

Registered number: 11217433
Charity number: 1177527

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

HARBORNE AND SMETHWICK CHARITABLE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2025

Reference and Administration Information

Charity Name	Harborne and Smethwick Charitable Trust
Charity Registration Number	1177527
Company Registration Number	11217433
Principal Office	Hollingworth House 109 Court Oak Road Harborne Birmingham B17 9AA

Board of Trustees

The Trustees and Directors of the Harborne and Smethwick Charitable Trust at the date this report was approved are:

Mrs B Chetiyawardana
Mr G Hewitt BA (Hons)
Mr D Jeffery (Chairman)
Mrs P Leadbeter
Cllr Ragih Muflihi
Mrs R Silber
Mr V Silvester MBE
Mr N Thompson
Mr F Wayt
Mr G A B Taylor

Chief Executive Mr S J Simpson BA (Hons)

External Auditors **Crowe LLP**
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers **National Westminster Bank plc**
4th Floor
2 St Philip's Place
Birmingham
B3 2RB

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(continued)
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Solicitors	Anthony Collins 134 Edmund Street Birmingham B3 2ES
	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
Surveyors	Commercial Portfolio: Cottons Chartered Surveyors Cavendish House 359/361 Hagley Road Edgbaston B17 8DL
	Residential Portfolio: Robert Powell Chartered Surveyors 7 Church Road Edgbaston Birmingham B15 3SH
Investment advisors	Evelyn Partners 14 th Floor 103 Colmore Row, Birmingham, BN3 3AG
Internal auditors	Validera Unit 3 Crompton Court Attwood Road Burntwood Staffordshire WS7 3GG

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Foreword by David Jeffery Chair of the Board of Trustees

2025 has been a year when things have returned to a semblance of normality after the various disasters and upheavals that have beset us since 2019. Our misgivings 12 months ago about the political turmoil predicted during the year have, fortunately, not impacted greatly on our day to day running and our assets have risen again during the year and are now over £22 million.

We are now almost fully staffed with a group of well qualified and motivated people. We have welcomed Lara Albutt as Housing Officer, Magie Dunkley as a new Activities and Wellbeing Officer and Alison Littleford as Administrator, replacing Anusha Chandra-Paisley who left during the Summer. All of them are ideally qualified, have fitted in well and are doing an excellent job.

I know that I speak for all the Trustees when I say that we consider ourselves incredibly lucky to have such an excellent team of staff led by Steven Simpson and his Senior Management Team of Carolyn Arnold, Gill Rigby, Tony Whitehouse and Nick Wallace. The changes to the structure of the organisation gradually introduced over the last 2 years have worked well dividing the organisation into 2 teams under Steven's management – Operations headed by Carolyn Arnold and Finance currently headed by Nick Wallace.

The performance of the Charity overall is dealt with in fine detail in the accompanying Reports from Steven Simpson, Chief Executive, and our Auditors. They give us Trustees confidence in the governance of the organisation and its performance in delivering its two objectives – providing Almshouses within the Ancient Parish and making grants to individuals in need and organisations that support those individuals within the Parish.

We have noticed during the year that our Individual Grants budget tends to be an underspend even though many of the items requested particularly white goods have been subject to substantial price increases. This is because lower numbers of potential beneficiaries are being referred to us. The reason would appear to be a lack of referral officers and, despite our efforts to get our message out we still don't feel that we are reaching all those who could benefit. Ways to improve this aspect of grant making are constantly being looked at. By contrast the Organisational Grants budget is always under great pressure.

I liaise with the Chief Executive at least once a week and often meet the rest of the staff. What amazes me is the time expended and wasted by them all on apparently very simple tasks that become complex owing to unnecessary bureaucracy, IT problems and multiple organisations that don't talk to each other and, have either lost staff or employ staff that don't understand our sector. This seems to be getting worse and leads to frustration.

This Report is always an opportunity for me, on behalf of all the Trustees, to thank our excellent staff for their hard work and commitment.

I must also thank my fellow Trustees for all of the time they expend working for the Charity attending meetings and exercising their respective skills on its behalf. Special thanks to Rachel Silber, Vic Silvester and Nigel Thompson who chair the Charitable Activities, Almshouse & Property committees respectively.

This is also a chance to specifically mention Frank Wayt who has recently resigned as Chair of the other committee - Finance and Audit – a responsibility that he has carried for at least 10 years. Frank has been a Trustee for 17 years and, before his retirement, had been the Charities Investment Manager since 1990. I am very pleased that he will continue as a Trustee – the perfect Trustee – a skilled and seasoned financial expert, a stickler for details, innovative in his approach, compassionate and dogged in his commitment to the Charity's objectives. His tenure as Chair of the Finance Committee saw many changes in personnel and the quality of our support; he was untiring in his efforts to ensure that improvements were made and our current financial position, as reflected in the accompanying report, is testament to his efforts. Adrian Taylor has kindly agreed to take on Frank's role in the future.

David Jeffery
Chairman



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1.0 Objectives and Activities

Harborne and Smethwick Charitable Trust is linked to and is the sole trustee of the Harborne Parish Lands Charity and presently uses the resources and staff of that charity to deliver its shared objectives. Harborne and Smethwick Charitable Trust is a registered charity and a company limited by guarantee. Harborne and Smethwick Charitable Trust provides a corporate trustee to the much older Harborne Parish Lands Charity. The origins of the Harborne Parish Lands Charity are lost in the mists of time, but it was mentioned in a document dated 1640 and may date from a bequest by Mrs Elizabeth Cowper (alias Piddock) in 1576. Today the charity owns various investments together with five almshouse properties which were part funded by the then Housing Corporation. The area of benefit is the Ancient Parish of Harborne, now in the County of West Midlands and the beneficiaries are the almspeople and those in need within the parish. The creation of the Harborne and Smethwick Charitable Trust enabled the staff and trustees of the Harborne Parish Lands Charity to modernise their governance arrangements whilst still holding true to the values and aims of the original gifts.

Throughout the Trustees' Report hereafter, all commentary regarding activities, performance and position of the group relate to the ongoing activities of the Harborne Parish Lands Charity.

1.1 Objectives

The Harborne Parish lands Charity has two primary objectives:

- To relieve need through the provision of almshouses to people who cannot meet their own housing need in the ancient parish; and
- To relieve need through the provision of grants to individuals and organisations that support those in need.

The area of benefit consists of the 12 parishes, which together make up the Ancient Parish of Harborne. These are:

- St Boniface Quinton Road West (Birmingham)
- St Faith and St Laurence (Harborne)
- St John (Harborne)
- St Peter (Harborne)
- St Albans (Smethwick)
- St Chad (Smethwick)
- St Mary (Smethwick)
- St Matthew (Smethwick)
- St Michael and All Angels (Smethwick)
- St Stephens (Smethwick)
- St Paul (Smethwick)
- Old Church (Smethwick)

This geographical area comprises most of Harborne and some of Quinton in the City of Birmingham as well as most of Smethwick and a small part of Bearwood in Sandwell Metropolitan Borough Council.

1.2 Activities and Structure

To achieve these objectives the charity currently employs a team of 12 people. The Trustees have appointed a Chief Executive to run the charity. They in turn are supported by a Head of Operations who is responsible for the delivering the charity's day-to-day charitable activity and a Finance Manager who manages the charity's finance team. The charity's Finance and Manager is about to recruit a Head of Central Services who will manages the charity's back of support including the Finance Team.

The charity's delivers support to those in need through three approaches:

- 1) The provision of high quality sheltered almshouse accommodation
- 2) A programme of grants to organisations
- 3) A programme of grants to individuals

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Almshouses

The charity operates 99 almshouses in five schemes to provide accommodation to those who cannot meet their own housing needs. Each almshouse is a self-contained one bedroom (or in one case two bedroom) flat or cottage in a sheltered housing scheme. All schemes have communal controlled entrances to ensure our residents feel safe and secure and pull cord systems to help with moments of crisis.

The almshouses are the responsibility of the Head of Operations, who is supported by a Policy and Information Officer and Senior Building Manager. Each scheme then has a Building Manager who is responsible for providing the intensive housing management service at that scheme. The charity also employs a Support Officer to help our almshouse residents live independently for longer and a Well Being Officer to provide a programme of stimulating activities and trips that increase our residents' quality of life. Two of the larger schemes also have a cleaner who supports the Building Managers to keep these schemes clean, tidy and safe.

