

THE CLAUDE BALLARD SOUTHALL MEMORIAL CHARITY

Registered Charity Number: **1128456**

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENT
YEAR ENDED 5 APRIL 2024

Higgs LLP
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DY5 1LX

The Claude Ballard Southall Memorial Charity
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Year ended 5 April 2024

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The Claude Ballard Southall Memorial Charity
Reference and Administrative Information
Year ended 5 April 2024

Governing Documents	The Charity is governed by a Declaration of Trust dated 12 February 2009. The Charity is registered with the Charity Commission under registered charity number is 1128456.
Trustees	Mr John Bruce Rostron (Chairman) Mr David John Nightingale Mrs Dorothy Smith Mrs Julia Annette Savage (appointed 4 December 2023)
Secretary	Ms Kirsty McEwen
Solicitors	Higgs LLP 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
Investment Managers	Mr M Neale Vertis Private Wealth Management Limited Campion House Green Street Kidderminster DY10 1JL
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4TA
Accountants	Higgs LLP 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
Independent Examiner	Churchill Taxation 835 Birmingham New Road Tipton DY4 8AS

The Claude Ballard Southall Memorial Charity

Trustees' Annual Report

Year ended 5 April 2024

Report of the Trustees for the Year Ended 5 April 2024

The Trustees present their annual report and financial statements of the Charity for the year ended 5 April 2024. The financial statements have been prepared in accordance with the accounting policies set out in the accounts and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice applicable to the charities preparing their accounts with the Financial Reporting Standard applicable on 1 January 2019.

Structure, Governance and Management

The Charity was registered with the Charity Commission on 6 March 2009 under registered charity number 1128456, and is constituted by a Declaration of Trust dated 12 February 2009 ('the **Governing Document**').

The Charity was established in memory of Claude Ballard Southall who lived in Stourton, near Stourbridge, South Staffordshire, and died in 1994. The Charity does not actively fundraise and seeks to continue the charitable work desired by the Settlor through the careful stewardship of its existing resources.

New trustees may be appointed at any time and following the death of the Settlor, the power of appointment shall be vested in the Trustees. The Governing Document provides for a minimum of three Trustees and provides for no maximum.

The Trustees must hold two meetings each year. The quorum at any meeting is two Trustees.

At the Trustees' meeting, the Trustees agree the broad strategy and areas of activities for the Charity, including consideration of grant making, investment policy, level of reserves and risk management.

The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Secretary. The Secretary will consider the monitoring information concerning the performance of grants to date and make recommendations to the Trustees concerning the extension, cessation or suspension of existing grant approvals.

The Trustees would take account of the recommendations of the ICSA best practice guide 'Recruitment, Appointment and Induction of Charity Trustees' should the need to recruit new Trustees arise. The Trustees would look to recruit in light of an appropriate skills audit of the current Board and taking into account the experience, expertise and diversity of the current Board, as well as their knowledge of the Charity's area of benefit and beneficial class.

New Trustees may be sought by open advertisement or through a dialogue with major grant recipients and local community groups respecting the ethos of the Charity to continue the charitable work intended by the Settlor, the Trustees actively seek those with a knowledge of the local area when considering any prospective candidate. The ultimate decision on selection is a matter for the Trustees.

On appointment new Trustees sign a Trustee Declaration and Undertaking committing them to the giving of their time and expertise. It also confirms their ability to act in the role of Trustees. The induction process has been changed to follow the ICSA good practice guide with a formal induction programme for any newly appointed trustee being led by the Secretary, to include an initial meeting with the Chair, followed by a series of short meetings with the Secretary on investments, the grant making process, power and responsibilities of the trustee board and the sub committees.

The Claude Ballard Southall Memorial Charity

Trustees' Annual Report

Year ended 5 April 2024

The welcome pack includes, amongst other information and guidance, a brief history of the Charity, copy trustee board and sub committee minutes, a copy of the last three years of annual reports and accounts, a copy of the Governing Document and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Charities and Public Benefit'.

