH). St Anne's Hostel can offer the following information for VFM metrics for the year end March 2023:-

		2022/23		2021/22
1	Reinvestment %	5.6%	Minor expenditure and preparation for new Build.	87.7%
	(Fixed Asset Additions as a percentage of total fixed assets at the end of the period)			
2a	New Supply (Social Housing Units) %	Nil	No new social housing units delivered in year.	Nil
	(Social units developed, acquired or leased in-year as a percentage of Total social units at the end of the period)			
2b	New Supply (Non-Social Housing Units) %	Nil	No new social housing units delivered in year.	Nil
	(Non-Social units developed, acquired or leased in-year as a percentage of Total social and non-social units at the end of the period)			
3	Gearing %	3.8%	Reduction in cash due to operating loss.	2.1%
	Short and long term loans and lease obligations less cash and cash equivalents as a percentage of Tangible fixed assets.			
4	EBITDA MRI Interest Cover %	-347.7%	Operating loss	115.8%
	Operating surplus/(deficit) plus Gain/(loss) on disposal of fixed assets as a percentage of Capitalised Interest and Interest payable and financing costs.			
5	Headline Social Housing Cost £	n/a	Management cost for social housing and hostel accommodation are not separately identified.	n/a

6a	Operating Margin (social housing lettings) %	n/a	Surplus attributable to social housing not separately identified.	n/a
6b	Operating Margin (overall) %	-8.2%	Operating loss and impact of additional depreciation	-0.1%
7	Return on Capital Employed %	-12.6%	Operating loss and impact of additional depreciation	-0.2%

Financial review

The results for the year show a deficit of £63,481 (2021-22 deficit of £993). The deficit is a result of difficult operating conditions, with increased costs as a result of spiralling energy prices and cost of living increases for staff which we have been unable to match with increased charges to residents or the City Council (which has capped housing benefit increases to below the rate of inflation). These increased costs together with additional depreciation relating to the newly acquired Park View accommodation account for the deficit for the year. Added to these inflationary pressures has been the City Council's flawed application of policies designed to claw back funding for enhanced support which has not been delivered by some providers. St. Anne's has faced unreasonable clawback of funding despite being one of a handful of providers who have achieved accreditation through the Council's own quality standards scheme.

The Company will, as it has done in every previous year, aim to set a break-even budget for future years. In addition, the Directors being mindful of the vagaries of the City Council's funding and clawback policies, have entered into discussions with another provider to join their group structure in order to strengthen the Company's financial resilience, these discussions have been successful and the new group arrangements will be in place by the end of the 2023/24 financial year.

Plans for future periods

The Company continues to progress the planning application for its development site.

Structure, governance and management

The company is limited by guarantee established under the Companies Act and a Registered Social Housing Provider under the Housing and Regeneration Act 2008.

The Board, who are also the directors for the purpose of company law, and who served during the year were:

Mr S W Morgan (Chairman)

Mr J S Martin

Mr P S Higman

Ms P C Shepherd

Dr A Passmore

Ms E A Millet

Mr S Sharma

Ms Caroline Neven

Mr David Kinnair

Ms D Harris

The Board are appointed in accordance with the article of association.

None of the Board has any beneficial interest in the company. All of the Board are members of the company and guarantee to contribute £1 in the event of a winding up.

Promoting the success of the company

The Board consider that the current risk strategy and assessment arrangements are sufficient to address the major risks to which the company is exposed, but they are currently being reviewed.

The Board Report was approved by the Chairman of the Board.