Grants to Organisations

The charity supports people in need in the ancient parish by providing a programme of grants to organisations. The charity sets an annual grant strategy by reviewing the needs in the ancient parish through primary data where available and through local economic and social plans. Organisations are then invited to apply for grants in one of 4 or 5 target areas such as child poverty, debt management, food and household goods distribution, older people living social isolation or younger people at risk of becoming NEET (Not in Employment, Education or Training). Grant applications are assessed in four rounds each year and applying organisations are asked to detail the group they wish to work with, the outcomes they are expecting to achieve and why this is to the benefit of the public as a whole. After twelve months (or sooner if the project is shorter) the charity conducts a post grant monitoring exercise to ensure the money was spent on the stated purpose and the expected results were achieved. The charity aims to use grant funding to organisations to address long term structural issue that cause or result from poverty in the ancient parish of Harborne.

Grants to Individuals

Finally, the charity runs an individual grants programme for those in immediate poverty and crisis. Referrals for this service predominantly come through third party agencies engaged with individuals such as health workers, family support workers and housing officers. Individual grants will not normally exceed £800 per household and could be for a diverse range of items that relieve need and cannot be easily funded elsewhere. Examples include the purchase of white goods or essential furniture.

The grants programmes are the responsibility of the Head of Operations. The charity employs a Grants Officer to manage and monitor grants to organisations and deliver our individual grants programme. The charity aims to use its individual grant programme to address far more acute and immediate, individualised effects of poverty.

Central Services

These operations are supported by a central services team consisting of an Office Administrator and Finance Officer who report to the Finance Manager. These staff keep the charity's offices operating ensuring that all of the unseen, vital actions required to support the delivery of the charity's charitable objectives is completed such as ordering stationary, answering the telephones and making payments.

Key Management Personnel

The organisation's key management personnel are:

Steven Simpson, Chief Executive

Steven joined the charity in January 2014 having previously worked in senior national roles with Remploy Ltd and the Jericho Foundation. Steven is responsible for working with the board to set the strategic direction of the charity and ensuring the charity meets its objectives. Steven has an honours degree in history and is a member of the Chartered Institute of Housing. As Chief Executive Steven is responsible for working with the board to set the strategic direction of the charity, realising this strategy as an operational plan and then ensuring its delivery. Steven is also responsible for liaising with the charity's investment management partners to deliver maximum

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returns from the charity's investment portfolio. Steven also works with the charity's IT provider, Technical Drive, to ensure the charity's IT infrastructure is safe, robust and functional.

Carolyn Arnold, Head of Operations

Carolyn joined the charity in 2007 and has served in a number of roles before being appointed Housing Manager in 2016 and later Head of operations in 2023. Carolyn is a member of the Chartered Institute of Housing and holds a certificate in Housing management. Carolyn is responsible for delivering the charity's charitable activities. Carolyn manages the almshouses and grants teams.

Gillian Rigby, Information and Policy Officer

Gill joined the charity in 2013. Gill has over 30 years of housing management experience and holds degrees in Political Science and Housing Management. Gill is also a member of the Chartered Institute of Housing. Gill manages the charity's data, translates government policy and guidance in practical activities and writes the charity's policies and procedures.

Tony Whitehouse, Senior Building Manager

Tony has over 30 years of building trade experience included over 20 years spent maintaining HPLC properties on behalf of one of the charity's contractors. Having joined the charity in 2012 Tony was awarded the position of Senior Building Manager in 2016. Tony is responsible for the technical aspect of managing the charity's housing stock including planned maintenance and project management of major refurbishment

Nick Wallace, Finance Manager

Nick joined the charity in May 2017 after the retirement of the charity's previous Finance Manager Alan Porter. Nick has over 17 years of experience working with charities across the West Midlands and is also the Finance Manager for the Birmingham based Jericho Foundation. Nick is responsible for preparing financial reports, helping the Chief Executive, Senior Management Team and Trustees to analyse those reports, preparing annual budgets, drafting financial rules and regulations and formulating financial policies

These Key Management Personnel form a Senior Management Team (SMT) that leads the charity through thematic responsibility for the charity's objectives and support operations. They meet weekly to monitor financial and non-financial performance, legislative changes, policy direction, staff development, strategy, health and safety, ICT, data management and any other burning issues.

1.3 Governance

Governing Documents

Under a scheme of the Charity Commissioners dated 16 November 1990 "The Harborne Parish Lands Charity" and "Grice Memorial Homes" are administered and managed as one charity under the name of "The Harborne Parish Lands Charity", subject to, and in accordance with, the Schemes dated 21 May 1979 and 9 October 1986. The charity registration number is 219031 and the HCA registration number is A2993.

In June 2019 a new charity was incorporated as, the Harborne and Smethwick Charitable Trust (registration No. 1177527) which became the sole Trustee of Harborne Parish Lands Charity.

Trustees

The charity's corporate Trustee is the Harborne and Smethwick Charitable Trust (No. 1177527) Harborne and Smethwick Charitable Trust has 12 Trustee positions, two of whom are nominated by Sandwell MBC and two by the City of Birmingham under imported nomination rights from the Harborne Parish Lands Charity. Nominative Trustees serve for a term of four years. The remaining eight Trustees are co-opted onto the board and serve for a five-year term. Co-opted Trustees must know the area of benefit through residence, employment, or another special knowledge.

The Trustees have formed four committees to govern each aspect of the charity's activity. The Almshouse Committee is formed of the almoners (Trustees who are appointed to be advocates for the beneficiaries at each of

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our almshouse schemes) who monitor our almshouse performance as well as reviewing and approving new applicants for housing. In addition a member of the Almshouses Committee also fulfils the role of Complaints Champion giving the board updates on all live and new complaints at the first available meeting as well as ensuring the charity has followed its complaints processes and properly considered resident concerns. The Property Committee monitors the activities of the charity's appointed property management firms and makes decisions about the strategic management of our investment property portfolio. The Finance and Audit Committee monitor the charity's management accounts, the performance of the charity's investment manager, our internal arrangements for value for money, weekly maintenance charges and ensure that the charity's resources are managed wisely. The Charitable Activity Committee reviews the annual grants strategy, individual grant approvals and reviews post grant-monitoring reports. Each committee meets four times each year and the full Board of Trustees meet five times a year to review the work of the committees and make any non-devolved decisions.

Induction Arrangements

The Chief Executive and Chairperson outline the responsibilities of Trustees to all new applicants at a one-to-one interview. During this interview they assess an applicant's eligibility to serve as a Trustee using the charity's internal declaration form and the Charity Commission's guidance on eligibility to serve. Once eligibility has been confirmed the Trustees vote at the next board meeting as to whether to accept or decline the nomination or submission. Once accepted the Trustee is presented with a copy of the charity's policies and procedures, important contact information, the charity's business plan, schedule of meetings and the Charity Commission's document CC3 the essential Trustee. They are notified of the next full board meeting and invited to attend. After their attendance at the next board meeting Trustees are offered a one to one session with either the chairman or the Chief Executive to discuss any questions they may have and to tour one or more of the charity's almshouses. Trustees are encouraged to think about which sub-committees they may wish to join the following February.

Pay and Remuneration

Trustees of the Harborne Parish Lands Charity are not paid however they may claim expenses. The charity has a documented policy for the claiming of Trustee's expenses detailing what may be claimed and what evidence is required to substantiate a claim.

The Trustees review staff pay and conditions annually at the February meeting of the Finance and Audit Committee who then make recommendations to the board regarding cost of living increases, pension contributions and additional benefits. The annual review of pay and conditions is applied equally to all staff and is implemented the following April. In 2025 the Trustees awarded a 3.5% cost of living increase to the basic pay of all staff. All staff are paid more than the national living wage as defined by the Living Wage Foundation.

The charity has a documented pay scale. The pay scale details six key bands; staff, officer, senior officer, manager, head of department and executive. These bands correspond to the level of management responsibility and accountability each post holds. Each band has a pay level set in relation to the other bands.

Within each band there are four increments. Normally, all new staff are appointed on the lowest increment and progression to the next increment takes place at the discretion of the Trustees in reward for a member of staff either significantly increasing their skills level, or undertaking additional responsibilities that are still commensurate with their banding.

All eligible staff are enrolled in an auto enrolment compliant pension scheme and the charity contributes 5% of staff earnings to these schemes. The charity also matches staff contributions up to a further 5%.

The charity offers a number of additional benefits to all staff including participation in a cycle2work scheme, a salary-sacrifice car scheme, BHSF healthcare cash back scheme, and a death in service insurance scheme. The charity provides life and critical illness cover for all staff who have served continuously with the charity for three months or more.

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Staff expenses are paid in arrears and on the production of evidence of expenditure. The charity has a policy for the payment of staff expenses.

Two members of staff have a remuneration package that exceeds £60,000 including one member of staff whose total remuneration and benefits exceed £70,000. The total amount of money spent on senior staff in the year is £220,246 (£211,052 in 2023/24).

Participation in Wider Networks

The charity is engaged in a variety of networks and subscribes to a number of services and publications to support both strategic and operational decision-making.