The Trustees intend in the upcoming year, with the support of the Secretary, to developing a code of conduct for Trustees including formal statements of roles and responsibilities and to undertake work on the Charity Governance Code.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Trustees are entitled to claim reasonable out of pocket expenses and where they do those are noted in the accounts.

Trustees are required to disclose annually (and as they arise) any potential interests which might conflict and register them with the Secretary and in accordance with the Charity's written conflicts of interest policy.

Legacy

The Charity received a legacy from the estate of Margaret Joyce Coles, the Settlor of the Charity, to be applied for the ongoing administration of the Charity and to continue to award grants to beneficiaries for many years. The Trustees wish to record their thanks for Margaret Cole's invaluable, unwaivering, and positive contribution to the Charity during her lifetime.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The major financial risk is the variability of investment returns on the portfolio and its impact on income levels and capital growth. The Trustees have actively sought to manage this risk by appointing Mitchell Neale of Vertis Private Wealth Management Limited as Advisory Investment Manager of the investment portfolio. His role is to monitor the performance of the portfolio and to provide his advice to the Trustees on the best course of action.

The major operational risk is the extent to which grants awarded to individuals and charitable or not for profit organisations advances the objects of the Charity and demonstrate sufficient public benefit. The Charity has managed its risk by retaining Trustees of sufficient expertise and experience, and through the quality of the institutions and the people who they support. In addition, the Trustees rely on the Clerk to undertake appropriate and proportionate due diligence on applications and ensure all grant giving retains a focus on the public benefit.

The major regulatory impact of the Common Reporting Standard ('the CRS'), on the operation of the Charity. CRS is being an international tax transparency regime aimed at preventing tax evasion. CRS came into force from 1 January 2016 and the Charity is now required to provide information about their beneficiaries, tax residency status to HMRC, who will then share this information with the appropriate tax authority in other jurisdictions.

The Charity is subject to this regime because it relies on investments for more than 50% of its income and those investments are professionally managed by a financial institution under discretionary mandate. This means the Trustees are required to carry out due diligence to establish a tax residency status of all beneficiaries, keep records of efforts to comply with the regime, register with HMRC as a financial institution ("Financial Institution") if they have reporting requirements and report to HMRC if required.

The Claude Ballard Southall Memorial Charity

Trustees' Annual Report

Year ended 5 April 2024

The grant application process is reviewed annually and the grant application form expanded to collect the necessary due diligence information that is required in order to establish tax residency status of all grant recipients, both individuals and charity and not for profit organisations. This includes additional information including tax resident jurisdiction, tax identification number (for individuals) and entity status (for organisations). The Trustees will keep this under review.

Objects and Activities for the Public Benefit

The objects of the Charity are to *"to make grants to individuals and organisations for the benefit of such exclusively charitable objects and purposes in the City of Liverpool and the Metropolitan Borough of Wirral as the trustees in their discretion think fit"*.

The Trustees confirm that they have referred to the 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 and setting the grant making policy for the year.

The objects and activities of the Charity are largely determined by the provisions of the Governing Document, and from there the Trustees exercise a discretion in considering how best to meet the public benefit test and ensure that as many charitable and not for profit organisations (for exclusively charitable purposes) benefit.

The Charity carries out these objects by providing grants to charitable or not for profit organisations (for exclusively charitable purposes) within the area of benefit.

By focusing on these areas, the Charity achieves its strategic priorities of maintaining a stable grant making programme.

Grant Making Policy

The Trustees have the power to spend the income and capital in furtherance of the objects.

The Charity has established its grant making policy to achieve its objects for the public benefit, to improve the lives of individuals and to support charitable and not for profit organisations operating within the geographical area of benefit which the Trustees have established and which they review on an annual basis. The Trustees review the grant making policy annually to ensure it reflects the Charity's objects and thereby advances public benefit.