.....
Mr S W Morgan (Chairman)

Date: 18/11/23

ST ANNE'S HOSTEL

STATEMENT OF BOARD RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Board, who are also the directors of St Anne's Hostel for the purpose of company law, are responsible for preparing the Board Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Board are required to:

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

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

ST ANNE'S HOSTEL

INDEPENDENT EXAMINER'S REPORT TO THE BOARD OF ST ANNE'S HOSTEL

I report to the Board on my examination of the financial statements of St Anne's Hostel (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the Board of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for Independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


Jerroms

Mr Richard Alan Horton
Chartered Certified Accountants
Lumaneri House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AH

Dated: 21 November 2023

ST ANNE'S HOSTEL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	2	27,766	93,756	121,522	16,820	103,446	120,266
Charitable activities	3	647,443	-	647,443	651,550	-	651,550
Other income	4	1,936	-	1,936	1,382	-	1,382
Total income		677,145	93,756	770,901	669,752	103,446	773,198
Expenditure on:							
Charitable activities	5	726,724	107,658	834,382	689,166	85,025	774,191
Net outgoing resources before transfers		(49,579)	(13,902)	(63,481)	(19,414)	18,421	(993)
Gross transfers between funds		15,860	(15,860)	-	-	-	-
Net expenditure for the year/ Net movement in funds		(33,719)	(29,762)	(63,481)	(19,414)	18,421	(993)
Fund balances at 1 April 2022		204,575	161,008	365,583	223,989	142,587	366,576
Fund balances at 31 March 2023		170,856	131,246	302,102	204,575	161,008	365,583

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ST ANNE'S HOSTEL

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Gross income	770,901	773,198
Total expenditure from income funds	834,382	774,191
Net expenditure for the year	<u>(63,481)</u>	<u>(993)</u>

ST ANNE'S HOSTEL

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9	1,573,996		1,552,495	
Grants	10	(1,163,648)		(1,125,964)	
			410,348		426,531
Current assets					
Debtors	11	47,845		39,702	
Cash at bank and in hand		161,482		208,242	
			209,327		247,944
Creditors: amounts falling due within one year	13	(117,644)		(88,531)	
Net current assets			91,683		159,413
Total assets less current liabilities			502,031		585,944
Creditors: amounts falling due after more than one year	14	(199,929)		(220,361)	
Net assets			302,102		365,583
Income funds					
Restricted funds	15	131,246		161,008	
Unrestricted funds					
Designated funds	16	14,044		14,044	
General unrestricted funds		156,812		190,531	
			170,856		204,575
			302,102		365,583

ST ANNE'S HOSTEL

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

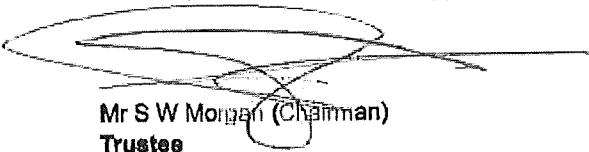
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The Board acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board on 17 November 2023



Mr S W Morgan (Chairman)
Trustee

Company registration number 02919404

ST ANNE'S HOSTEL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		22,740		(8,741)
Investing activities					
Purchase of tangible fixed assets		(87,628)		(1,362,238)	
Grants received		-		1,004,812	
Release of grants		37,684		-	
Net cash used in investing activities			(49,944)		(357,426)
Financing activities					
Proceeds of new bank loans		-		250,000	
Repayment of bank loans		(19,556)		(8,770)	
Net cash (used in)/generated from financing activities			(19,556)		241,230
Net decrease in cash and cash equivalents			(46,760)		(124,937)
Cash and cash equivalents at beginning of year			208,242		333,179
Cash and cash equivalents at end of year			161,482		208,242

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

St Anne's Hostel is a private company limited by guarantee incorporated in England and Wales. The registered office is 112 Moseley Street, Highgate, Birmingham, West Midlands, B12 0RY.

1.1 Accounting convention

The association is a registered charity, a company limited by guarantee and a Registered Social Housing Provider under the Housing and Regeneration Act 2008. The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")', The Statement of Recommended Practice: Accounting by Registered Social Housing Providers (Update 2018) and with the Accounting Requirement for Registered Social Landlords General Determination 2019.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Board have reviewed the cash position and forecasts and believe they have sufficient reserves to continue trading for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board in furtherance of their charitable objectives.

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Housing benefit over payments have been deferred to the next year when these over payments will be settled against other claims.

Turnover represents rental and service charges income receivable in the year net of rent and service charges losses from voids and revenue grants.