Trustees have access to Personnel, Governance, Third Sector and Charity Finance magazines subscriptions and publications which are available at our Hollingworth House offices. The Senior Management Team have access to Tips and Advice Personnel, Tips and Advice Health and Safety and Tips and Advice Environment.

To ensure up to date Human Resource (HR) and Health and Safety (H&S) advice the charity contracts Citation Ltd. to provide health and safety, audits, reports, advice and protection. This year's site inspections were completed on the 14th and 17th of October 2024. This year the charity was inspected by a new assessor who was very impressed with the charity's attitude to health and safety stating in the reports that,

"It was clear that the management team have a good attitude towards health and safety and put a lot of effort in to maintain standards."

Also noting that,

"It was good to see that recommendations from the previous inspection had been acted upon and that there is a very good level of compliance."

This year's inspections suggested enhancements to the tamper proof window restrictors on one scheme noting that while the current units are legally compliant they could be overridden by somebody determined enough and armed with tools. The charity has already carried out a programme of securing the fixing with mastic to prevent tampering.

The report also highlighted the need to ensure the paths around one scheme are maintained noting a number of uneven slabs. Rectification works had already been scheduled at the time of inspection (acknowledged by the inspector) and at the time of writing this report the paths have all been re-laid and levelled.

To ensure connectivity with best practices across the grant giving sector the charity is a member of the West Midlands Funders Network (WMFN).

WMFN is an organisation established to provide an exchange of intelligence, information and best practice across all funding organisations in the West Midlands. In 2024/25 staff from the charity attended sessions on:

- The National Emergency Trust and its plans for the West Midlands
- A.I. and Funding
- IVAR: becoming a 'Learning Organisation'
- Grant Making and the Law
- Learning from Place-Based Approaches
- Migration Trends and Refugee resettlement reforms
- Digital Frontiers for Funders

These meetings also provide excellent opportunities for networking.

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To ensure connections to best practice across the housing sector, the charity is a member of the National Housing Federation (NHF) and at a more local level, the Birmingham Social Housing Partnership (BSHP) and the West Midlands Small Housing Associations Benchmarking Group (WMSHABG) which is run by Acuity.

NHF is a membership organisation that represents the views of its members to government to help shape policy while also sharing best practice across its members to increase the quality of housing services in the UK. The charity has adopted the NHF code of conduct and using the NHF's guide to service charges to prepare the annual increase to the almshouse residents service charges.

BSHP is an organisation that acts as an umbrella for all registered social landlords in Birmingham that aims to work together to influence housing policy in the city. BSHP is Birmingham City Council's preferred conduit for the release of information.

WMSHABG comprises 14 local providers with less than 1000 units of social housing and works together to compare performance data, share intelligence regarding contractors, sector trends and market conditions, reporting and where possible jointly procure goods or services.

The charity is also a member of the Almshouse Association and is registered with the Regulator for Social Housing. All of the charity's housing stock is registered as supported exempt accommodation with Birmingham City Council or Sandwell Metropolitan Borough Council depending on its geographical location and all of the charity's housing units meet the decent homes standard.

Risk

The charity takes an active approach to managing risk. Key risks are identified, rated and mitigation strategies devised using the charity's risk register. The Trustees review the risk register twice a year. Financial risks are stress tested to understand what level of financial management is required, what impact the risk will have and how severe the situation would have to become before the risk could no longer be managed.

On the risk register the likelihood of all risks is rated using a simple numeric scale where 1 is unlikely and 3 is probable. The impact of all risks is then assessed; again, using a numeric scale where 1 is low impact and 3 is high impact. Each number is multiplied by the other to give a risk rating score between 1 and 9, where 1 is a risk of low priority and 9 is a fundamental risk. All risks scoring 6 or more are reported below.

In the 2024/25 financial year, the primary risks to the charity have been:

- Almshouses WMC arrears;
- Changes in rent regulations and the welfare benefits system;
- Incurring substantial non-budgeted expenditure;
- Lack of attendance at Trustee meetings;
- Loss of key members of staff; and
- Serious damage to property

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These risks were represented on the risk register as follows:

Risk	Current Control	New Mitigating Actions	Accountable
Almshouses WMC arrears	<p>Regular monitoring and reporting</p> <p>Support residents to claim benefits</p> <p>Fortnightly Support Officer surgeries with residents</p> <p>KPI's surrounding collections arrears and bad debts monitored at senior management team and board level.</p> <p>Targeted support session with residents in arrears</p> <p>Increase frequency of account monitoring from every month to every two weeks</p> <p>Ask resident to pay WMC one week in advance on sign up.</p> <p>Established arrears control processes that govern communication with residents in arrears and encourage payment plans to clear debts.</p> <p>Where necessary take legal action to recover debts.</p>	None – Risk unchanged since last year	Chief Executive, Senior Management Team
Changes to the benefits system impact WMC collection	<p>Liaison with Housing Benefit sections.</p> <p>Networking and keeping abreast of developments.</p> <p>Make use of specialist advice where required.</p> <p>Information and Policy Officer to track policy changes in policy at local and national level.</p> <p>Monitor new Government policy regarding housing and benefits closely and assess implications once policy is clear.</p>	None – Risk unchanged since last year	Chief Executive & Housing Manager
Long term loss of key members of staff	<p>Good terms and conditions which are regularly reviewed along with salaries. Use Citation to ensure good practice in employment matters.</p>	Become and Living Wage Employer	Chief Executive

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	<p>Use of agency staff to cover gaps and ensure continuity of service.</p> <p>Development the Senior Management Team.</p> <p>Use of appraisals to anticipate problems.</p> <p>Develop succession strategy and people plans as part of the 2025-30 business plan.</p> <p>Increased number of social events and events that reward success. Greater communication between Trustees and all staff at post board meeting lunches etc.</p> <p>Review salary of frontline posts during the 2024/25 salary review cycle to ensure salaries remain competitive.</p> <p>Increased number of social events and events that reward success. Greater communication between Trustees and all staff at post board meeting lunches etc.</p> <p>Regular reviews of pay and conditions to ensure a reasonable and competitive response to the cost of living crisis.</p> <p>Restructure of the management team to provide quicker, more devolved and more robust decision making across the organisation and provide promotion opportunities for existing staff</p>	Become a Living Pension Employer	
Incurring substantial non-budgeted expenditure	<p>Completing regular stock condition surveys to assess and plan repairs and improvements to the charity's estate.</p> <p>Complete and work to a comprehensive business plan to predict income and expenditure requirements years in advance.</p> <p>Earmark funds for ERF/CMF as a restricted reserve to cash back long-term capital projects.</p> <p>Monitor cost of long duration capital projects closely to ensure completion within original estimates.</p> <p>Review all CMF/ERF commitments during the budget process to ensure estimates are accurate and incorporate likely cost uplifts.</p>	None – Risk unchanged since last year	Housing Manager and Chief Executive

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Lack of attendance at meetings	Attendance monitoring reporting. Careful planning of meeting calendar to avoid known conflicts.	None – Risk unchanged since last year	All Trustees
Serious Damage to Property	Insured risk, limits reviewed. Regular property inspections. Review insurance arrangement after 2025 renewal point. Insurers notified of new acquisitions before completion date to ensure immediate cover.	None – Risk unchanged since last year	Chief Executive and Finance Manager

Many of the key risks identified by the charity in 2024/25 remain unchanged since the previous year where the charity downgraded many risks as mitigation strategies became embedded.

Collections remain high compared to our peer group but tightening economic circumstances and increasing costs will effect the capacity of the almshouses residents to pay their Weekly Maintenance Charge and yet again the charity had developed its collections systems to meet the challenge.

Code of Governance

The charity uses the National Housing Federation's Code of Governance. The charity also measures itself every two years against the Charity Commission Good Governance Code.

The charity is registered with the Fundraising Regulator however, the charity did not undertake any fundraising activities in 2024/2025 either directly or through a 3rd party organisation. The charity did not employ any professional fundraisers and the charity has not received any complaints about its fundraising activities. In this context the charity has not needed to take any action to protect vulnerable people however should fundraising become a priority in the future the charity will ensure it has robust methods for protecting vulnerable people within the context of fundraising. The charity is also aware of the new fundraising code and any future fundraising activity will comply with this code.

Internal Control

The Trustees have overall responsibility for the charity's systems of internal control and the Finance and Audit Committee review the effectiveness of these systems annually through the charity's finance and audit committee. The charity's internal control systems are detailed in the charity's financial rules and regulations and consist of:

- A clearly defined structure which delegates authority, responsibility and accountability for financial activity including responsibility for internal control.
- A clear and effective process for budgeting and reporting, budgets and performance against them, are monitored through both the finance and audit committee and the full board of Trustee's meetings.
- Investment evaluation process with clear performance benchmarks and indicators.
- Regular risk review processes that detail the area of risk and the steps the charity and its Trustees have taken to mitigate those risks.