The Charity's beneficiaries are charitable or not for profit organisations operating within the City of Liverpool and the Metropolitan Borough of Wirral, all of whom must demonstrate that the activities they undertake advances the public benefit. The Charity also provides some support to statutory bodies directly or indirectly for projects for which a statutory body has no available statutory funding. The Trustees preference is for the enhancement of services rather than for provision of what they consider to be basic needs. Before making grants to statutory bodies, the Charity obtains written confirmation from the statutory body that no public funding is available towards the need for which an application has been made.

The general policy of the Trustees is not to give retrospective grants and the Trustees will only consider one application per year from any applicant.

The Claude Ballard Southall Memorial Charity

Trustees' Annual Report

Year ended 5 April 2024

Grant Making Procedure

Applications can only be considered if they are on the Charity's standard application form.

The application form must be completed and returned (together with a copy of any supporting information relevant to the application) to the Secretary.

The Trustees meet two times a year to consider applications.

It is the policy of the Trustees is to consider grants on an equal opportunities basis, regardless of gender, religion and ethnic background.

Monitoring and Achievement

The Trustees have continued with an aspiration to seek a reasonable return over a long term. While the value of the portfolio has decreased over the financial year it is considered that the long-term objectives remain obtainable.

During the year the performance of the principal investment portfolio was managed by Vertis Private Wealth Management Limited and was considered satisfactory with all benchmarks being largely achieved.

Grants awarded during the period are listed on page 10 in the accounts.

Financial Review

The Charity's work is entirely reliant on capital growth within the portfolio, rather than income from investment returns. As at 5 April 2024, the value of the capital fund stood at £1,185,478.58 (2023: £827,995.29).

Investment Policy and Performance

The investment powers of the Trustees are wide. The Trustees have an absolute discretion in this regard and are treated as the absolute owners beneficially entitled.

The principal investment holdings of the Charity comprise funds and portfolios of quoted securities. As at 5 April 2024, the value represented 100% of the Charity's investments. The management of the portfolio is undertaken on an advisory basis by Vertis Private Wealth Management Limited and the written investment policy is reviewed on at least an annual basis by the Secretary in conjunction with the investment managers and ultimately approved by the Trustees.

At the year end, the Trustees held cash on deposit with CAF Bank of £21,710.14 (2023: £7,872).

Reserves Policy

The whole of the Charity's capital is expendable and this distinction between capital and income is not relevant. The Trustees appreciate that the general principles of charity law require Trustees to spend their income within a reasonable period of receipt.

The Trustees have set and agreed a policy which broadly identifies the framework within which the Charity will operate its reserves. The intention is that the Charity will retain an appropriate and reasonable level of reserves whilst concurrently ensuring that it uses the income in a manner that is within the objects at the best interests of the Charity and its beneficiaries.

The Claude Ballard Southall Memorial Charity

Trustees' Annual Report

Year ended 5 April 2024

Since the Charity relies on capital growth to fund its activities, the Trustees are mindful that the source of capital funds can be volatile and subject to sudden changes in the market. They are concerned that in any year there is a risk that they cannot meet their ongoing administration and professional expense commitments as and when they arise, due to any fluctuations in the market which may prevent or significantly reduce income.

The Trustees have therefore considered, in conjunction with the professional advisers, the level of reserves to retain from surplus unrestricted funds. They have decided to build up a pot of reserves equivalent to one year's administrative and professional expenses but excluding grant commitments. This will ensure that should there be any fluctuations in the market which reduce the income available for distribution, the Charity can use its reserves to continue to meet its obligations and liabilities as and when they fall due.

Plan for Future Periods

The Trustees believe their grants have translated into significant public benefit. The Charity is a lasting testimony to the generosity and charitable concerns of the Settlor. In cementing the arrangements already in place, and continuing with its current activities as set out in this report, so that the many and varied charitable and not for profit organisations, and individuals may continue to benefit in real terms from its financial support, the Charity aims to provide a longer term commitment and thereby encourage and support individuals and charitable and not for profit organisations within the area of benefit.