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditures are accounted for on the accruals basis. In particular, the costs of charitable activities represents all costs of the charity excluding those appointed to governance costs. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

1.6 Tangible fixed assets

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	40 years straight line
Leasehold property	15 - 30 years straight line
Freehold improvements	15-30 years straight line
Fixtures, fittings & equipment	10 - 25 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold improvement relates to Park view. These costs were incurred prior to acquiring Park View.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected 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.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Grants for capital expenditure

Grants received as a contribution towards the capital costs of a scheme are shown in the fixed asset notes. Where properties are included at historical cost, the total grant receivable is deducted from the cost of housing properties.

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	27,766	29,163	56,929	16,820	2,446	19,266
Support staff salary - donations	-	64,593	64,593	-	101,000	101,000
	<u>27,766</u>	<u>93,756</u>	<u>121,522</u>	<u>16,820</u>	<u>103,446</u>	<u>120,266</u>

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities	2023		2023		2023		2023		2023		2022		2022	
	Rental income	Service charges	Rent and service charges losses from voids	Total	Rental income	Service charges	Rent and service charges losses from voids	Total	Rental income	Service charges	Rent and service charges losses from voids	Total	Rental income	Service charges
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales within charitable activities	639,109	73,719	(65,385)	647,443	643,372	78,611	(70,433)	651,550						

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other income	1,936	1,382

5 Charitable activities

	2023 £	2022 £
Staff costs	557,024	513,596
Loan interest	13,547	3,896
Rent and rates	19,934	57,266
Insurance	12,847	12,008
Light and heat	31,645	26,445
General repairs and maintenance	27,445	17,546
Cyclical maintenance	12,831	2,401
Equipment maintenance	15,385	13,531
Motor and travel expenses	313	147
General admin expenses	11,850	12,071
Housing costs	13,521	13,852
Training and recruitment	5,181	5,005
Fundraising and publicity	17,390	14,801
Consumables	40,169	28,901
Release of grant income	(49,745)	(29,121)
Depreciation	66,126	34,625
Bad debts	24,978	26,909
Other charitable expenditure	13,941	20,312
	834,382	774,191
	834,382	774,191
Analysis by fund		
Unrestricted funds	726,724	689,166
Restricted funds	107,658	85,025
	834,382	774,191

Other charitable expenses includes remuneration paid for an independent examiner of £3,600 (2022 - £3,100).

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Board

No member of the Board were in receipt of expenses or remuneration during the year.

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Direct charitable activities	20	19
Administration	3	3
Total	23	22

Employment costs	2023 £	2022 £
Wages and salaries	501,877	467,800
Social security costs	40,652	35,259
Other pension costs	14,495	10,537
	557,024	513,596

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The company has charitable status and no liability to taxation arises from its activities.

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets

	Freehold property	Freehold improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	1,217,501	438,807	250,745	1,907,053
Additions	46,812	14,225	26,591	87,628
At 31 March 2023	1,264,313	453,032	277,336	1,994,681
Depreciation and impairment				
At 1 April 2022	5,360	193,003	156,197	354,560
Depreciation charged in the year	25,355	21,340	19,430	66,125
At 31 March 2023	30,715	214,343	175,627	420,685
Carrying amount				
At 31 March 2023	1,233,598	238,689	101,709	1,573,996
At 31 March 2022	1,212,141	241,290	94,549	1,552,495

Freehold improvement relates to Park View. These expenses were incurred prior to acquiring Park View. This will be depreciated over the life of the building.

10 Grants and donations

	£
Cost	
At 1 April 2022	(1,125,964)
Additions	(87,429)
Released	49,745
At 31 March 2023	(1,163,648)
Carrying amount	
At 31 March 2023	(1,163,648)
At 31 March 2022	(1,125,964)

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	35,588	30,237
Prepayments and accrued income	12,257	9,465
	<u>47,845</u>	<u>39,702</u>

12 Loans and overdrafts

	2023	2022
	£	£
Bank loans	<u>221,674</u>	<u>241,230</u>
Payable within one year	21,745	20,869
Payable after one year	<u>199,929</u>	<u>220,361</u>

On 21 October 2021, a fixed charge over the freehold property was registered with The Charity Bank.