The charity's appointed internal auditor, Validera, audits aspects of the charity's internal controls annually. This year Validera completed an audit of the charity's grants programme and service charge methodology, preparation and collection systems.

- Both areas were rated as providing substantial assurance to the auditors that adequate controls are in place and the areas are well managed.

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- The auditors recommended update the terms and conditions of grants to make a greater provision for recovery while acknowledging that such recovery will likely never be economically viable.
- The auditors recommended creating a file note where a collection process had been subject to management override such as a deviation to the arrears policy because of individual residents' circumstances.

Public Benefit

The Trustees of the Harborne Parish Lands Charity ensure that all decisions are made in accordance with the charity's purpose, are for public benefit (with the exception of individual grant approvals), take into consideration the Charity Commission's guidance on public benefit and are in accordance with the Charity Commission's general framework for Trustee decision making.

The charity makes decisions in ways that manage risks or harm to the charity and its beneficiaries consistent with the purpose of the charity and makes decisions to ensure that, outside of the individual grant programme, no personal benefit is more than incidental.

The obvious exception is the charity's individual grant programme of £47,194 which provided relief to people in poverty and crisis in the ancient parish of Harborne. Decisions made by the Trustees regarding the individual grant are still consistent with the charity's purpose but only satisfy the 'benefit' aspect of the public benefit requirement as detailed in Charity Commission guidance.

2.0 Achievements, Performance and Plans for the Future

2.1 A Report from the Almshouses Committee

Achievements and Performance

The Almshouse Committee continue to provide good quality accommodation to 118 beneficiaries in the five schemes that we have:

Harborne House, Harborne
Dore House, Harborne
Firs Close, Smethwick
Harborne Cottages, Smethwick
Larksfield, Smethwick

In the last year we have let 8 flats to new applicants and still have 25 people on the waiting list. The average length of time from the application being approved to an offer being made is 77 days or 11 weeks (An significant decrease over last year's figure of 242 days or 35 weeks and likely reflective of an increased number of homeless or potentially homeless applicants who normally access the charity's housing quicker.). From the time a void becomes available we endeavor to re let it within 21 working days, the re-let time is at present is 16 days; a significant reduction over last years figure of 20 days.

Current arrears are 1.9% (0.86% last year) of annual charges against a target figure of less than 2.5%. Arrears have increased compared to last year. This is a result of the suspension of Housing Benefit on one account due to a Department for Work and Pensions error. While the error has been corrected the back payment has not yet been made.

Void losses and bad debts are 0.76% against a target of less than 4% (0.71% last year). Void losses have remained broadly static although the number of voids has reduced meaning that each void has cost more.

In 2024/25 the charity spent £291,941 maintaining the almshouses with £203,327 spent on planned improvements and £88,614 spent on day to day repairs. This is a significant reduction over the previous years figure of £433,070 but it should be noted that last year was an exception year where the charity 'caught-up' on much of the improvements that had been delayed due to the COVID-19 pandemic.

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In 2024/25:

At Firs Close we have -

- Renovated the front door canopy
- Fitted new windows throughout the scheme
- Fitted and renovated the window infill panel
- Fitted new blinds in the communal lounge
- Refurbished the guest flat
- Fitted new timer clocks for the heating and hot water systems in 10 flats
- Renewed 18 timber apexes
- Installed new lobby chairs
- Converted four flats bathrooms to wet rooms
- Replaced the immersion heaters in 3 flats
- Fitted new digital UHD CCTV on the door entry system
- Fitted new car park lighting
- Fit new blinds to the upstairs alcoves

At Dore House we have -

- Fitted new Fire Doors to all flats
- Fitted a lightning protection system
- Fitted new fire extinguishers
- Cleaned stonework
- Completed an annual tree survey and any identified works
- Fitted new digital UHD CCTV on the door entry system
- Renewed fences
- Painted the sheds
- Fitted replacement double glazing units in flats 1-4 and flat 6

At Harborne House we have -

- Fitted a new wet room in 2 flats
- Fitted a new kitchen in 1 flat
- Fitted new kitchen worktops in 1 flat
- Renewed garage doors
- Refurbished the guest flat

At Harborne Cottages we have –

- Pollarded and reduced the trees
- Fitted new fire escape doors to all cottages
- Repaired and replaced all guttering
- Fitted new heating in the laundry rooms
- Fitted new period exterior lighting to all cottages and communal spaces

At Larkfield we have –

- Pollarded and reduced trees
- Fitted a lightening protection system
- Renewed the gutters

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Plans for the future

The Almshouse Committee continue to make improvements to the various schemes in Harborne and Smethwick and have the following plans for the future:

Harborne House -

- Replace the guttering on the older of the two blocks
- Renew or Replace all communal fire doors
- Replace and upgrade all consumer units
- Replace 4 kitchens as part of a rolling kitchen replacement programme
- Refurbish/convert 4 wet rooms

Harborne Cottages -

- Renew Carbon Monoxide/Gas detectors
- Replace and upgrade all consumer units

Firs Close -

- Pollarding and reduction of trees
- Fitting carpark barriers and a new pedestrian entrance
- Replacement of communal fire doors
- Replacement and upgrade of all consumer units
- Replace 3 wet rooms

Dore House -

- Replacement of communal fire doors
- Replacement and upgrade of all consumer units

Unfortunately, the charity's Activity Coordinator left in January 2025. This had the effect of restricting the programme of events the charity could run towards the end of the financial year however, at the time of writing this report the committee has revised the role into an Activity and Wellbeing Officer and successfully recruited. The committee will complete a new resident satisfaction survey in 2025/26.

2.2 A Report from the Charitable Activity Committee

Achievements and Performance

In 2024/25 the charity committed £289,396 to 4,644 beneficiaries. These grants were split across the following priorities:

- £105,943 was spent in 12 grants supporting services for older people.
- £59,388 was spent on 5 grants supporting 16-24 year olds either NEET (Not in Education, Employment or Training) or at risk of becoming NEET.
- £30,579 was spent in 2 grants on programmes that distributed food or household goods.
- £26,940 was spent in 3 grants supporting debt and money management services.
- £47,078 was spent on the charity's individual grant programme:
 - £15,679 supported 76 beneficiaries with 24 grants in Birmingham; and
 - £31,399 supported 106 beneficiaries with 40 grants in Smethwick.
- £19,468 was spent on a utility grant that made the energy costs of 37 beneficiaries in the charity's almshouses more affordable.

The four largest grants made by the charity in 2024/5 accounted for £77,875 (28%) of the charity's grant spend and 40% of the beneficiaries reached. These grants are detailed below:

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Focus Birmingham

Focus Birmingham requested the grant to continue the work of the Community Worker who covers the HPLC area. This worker carries out home assessments within 72 hours of a referral to establish what help can be offered, such as benefits assistance or enrolment onto an eye contact information course. The Community Worker also runs weekly social groups in Harborne for the visually impaired (and those with dual sensory loss, where hearing is an issue too), who attend coffee mornings and enjoy a variety of activities such as singing, quizzes, gentle exercise, as well as the opportunity for people with similar conditions to socialise with their peers.

Community Resource Information Service (CRIS)

The project delivered training, support, advice and guidance to participating families with a focus on explaining the UK legal system and consequences of domestic violence, mistreatment of YPs, vulnerable adults and people with special needs, as well as awareness raising about preventing disagreements from leading to family breakdown. The programme of awareness-raising goes beyond migrant and refugee communities and provides practical support for all, but with some focus on YPs across all communities within the project area, based on the lessons they learnt through their pilot project.

Cape Community Care Day Centre (CCCCDC)

The centre provides day-to-day caring-based services (freshly prepared meals through their luncheon club, crafts and gentle exercise) for the elderly and vulnerable. They also provide meals on wheels for those who are housebound. The centre is open 3 days a week and it ensures that people feel less isolated and can discuss any problems/issues they may have. Their service users feel more independent and more confident and can socialise. They report that dementia-focused problems affect c.70% of their clients.

Smethwick Church Action Network (Smethwick CAN)

Smethwick CAN requested a grant to help support the costs of a part-time Food Action Worker and Food Action Co-ordinator. These two part-time staff worked towards tackling the issues surrounding food poverty and the impact this has on peoples' lives (such as low self-esteem, social isolation) rather than just distributing food packs. They further developed foodbank logistics, fundraising and partnerships, and the Smethwick CAN Foodstore (a self-esteem step away from the foodbank), where service users coming out of absolute poverty are invited to pay a nominal cost for the food they take, and shop for their specific food needs, as opposed to simply taking a food parcel. Food Action Worker also managed the Smethwick CAN Grow community allotment scheme, encouraging service users to grow their own food, boosting health, wellbeing and social inclusion in the process.