The intention is to continue a programme of grant giving which will translate into significant public benefit. The Trustees will focus on those organisations which would benefit in real terms (impact) from its financial support, thus providing and ensuring a longer-term commitment to support.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Trustees to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including income and expenditure of the Charity for that period.

In preparing these financial statements, the Trustees 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 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Governing Document.

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 any other irregularities. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website.

The Claude Ballard Southall Memorial Charity
Trustees' Annual Report
Year ended 5 April 2024

Approved by the Trustees and signed on their behalf by:



John Bruce Rostron
Chair of Trustees

The Claude Ballard Southall Memorial Charity
Statement of Financial Activities
Year ended 5 April 2024

	Notes	Unrestricted Funds	Total Funds	
		2024		2023
		£	£	£
Income resources:				
Legacy received	3	585,000.00	585,000.00	
Income resources from generated funds	4	10,968.07	10,968.07	15,656.80
Vertis rebate		<u>1,607.19</u>	<u>1,607.19</u>	<u>817.21</u>
Total incoming resources		597,575.26	597,575.26	16,474.01
Resources expended:				
Cost of generating funds	5	14,358.43	14,358.43	8,235.48
Charitable activities	6	57,979.58	57,979.58	33,058.80
Adjustment to last year's donations		<u>-</u>	<u>-</u>	<u>1,000.00</u>
Cost of grant making		72,338.01	72,338.01	42,294.28
Governance costs	7	<u>15,562.35</u>	<u>15,562.35</u>	<u>13,888.70</u>
Total resources expended		87,900.36	87,900.36	56,182.98
Net (outgoing)/incoming resources before other recognised gains and losses		509,674.90	509,674.90	(39,708.97)
Realised gains/(losses) on investment assets		(2,476.07)	(2,476.07)	99,989.60
Unrealised gains/(losses) on investment assets		(135,877.65)	(135,877.65)	(96,821.81)
Net movement in funds				
<i>Reconciliation of funds</i>				
Total funds brought forward		<u>835,892.54</u>	<u>835,892.54</u>	<u>872,433.72</u>
Total funds carried forward		<u>1,207,213.72</u>	<u>1,207,213.72</u>	<u>835,892.54</u>

The Claude Ballard Southall Memorial Charity
Balance sheet
Year ended 5 April 2024

	Notes	Unrestricted Funds	Total Funds	
		2024		2023
		£	£	£
Fixed Assets				
Investments	8	<u>1,185,478.58</u>	<u>1,185,478.58</u>	<u>827,995.29</u>
Total Fixed Assets		<u>1,185,478.58</u>	<u>1,185,478.58</u>	<u>827,995.29</u>
Current Assets				
Cash with investment managers		-	-	-
Cash with bank		21,710.14	21,710.14	7,872.25
Debtors		<u>25.00</u>	<u>25.00</u>	<u>25.00</u>
Total current assets		<u>21,735.14</u>	<u>21,735.14</u>	<u>7,897.25</u>
Liabilities				
Creditors falling due within one year	9	<u>-</u>	<u>-</u>	<u>-</u>
Net current assets		<u>21,735.14</u>	<u>21,735.14</u>	<u>7,897.25</u>
Total assets less current liabilities		<u>1,207,213.72</u>	<u>1,207,213.72</u>	<u>835,892.54</u>
Creditors falling due after more than one year		<u>-</u>	<u>-</u>	<u>-</u>
Net assets		<u><u>1,207,213.72</u></u>	<u><u>1,207,213.72</u></u>	<u><u>835,892.54</u></u>
The funds of the Charity				
Unrestricted income funds		<u>1,207,213.72</u>	<u>1,207,213.72</u>	<u>835,892.54</u>
Total Charity funds		<u><u>1,207,213.72</u></u>	<u><u>1,207,213.72</u></u>	<u><u>835,892.54</u></u>

The notes on pages 10 to 12 form a part of these accounts.

Approved by the Trustees and signed on their behalf by:



John Bruce Rostron
Chair of Trustees

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRSEE) issued in January 2015 and applicable UK Accounting Standards and the Charities Act 2011.