13 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	12	21,745	20,869
Other taxation and social security		8,811	9,954
Trade creditors		6,405	6,406
Other creditors		59,198	43,363
Accruals and deferred income		21,485	7,939
		<u>117,644</u>	<u>88,531</u>

14 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	12	<u>199,929</u>	<u>220,361</u>

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2021	Incoming	Resources expended	Balance at 1 April 2022	Incoming	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£
Courtyard project	9,712	3,282	(8,200)	4,794	900	(1,986)	3,708
Support staff salaries	116,724	101,000	(81,476)	136,248	64,593	(103,791)	97,050
Pet Support	642	900	(224)	1,318	800	(163)	1,955
Window Restoration	100	-	-	100	-	-	100
Park View	148	-	(148)	-	18,192	(13,874)	4,318
Move on residents	1,250	-	-	1,250	-	-	1,250
Arts & Crafts	4,261	5,046	(1,759)	7,548	6,903	(3,314)	11,137
Bond Scheme	9,750	-	-	9,750	-	-	9,750
Warm room	-	-	-	-	2,368	(390)	1,978
	<u>142,587</u>	<u>110,228</u>	<u>(91,807)</u>	<u>161,008</u>	<u>93,756</u>	<u>(123,518)</u>	<u>131,246</u>

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Transfers	Balance at 1 April 2022	Movement in funds Incoming resources	Balance at 31 March 2023
	£	£	£	£	£
Cyclical maintenance	16,445	(2,401)	14,044	-	14,044
	<u>16,445</u>	<u>(2,401)</u>	<u>14,044</u>	<u>-</u>	<u>14,044</u>

The Designated Funds brought forward related to amounts set aside to cover cyclical maintenance expenditure in the future

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

	Unrestricted 2023 £	Restricted 2023 £	Total Unrestricted 2023 £	Restricted 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible assets	1,573,996	-	1,573,996	1,552,495	1,552,495
Investments	(1,163,648)	-	(1,163,648)	(1,125,964)	(1,125,964)
Current assets/(liabilities)	(39,563)	131,246	91,683	161,008	159,413
Long term liabilities	(199,929)	-	(199,929)	(220,361)	(220,361)
	<u>170,856</u>	<u>131,246</u>	<u>302,102</u>	<u>161,008</u>	<u>365,583</u>

18 Capital commitments

The company has no capital commitment as at 31 March 2023 (2022:£0)

19 Events after the reporting date

In September 2023, Birmingham City Council has issued a section 114 notice, an admission that it cannot manage its financial crisis without help. This decision was made as the council anticipated a gap of £87 million between income and expenditure for the 2024/25 financial year.

The government has appointed Commissioners to take over Birmingham City Council. Commissioners would be in charge of the council's financial governance and scrutiny.

As per Section 114, no new expenditure is permitted. There are exceptions for funding statutory services, including safeguarding vulnerable people, and existing commitments and contracts will continue to be honoured, according to the Local Government Finance Act 1988, Section 114 (3).

20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

21 Cash generated from operations	2023 £	2022 £
Deficit for the year	(63,481)	(993)
Adjustments for:		
Gain on disposal of tangible fixed assets	-	(29,121)
Depreciation and impairment of tangible fixed assets	66,126	34,625
Movements in working capital:		
(Increase) in debtors	(8,143)	(12,368)
Increase/(decrease) in creditors	28,238	(884)
Cash generated from/(absorbed by) operations	<u>22,740</u>	<u>(8,741)</u>

ST ANNE'S HOSTEL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Analysis of changes in net (debt)/funds

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	208,242	(46,760)	161,482
Loans falling due within one year	(20,869)	(876)	(21,745)
Loans falling due after more than one year	(220,361)	20,432	(199,929)
	<u>(32,988)</u>	<u>(27,204)</u>	<u>(60,192)</u>