In 2024/25 the charity began its journey towards participatory grant making by inviting partner organisations within the parish to participate in the preparation of the 2025/26 Grant Strategy. This was a very useful exercise that allowed us to gather views on our grant processes as well as the charity's strategy for dealing with oversubscribed grant rounds in the future. One of the most material impacts was the suggestion to replace the requirement to work with certain sections of the population (such as older people) with the symptom of disadvantage they are displaying (such as social isolation). This advice led to a fundamental rethink of the charity's grant priorities.

Future Plans

In 2024/25 the charity plans to:

- Investigate the possibility of increasing grant spending
- Maintain community involvement in the preparation of the grant strategy
- Develop and test methodologies for scoring organisational applications for future community lead funding panels.

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2.3 A Report from the Property Committee

Achievements and Performance

2024/25 has been another year of solid performance for the charity's property portfolio.

Income increased to £603,791 (£590,443 in 2023/24) while costs have reduced by a further 29.7% from last year's figure of £239,710 to £168,503. We believe these costs represent the 'steady state' cost of operating the charity's portfolio barring any exceptional events such as the return of long term regulated tenancies

Void properties have remained very low and relets have been handled quickly with no property remaining on the market for longer than 8 weeks.

The charity acquired two new residential properties in 2024/5 completing its property strategy. The trustees decided not to dispose of any of the exiting property portfolio after assessing the 5-year repair costs and occupancy rates of the two properties originally slated for disposal.

Future Plans

In 2025/26 the charity hopes to conclude negotiations relating to the surrender and re-grant of some of the charity's historic long leases. The charity has also budgeted for the return of one of the charity's regulated tenancies and anticipates carrying out a full refurbishment.

2.4 A Report from the Finance and Audit Committee

Achievements and Performance

In 2024/5 the committee has met 4 times. The committee has scrutinised the activities of the charity's investment managers including receiving 4 written quarterly reports and meeting with the charity's appointed investment managers, Evelyn Partners, twice in February and September to discuss performance and strategy.

The committee has worked with the investment managers to review the charity's mandate, instructions and appetite for risk. This activity resulted in the committee selecting a strategy 5 (balanced mandate) and a medium risk strategy for the investment portfolio with the following objectives:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and enhancement of the investment funds over the long term.
- To obtain a reasonable balance between capital growth and income so that the Charity can meet future as well as current needs.

The Trustees' policy is to invest in an appropriate mix of real assets i.e. equities, fixed interest securities, alternative assets and monetary assets. Trustees recognise that the returns on equities, while expected to be greater over the longer term than those of fixed interest and monetary assets, are likely to be more volatile. Investment in a mix of asset classes should nevertheless provide the levels of return required for the Trust to achieve its objectives, whilst mitigating volatility.

On 30th June 2025 the charity's investment portfolio was worth £6,066,434 an increase of £137,050 over its June 2024 valuation of £5,929,384.

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As at 30th June the portfolio was invested as follows:

UK Equities	16.7%
Overseas Equities	50.3%
North America	18.2%
Europe (Excluding the U.K.)	6.9%
Japan	3.2%
Pacific Basin (Excluding Japan)	6.3%
Emerging Markets	2.0%
Global	13.6%
Bonds	19.3%
UK Government	9.1%
UK Index Linked	0.8%
UK Corporate	2.5%
Overseas	6.9%
Alternative Assets	7.2%
UK Property	5.5%
Cash	1.1%

In 2024/25 the portfolio generated £198,914 a yield of 3.2%.

Performance exceeded the PiMFA benchmark at the 3-month interval (4.5% against a benchmark of 4.1%) and approximately matching benchmark at 6 months (3.3% against a benchmark of 3.2%). Performance then falls behind at 1-year (5.9% against a benchmark of 7%), 3-years (22.2% against a benchmark of 26.9%) and 5-years (35.5% against a benchmark of 40.0%). When considering performance since the funds inception the picture improves (275.7% against a benchmark figure of 263.3%).

While this performance is disappointing it should be noted that when compared to the ARC steady growth benchmark the situation is somewhat different. Performance is 5.3% against a benchmark of 4.3% over a 1-year timeframe, 20.1% against 19.3% over 3 years and 31.3% against 31.1% over 5 years.

The ARC benchmark is far more representative of real-world performance as the PiMFA benchmark is synthetic and an organisation would struggle to actually invest in this way. ARC data, on the other hand, is based on an aggregate of actual portfolio data. Using the ARC benchmark performance in the 202/25 financial year has been good.

Future Plans

In 2025/26 the committee is looking forward to receiving internal audit reports on key financial controls and Housing Compliance.

The committee will continue to monitor the performance of the charity's investment managers and will receive reports and strategy updates in September 2025 and February 2026.

The committee will work with the finance team, Almshouse team and the Almshouses committee to prepare WMC increase proposals in time for the December 25 board meeting; an accelerated timescale that reduces the pressure on the charity's staff in the early part of the new year. While preparing these charges the committee will ensure the charity is balancing the financial capabilities of the residents against the long-term financial viability of the charity.

The committee will investigate easily accessible deposit funds that generate better returns than either of the charities current cash investment accounts.

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2.5 Complaints

The charity has completed its second annual complaints report and can report that in the period to 30th June 2024 there were three complaints about the charity.

All three complaints were dealt with at stage one and no complaint has escalated to stage two or escalated to the ombudsman. All complaints were addressed within the designated timescales and in a manner consistent with HPLC's complaints policy. All complainants are satisfied with the resolution of the complaints.

As a result of these complaints the charity has written a policy and guidelines for addressing situations where residents' goods are damaged due to the actions of HPLC or their contractors ensuring we can offer a fair and transparent process for compensation or the replacement of goods that is consistent across all of the charity's accommodation. The charity is grateful that these complaints have given us the opportunity to improve our services.

During the year all staff have received tailored, in-person, advanced complaints training delivered by Chartered Institute of Housing (CIH) accredited trainers.

3.0 Financial Review

3.1 Financial Position

The Charity's Income
Income received 2024-25

Financial Investment Income	£198,914
Income from Investment Properties	£603,791
Housing Activities	£1,167,561
Other	£74
	<u>£1,970,340</u>

The Charity's Expenditure
How the income was spent in 2024-25

Grants	£348,833
Housing Activities	£1,378,872
Governance	£82,952
Investment property management	£168,503
Financial investment management	£34,812
	<u>£2,013,973</u>

Balance Sheet

The value of assets (less liabilities) of the charity is shown below

	£
Housing Properties	3,681,428
Land, fixtures & fittings	632,788
Investments (stocks and shares)	6,066,434
Investment properties	11,750,479
Subtotal	<u>22,131,129</u>
Current assets less liabilities	22,951,987
Creditors (due over more than one year)	(62,775)
Net Assets	<u>22,889,212</u>

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3.2 Commentary on the Accounts

2024/25 has been another challenging year for the charity, but, as in previous years the challenges were foreseen and budgeted for. The charity's income has increased to £1,970,340, up 5.2% from £1,872,928 in 2023/24. However, costs have reduced from £2,160,287 to 2,013,973 or a reduction of 6.8%

The charity's income growth has been concentrated in the almshouses where income from housing activities has grown by 7.26% compared to only 2.8% growth in financial investment income and 2.27% growth in property income. The charity's reduction in costs is concentrated in the grants programme which reduced by 10.47% and the cost of property management which reduced by 29.71%. The charity's grant programme had been increased in 2023/24 to accommodate a higher than anticipated number of applications

It is worth noting that cost of operating and maintaining the almshouses fell this year by 2.83% when compared to the previous year. While in part, this reflects a reduced improvement programme when compared to previous years, it is also indicative of attempts to control ever increasing service contract costs.

Overall the charity incurred a £43,633 deficit this year which was better than the budgeted deficit of £103,768. This result was achieved while still completing all of the planned improvement works, upgrades and system renewals. While any deficit year is concerning it should be noted that the underlying position of the charity when exceptional spend is removed remains positive.

The charity's balance sheet increased in value by £127,479 this year, driven, for the most part, by increases in the value of the charity's financial investment portfolio.

3.3 Reserves

It is the charity's policy to hold 6 months' operating expenditure (£1,080,146) and 12 months' maintenance expenditure (£221,806) in reserve in the form of cash or easily liquidated assets. As of 30th June 2025 the charity was holding £954,501 in cash and a total of £7,020,935 in either cash or easily liquidated investments.

4.0 Value for Money

Value for Money (VFM) is always at the forefront when managing the delivery of our charitable mission and objectives.