(b) Funds structure

The charity has one fund, an unrestricted income fund. This is a fund which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

(d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to charitable organisations in the furtherance of the charitable objectives of the Charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of the grant payable.

(e) Costs of generating funds

The costs of generating funds consists of investment management fees, legal fees, accountancy fees and other governance and regulatory fees.

(f) Charitable activities

The costs of charitable activities include grants made.

(g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the preparation of the accounts, the independent examination fee and legal fees.

(h) Fixed asset investment

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gain and losses arising on revaluation and disposals throughout the year.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between and market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

The Claude Ballard Southall Memorial Charity
Notes to the accounts
Year ended 5 April 2024

(j) Contingent liabilities and provisions

In accordance with the SORP, a contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control. Provisions are recognised for those grants where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of determining a basis for reasonable estimation of the liability arising from that constructive obligation.

2. Related party transactions and Trustees' remuneration

Mr D J Nightingale received £131.85 for expenses incurred while attending Trustees' meetings.

3. Legacy income

The Charity received a legacy payment of £585,000 from the estate of Margaret Joyce Coles, the Settlor of the Charity.

4. Investment income

	2024	2023
	£	£
UK Unit Trusts - Dividends	9,426	15,339
Interest on cash deposits	1,542	318
	<u>10,968</u>	<u>15,657</u>

5. Investment Manager's costs

	2024	2023
	£	£
Transact - Investment management fees	14,358	8,235
Vertis - Investment management fees	-	-
	<u>14,358</u>	<u>8,235</u>

6. Analysis of charitable expenditure

The Charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

	2024	2023
	£	£
Grants awarded	57,979.58	33,059
Total	<u>57,979.58</u>	<u>33,059</u>

Grants per category

Community	42,985.00	27,059
Health	14,994.58	6,000
Religion	-	-
Elderly	-	-
Total	<u>57,979.58</u>	<u>33,059</u>

The Claude Ballard Southall Memorial Charity
Notes to the accounts
Year ended 5 April 2024

7. Governance costs

		2024	2023
		£	£
Trustee Expenses	Dorothy Smith	-	192
	David Nightingale	131.85	115
Bank charges		76.50	82
Legal fees: Administration		10,000.00	10,000
Accounts preparation		1,500.00	1,250
Incorporation		1,250.00	-
Disbursements		45.00	-
VAT		2,559.00	2,250
		<u>15,562.35</u>	<u>13,889</u>

8. Fixed asset investments

Movement in fixed asset investments

Market value as at 5 April 2023	827,995.29	867,468
Adjustment for cash	7,205.59	4,566
Additions to investments at cost	553,155.35	216,045
Disposals at carrying value	(67,000.00)	(163,263)
Net gain/(loss) on revaluation	<u>(135,877.65)</u>	<u>(96,822)</u>
Market value as at 5 April 2024	<u>1,185,478.58</u>	<u>827,995</u>

Investments at market value comprised:

	2024	2023
	£	£
Unit trusts	1,168,459.86	818,182
Cash	<u>17,018.72</u>	<u>9,813</u>
Total	<u>1,185,478.58</u>	<u>827,995</u>

9. Analysis of current liabilities and long term creditors

Creditors under 1 year

Legal fees	-	-
Independent examiner's fee	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The Claude Ballard Southall Memorial Charity

Independent Examiner's Statement

Year Ended 5 April 2024

I report on the accounts of the Charity for the year ended 5 April 2024 which are set out on pages 8 to 12.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that an audit is not required for this year under section 122(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- To state whether particular matters have come to my attention state.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

The Claude Ballard Southall Memorial Charity
Independent Examiner's Statement
Year Ended 5 April 2024

Signed:

S Churchill

Name: STEPHANIE CHURCHILL

Relevant professional qualification or body: AAT

Address: 835 BIRMINGHAM NEW ROAD DY4 8AS

Date:

28/1/25.