For HPLC VFM is maximising our value to:

- enable our residents to live independently in an environment that improves their health and wellbeing, thus lessening the burden on the NHS by reducing the need for GP and hospital visits and admissions to care homes.
- support our individual grant recipients through provision of necessities such as white goods and baby items.
- assist local organisations in their attempts to improve the health, welfare and employment opportunities of the inhabitants of the ancient parish and help them reach their full potential.

4.1 Arrangements to Ensure VFM

VFM drives our strategic objectives of risk, assets, people and procurement. As such it runs through all aspect of our strategic plans. Progress is rigorously monitored at committee meetings and by the full board on a quarterly basis.

The Finance & Audit Committee scrutinise all aspects of financial performance and ensures we have sound financial rules and regulations. Our returns on investment are benchmarked so that we can be certain that our stocks and shares are appropriate and performing well. Expenditure against budget for all aspects of the charity is checked monthly by the Senior Management Team.

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The Property Committee monitors the performance of our non-social housing and investment properties to ensure a healthy balance of income and long term growth. Investment returns are monitored year on year at a property level to ensure the charity can dispose of any underperforming assets and generate maximum returns on its portfolio.

The Almshouse Committee monitors void loss, arrears and repairs and maintenance in relation to our five almshouses. We undertook our latest five-year stock condition survey in 2024/25 and this enables the charity to carry out maintenance and improvement works to the almshouses in a planned and strategic manner. It is now time to update the stock condition survey to ensure the charity continues to stay 'ahead of the game' and that unforeseen repair costs do not creep up. We continue to take a balanced view of maintenance, realising the importance of keeping our properties at a high standard, so that they remain desirable and ensure low void rates, without carrying out work before it is necessary.

The almshouse committee also reviews large tendering activities to ensure that contracts are competitively tendered in line with the updated 2025 procurement legislation and that the charity is getting the best quality for the money it is spending.

The charity is a member of the SPBM Benchmarking Group which assesses our performance against that of similar organisations and enables us to share good practice.

The Charitable Activities Committee oversees our programme of organisational and individual grants to ensure we are adhering to the charity's grants strategy, which outlines our key priorities for the year. These priorities are regularly reviewed and altered over time according to identified patterns of need established from local resources such as ONS data and neighbourhood plans. Any applications made to the charity are assessed against these priorities and only applications that demonstrate an ability to evidence these needs are funded. The committee received reports on the achievements each award made and compare the costs of each intervention against the number of beneficiaries it supported and the impact it achieved.

4.2 Benchmarking Ranking

The charity has compared its performance against local housing charities that form the SPBM Benchmarking group. The charity has a combination of mandatory metrics from the Regulator for Social Housing (RSH) and others metrics shared across this group to assess its relative performance. The results of this comparison are detailed in the table below showing how this year's performance compares to last and giving a short narrative explanation of what the metric means and why the charity's performance is what it is. Finally, the charity has included its rank out of the 14 SPBM members:

Metric (As defined by the Regulator for Social Housing)	2020/21	2021/22	2022/23	2023/24	2024/25	Narrative Explanation	SPBM Rank (Out of 14)
Stock managed	99	99	99	99	99	The total social housing stock managed by the charity has remained unchanged since 2017/18. We will carefully monitor the new government's housing strategy and assess whether the operating environment becomes conducive to the growth of the charity's housing stock.	N/A
Void losses (%)	0.38	0.49	0.48%	0.71%	0.76%	The percentage of income lost to voids (empty units) has increased slightly. This is reflective of increased void works costs as the cost of tradespeople and materials has continued to increase.	3rd

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Metric (As defined by the Regulator for Social Housing)	2020/21	2021/22	2022/23	2023/24	2024/25	Narrative Explanation	SPBM Rank (Out of 14)
Ave. re-let time of all re-lets (days)	22	18	18	20	18	Average re-let time have decreased this year. The charity has had few simultaneous voids and has been able to ensure contractors start void works quickly. Despite an increase in HPLC's performance our overall rank has fallen one place. The class leader relets flats in 16 days.	↓ 2nd
Rent collected (% of charges due)	99.37	95.8	100.8%	102.15%	102%	Rent (WMC) collected as a percentage of charges due has decreased slightly. However, the charity is collecting more rent than is due. This indicates that new residents are paying the WMC in advance	↔ 1st
Current tenant arrears (%)	0.37	0.0	0.0%	0.86%	1.9%	Current tenant arrears have increased. This is because of a single case where a tenant was incorrectly found not to have recourse to public funds. This decision has since been overturned however the outstanding Housing Benefit has not yet been paid. Without this case arrears remain in-line with previous years.	↓ 2nd
Overall operating margin (%) (RSH 101)	63.13	-24.05	41.52%	-30.36%	-18.1	The charity's overall operating margin has improved from previous years but is still negative. This reflects the large capital amounts spent on the almshouses this year.	↑ 4th
Social housing lettings operating margin (%) (RSH 102)	0.46	-6.81	-9.27%	-15.26%	-2.21%	The charity's social housing operating margin has improved. This is reflective of the increased reinvestment in the almshouses and a reduction in the cost of staff that are not charged to residents such as the activity coordinator who was not in post for some of the year.	↔ 4th
EBITDA MRI (as a percentage of interest) (RSH 103)	146.63%	-41.87%	104.56%	-32.22%	-18.28%	The charity's EBITDA MRI rating has decreased increased slightly. The charity maintains sufficient liquidity with cash in excess of £900,000	↔ N/A

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Metric (As defined by the Regulator for Social Housing)	2020/21	2021/22	2022/23	2023/24	2024/25	Narrative Explanation	SPBM Rank (Out of 14)
Gearing (RSH and Scorecard measure) (RSH 203)	-47%	-57.04%	-56.85%	-46.29%	-24.21%	The charity remains low geared. The charity is paying off its one small loan slowly and the outstanding balance decreases from year to year. The charity has looked into paying the loan off early but redemption costs make this uneconomical.	↔ N/A
New supply of social housing units delivered as a percent- age of total so- cial housing units held (RSH 204)	0	0	0	0	0	The charity has not developed any new social housing units this year. The charity would like to develop new social housing units but requires greater clarity regarding future welfare reforms before it can commit. The ranking is established on the basis of how recently units were added.	↔ 1st
New Supply delivered (non- social housing units)	N/A	0	0	0	0	The charity has not delivered any new non-social housing units in 2023/24. However, the charity has completed two non-social residential purchases after the year end and will report those in this table in 2024/25. The ranking is based on how recently new non-social units were added to our portfolio. Our ranking shows the charity added units most recently out of our peers.	↔ 1st
Reinvestment % (RSH 304)	0.86%	0.98%	2.75%	1.19%	7.05%	Reinvestment has increased. This is reflective of the larger proportion of this year's improvement programme that was capitalised.	↑ 1st
Return on Cap- ital Employed (ROCE) % (RSH 401)	4.12%	1.72%	2.9%	-1.25%	-0.19%	The return on capital employed is indelibly linked to the performance of the charity's investments and the amount the charity spends. Because of greater performance in these areas the charity's score has improved however, the charity's ranking has remained static.	↔ 4th

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Metric (As defined by the Regulator for Social Housing)	2020/21	2021/22	2022/23	2023/24	2024/25	Narrative Explanation	SPBM Rank (Out of 14)
Headline social housing cost per unit (RSH 501)	£9,085	10,057	£11,440	£14,765	£16,550	<p>The total headline cost per social housing unit has increased significantly. This is reflective of the increased amount of capital spend and refurbishments the charity has undertaken as well as the significant increase in service contracts such as Energy and IT. The charity's costs are often higher when compared to other providers because of the additional cost we carry to support and provide activities to our residents. These costs are not passed on to residents and are not HB eligible meaning that the charity's WMC remains competitive with the rest of our sector with an average total weekly charge of £225.73. We might almost describe ourselves as proud to be expensive here as we are utilising the charity's funds to provide an enhanced service that goes above and beyond that of a standard sheltered accommodation provider.</p>	<p>↑ 3rd</p>

5.0 Resident Satisfaction

The charity carried out its last resident satisfaction survey in the 2023/24 financial year

The key questions covered tenant satisfaction with overall services, repairs, safety, and resident engagement. Each question was rated on a scale of 1 to 5 (1 = very dissatisfied, 5 = very satisfied). Following the guidance of the Regulator of Social Housing, satisfaction was calculated by combining the 5's (very satisfied) and the 4's (fairly satisfied). The results were as follows:

Satisfaction Measure	Satisfaction Score (%)
TP01: Overall Satisfaction with Service Provided	99%
TP02: Satisfaction with Repairs	99%
TP03: Satisfaction with time taken to complete most recent repair	94%
TP04: Satisfaction that your home is well maintained	96%
TP05: Satisfaction that your home is safe	100%
TP06: Satisfaction that the landlord listens to resident views and acts upon them.	98%
TP07: Satisfaction that the landlord keeps residents informed about things that matter to them.	95%
TP08: Agreement that the landlord treats residents fairly and with respect	98%
TP09: Satisfaction with HPLC's approach to handling complaints	100%
TP10: Satisfaction that HPLC keeps communal areas clean and well-maintained.	99%
TP11: Satisfaction that HPLC makes a positive contribution to neighbourhoods	85%
TP12: Satisfaction with the landlord's approach to handling anti-social behaviour	89%

The charity received a very high 78.3% feedback response

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Since undertaking this survey, the charity has pressed ahead with our action plan to address those scores that were lower. The charity has held seminars with residents regard our repairs policy outlining the timescales we work too and how they compare (where known) with other providers. The charity has asked its resident scrutiny panel to scrutinise complaints and anti-social behaviour for their next scrutiny project and has begun to include the charity's extra-housing activities in the metrics presented at resident consultation meetings to encourage a wider understanding of what the charity does.

Areas residents are less satisfied with include the approach the charity takes to antisocial behaviour and the time taken to complete the most recent repairs. The charity has investigated and found that all repairs completed in the 6 months preceding the issue of the questionnaire were completed within the timescales identified in the charity's repairs policy however, clearly the charity needs to work with residents to ensure the timescales in the policy are reflective of resident aspirations and understood by residents.

The charity will carry out a new resident satisfaction survey in the 2025/26 financial year.

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

Auditors

The auditors, Crowe UK LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion to reappointing the audits at the meeting of the Trustees.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees and signed on the board's behalf by:


Mr D Jeffery
(Authorised official)

Date:

3.12.25.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2025

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:


Mr D Jeffery
(Authorised official)

Date: 3.12.25

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE & SMETHWICK CHARITABLE TRUST

Opinion

We have audited the financial statements of Harborne & Smethwick Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 June 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE & SMETHWICK CHARITABLE TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE & SMETHWICK CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE & SMETHWICK CHARITABLE TRUST (CONTINUED)

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 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's and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: *19 December 2025*

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:					
Charitable activities	4	1,167,561	-	1,167,561	1,088,551
Investments	5	802,705	-	802,705	783,848
Other income		74	-	74	529
Total income and endowments		1,970,340	-	1,970,340	1,872,928
Expenditure on:					
Raising funds	6	36,478	166,837	203,315	271,435
Charitable activities:	8				
Housing activities		1,224,318	154,554	1,378,872	1,420,603
Grants in relief in need		348,833	-	348,833	389,643
Governance costs		82,953	-	82,953	78,606
Total expenditure		1,692,582	321,391	2,013,973	2,160,287
Net income/(expenditure) before net gains on investments		277,758	(321,391)	(43,633)	(287,359)
Net gains on investments		99,758	71,354	171,112	551,186
Net movement in funds		377,516	(250,037)	127,479	263,827
Reconciliation of funds:					
Total funds brought forward		6,923,658	15,838,075	22,761,733	22,497,906
Net movement in funds		377,516	(250,037)	127,479	263,827
Total funds carried forward		7,301,174	15,588,038	22,889,212	22,761,733

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 36 to 57 form part of these financial statements.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11217433

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	4,314,216	4,237,587
Investments	14	6,066,434	5,929,384
Investment property	13	11,750,479	11,152,001
		<u>22,131,129</u>	<u>21,318,972</u>
Current assets			
Debtors	16	293,150	196,977
Cash at bank and in hand		954,501	1,723,934
		<u>1,247,651</u>	<u>1,920,911</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(426,793)	(414,354)
Net current assets		<u>820,858</u>	<u>1,506,557</u>
Total assets less current liabilities		<u>22,951,987</u>	<u>22,825,529</u>
Creditors: amounts falling due after more than one year	18	(62,775)	(63,796)
Total net assets		<u><u>22,889,212</u></u>	<u><u>22,761,733</u></u>
Charity funds			
Endowment funds	19	15,588,038	15,838,075
Unrestricted funds	19	7,301,174	6,923,658
Total funds		<u><u>22,889,212</u></u>	<u><u>22,761,733</u></u>

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11217433

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2025

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr F Wayt
(Authorised official)

Date:

3/12/2025.

The notes on pages 36 to 57 form part of these financial statements.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11217433

CHARITY BALANCE SHEET
AS AT 30 JUNE 2025

	2025 £	2024 £
Net current assets	-	-
Total net assets	<u>-</u>	<u>-</u>
Charity funds		
Endowment funds	-	-
Unrestricted funds	-	-
Total funds	<u>-</u>	<u>-</u>

The Charity's net movement in funds for the year was £NIL (2024 - £NIL).

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr F Wayt
(Authorised official)

Date: 3/12/2025

The notes on pages 36 to 57 form part of these financial statements.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	21	(745,743)	(895,300)
Cash flows from investing activities			
Dividends, interests and rents from investments		802,705	783,848
Purchase of tangible fixed assets		(260,958)	(77,926)
Proceeds from sale of investments and investment property		250,687	886,591
Purchase of investments and investment property		(908,979)	(984,947)
Net cash (used in)/provided by investing activities		(116,545)	607,566
Cash flows from financing activities			
Repayments of borrowing		(1,021)	(923)
Net cash used in financing activities		(1,021)	(923)
Change in cash and cash equivalents in the year		(863,309)	(288,657)
Cash and cash equivalents at the beginning of the year		1,884,354	2,173,011
Cash and cash equivalents at the end of the year	22	1,021,045	1,884,354

The notes on pages 36 to 57 form part of these financial statements

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. General information

The Harborne and Smethwick Charitable Trust is a private company limited by guarantee registered with the Charity Commission and Companies House in England and Wales. Its registered office is 109 Court Oak Road, Harborne, Birmingham, B17 9AA.

The nature of the operations and principal activities are relieving need in the ancient parish of Harborne.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harborne & Smethwick Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

After reviewing the Charity's forecasts and projections, the Trustees consider that the charity is well placed to manage the business risks it faces. This position is supported by strong cash balances and sufficient level of reserves.

The Trustees therefore have a reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the charity to continue as a going concern.

The charity therefore continues to adopt the going concern basis in preparing its financial statements. The charity's planning processes, including financial projections, take into consideration the current economic climate and its potential impact on various sources of income and planned expenditure.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing activities represents rental and service charges income receivable in the year net of rent and service charges losses from voids.

Investment income from investment properties is recognised as it falls due. Dividends and interest income is recognised as the Charity's right to receive payment is established.

Rental income from investment properties is recognised on a receivable basis.

2.4 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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in managing investment assets.

Investment management costs are apportioned between funds based on the percentage of the relevant assets held in the fund.

Charitable activities and governance costs are costs incurred in the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets (including social housing properties) are carried at cost (or deemed cost), net of depreciation and any provision for any impairment. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Housing properties in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Major components of housing properties, such as lifts and warden alarm systems have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives. The useful economic lives of tangible fixed assets are reviewed annually.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Land	- Not depreciated
Office building	- 20 years
Fixtures and fittings	- 7 years
Computer equipment	- 3 years
Roof structure and covering	- 70 - 100 years
Windows and external doors	- 30 years
Heating	- 8 - 15 years
Kitchens	- 20 years
Bathrooms	- 30 years
Mechanical	- 30 years
Electrical	- 40 years
Lifts	- 20 years

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.7 Investment property

All investment properties are included at market value. Any changes in fair value are recognised in the Statement of Financial Activities.

Properties rented to provide social housing are treated as tangible fixed assets and not investment properties.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2. Accounting policies (continued)

2.8 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowed funds are those funds which are available for use in accordance with the wishes of the funder or regulatory body. Endowment funds represent gifts where the income may be used for general charitable purposes but the capital must be retained.

Income generated from permanently endowed assets is allocated to unrestricted income. Gains and losses on those assets are attributed to the endowment fund. Where income funds are used to build, extend or improve buildings which are endowed properties or on endowed land, then the enhancement to the asset will be included within the endowment fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Useful lives of buildings and components - this is assessed based on experience and best practice in the sector. The useful lives are regularly reviewed.

Valuation of investment properties - fair value is assessed based on a combination of professional opinion, market values, actual occupancy and knowledge of the local area.

Critical areas of judgement:

Permanent endowment funds - due to the age of the Charity and changes in modern day regulation, the Trustees are aware that it is difficult to ascertain with certainty the absolute values and components of the permanent endowment funds. They have applied judgement to the split of assets and allocation and apportionment of eligible costs to those funds based on historic evidence and practice.

Valuation of investment properties - the Trustees consider the assessment of the valuation of investment properties to be a key area of judgement, with the factors impacting upon this assessment being outlined above.

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £
Weekly maintenance contribution	648,201	648,201
Service charges receivable	349,916	349,916
Utilities recharges	169,444	169,444
Total 2025	<u>1,167,561</u>	<u>1,167,561</u>
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Weekly maintenance contribution	612,654	612,654
Service charges receivable	322,350	322,350
Utilities recharges	153,547	153,547
<i>Total 2024</i>	<u>1,088,551</u>	<u>1,088,551</u>

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Rental income from investment properties	603,791	603,791
Dividends and interest receivable	198,914	198,914
Total 2025	<u>802,705</u>	<u>802,705</u>
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Rental income from investment properties	590,389	590,389
Dividends and interest receivable	193,459	193,459
<i>Total 2024</i>	<u>783,848</u>	<u>783,848</u>

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

6. Investment management costs

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Repairs	8,617	81,105	89,722
Insurance	772	7,275	8,047
Legal and property management fees	288	2,709	2,997
Agent's commission	6,505	61,232	67,737
Investment management fee	20,296	14,516	34,812
Total 2025	36,478	166,837	203,315

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Repairs	4,633	149,802	154,435
Insurance	310	10,028	10,338
Legal and property management fees	248	8,017	8,265
Agent's commission	2,000	64,671	66,671
Investment management fee	18,814	12,912	31,726
Total 2024	26,005	245,430	271,435

HARBORNE & SMETHWICK CHARITABLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

7. Analysis of grants

	Grants to Institutions 2025 £	Grants to Individuals 2025 £	Total funds 2025 £
Grants for relief in need	222,850	66,546	289,396
	<u>222,850</u>	<u>66,546</u>	<u>289,396</u>
	<i>Grants to Institutions 2024 £</i>	<i>Grants to Individuals 2024 £</i>	<i>Total funds 2024 £</i>
Grants for relief in need	286,603	45,882	332,485
	<u>286,603</u>	<u>45,882</u>	<u>332,485</u>

During the year, 64 (2024: 63) grants were awarded to individuals referred to the Charity by agencies in Birmingham and Sandwell.

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
Housing activities	1,307,271	154,554	1,461,825
Grants for relief in need	348,833	-	348,833
Total 2025	<u>1,656,104</u>	<u>154,554</u>	<u>1,810,658</u>

	<i>Unrestricted funds 2024 £</i>	<i>Endowment funds 2024 £</i>	<i>Total 2024 £</i>
Housing activities	1,360,343	138,864	1,499,207
Grants for relief in need	389,645	-	389,645
<i>Total 2024</i>	<u>1,749,988</u>	<u>138,864</u>	<u>1,888,852</u>

Included within housing activities is governance costs of £82,953 (2024: £80,191). See note 9 for details.

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9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £
Housing activities	1,378,873	-	82,952	1,461,825
Grants for relief in need	-	289,396	59,437	348,833
Total 2025	1,378,873	289,396	142,389	1,810,658

	Activities undertaken directly 2024 £	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Housing activities	1,419,016	-	80,191	1,499,207
Grants for relief in need	-	332,485	57,160	389,645
Total 2024	1,419,016	332,485	137,351	1,888,852

Analysis of direct costs

	Housing Activities 2025 £	Total funds 2025 £
Staff costs	380,479	380,479
Operating costs	991,823	991,823
Interest payable	6,571	6,571
Total 2025	1,378,873	1,378,873

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Housing Activities 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	328,235	328,235
Operating costs	1,084,113	1,084,113
Interest payable	6,668	6,668
<i>Total 2024</i>	<u>1,419,016</u>	<u>1,419,016</u>

Analysis of support costs

	Housing Activities 2025 £	Grants for relief in need 2025 £	Total funds 2025 £
Staff costs	-	53,026	53,026
Premises and office running expenses	-	6,411	6,411
Governance costs	82,952	-	82,952
Total 2025	<u>82,952</u>	<u>59,437</u>	<u>142,389</u>

	<i>Housing Activities 2024 £</i>	<i>Grants for relief in need 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	-	50,990	50,990
Premises and office running expenses	-	6,170	6,170
Governance costs	80,191	-	80,191
<i>Total 2024</i>	<u>80,191</u>	<u>57,160</u>	<u>137,351</u>

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10. Governance costs

	Unrestricted funds 2025 £	Total funds 2025 £
Auditor's remuneration	26,344	26,344
Other costs	23,669	23,669
Premises and office running expenses	2,882	2,882
Wages and salaries	24,730	24,730
National insurance	2,873	2,873
Pension cost	2,454	2,454
Total 2025	82,952	82,952

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Auditor's remuneration	24,804	24,804
Other costs	23,820	23,820
Premises and office running expenses	2,779	2,779
Wages and salaries	23,816	23,816
National insurance	2,606	2,606
Pension cost	2,366	2,366
<i>Total 2024</i>	<i>80,191</i>	<i>80,191</i>

Auditor's remuneration contains £3,360 (2024: £3,204) of non-audit fees.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

	Group 2025 £	<i>Group 2024 £</i>
Wages and salaries	390,245	347,492
Social security costs	32,450	28,632
Other pension costs	35,540	31,889
	<u>458,235</u>	<u>408,013</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2025 No.	<i>Group 2024 No.</i>
Employed wholly on housing activities	7	6
Employed on housing activities, grant making and governance	6	5
	<u>13</u>	<u>11</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	<i>Group 2024 No.</i>
In the band £70,001 - £80,000	1	1

Aggregate remuneration and benefits received by Key Management Personnel (including employer pension contributions, national insurance and benefits) amounted to £220,246 (2024: £211,052). Key Management Personnel comprises the Trustees, Chief Executive, Housing Manager, Senior Buildings Manager and Information and Policy Officer. Trustees received no remuneration or benefits.

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12. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Housing properties £	Total £
Cost or valuation				
At 1 July 2024	657,493	142,394	6,101,623	6,901,510
Additions	-	33,790	227,168	260,958
Disposals	-	-	(654)	(654)
At 30 June 2025	657,493	176,184	6,328,137	7,161,814
Depreciation				
At 1 July 2024	60,807	86,862	2,516,254	2,663,923
Charge for the year	24,098	29,122	130,569	183,789
On disposals	-	-	(114)	(114)
At 30 June 2025	84,905	115,984	2,646,709	2,847,598
Net book value				
At 30 June 2025	572,588	60,200	3,681,428	4,314,216
At 30 June 2024	596,686	55,532	3,585,369	4,237,587

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13. Investment property

Group

	Freehold investment property £
Valuation	
At 1 July 2024	11,152,001
Additions	598,478
At 30 June 2025	<u>11,750,479</u>

Investment property comprise commercial properties and residential properties with fair values of £5.7m and £6.1m respectively. The Charity's investment properties were formally valued as at 30th June 2023, commercial properties were valued by Richard D Longden (MRICS) of Cottons Chartered Surveyors and residential properties valued by James Peet (MRICS) of Carters Chartered Surveyors, on an open market value. The Trustees consider the relevant assumptions applied by the surveyors appropriate as at 30th June 2025. The majority of these properties were bequeathed to the Charity many years ago and the historical cost of these properties is not known.

14. Fixed asset investments

Group	Listed investments £	Cash held by investment manager £	Total £
Cost or valuation			
At 1 July 2024	5,768,964	160,420	5,929,384
Additions	310,501	(310,501)	-
Disposals	(240,844)	240,844	-
Revaluations	161,269	-	161,269
Management fee	-	(24,219)	(24,219)
At 30 June 2025	<u>5,999,890</u>	<u>66,544</u>	<u>6,066,434</u>

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15. Subsidiary undertakings

The Harborne Parish Lands Charity (charity number 219031), an unincorporated registered charity is the subsidiary undertaking of Harborne and Smethwick Charitable Trust which is the sole Trustee. Its principal activity is the relief of need in the ancient parish of Harborne through the provision of almshouses and provision of grants to individuals and organisations that support those in need.

As Harborne and Smethwick Charitable Trust was dormant throughout the year, the results presented in the Statement of Financial Activities, Balance sheet, Statement of cashflows and the related notes to the financial statements are those of Harborne Parish Lands Charity.

16. Debtors

	Group 2025 £	<i>Group 2024 £</i>
Due within one year		
Trade debtors	42,726	<i>18,765</i>
Rents held by managing agent	117,572	<i>88,325</i>
Prepayments and accrued income	132,852	<i>89,887</i>
	293,150	<i>196,977</i>

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17. Creditors: Amounts falling due within one year

	Group 2025 £	<i>Group 2024 £</i>
Bank loans	560	560
Trade creditors	31,952	17,753
Other taxation and social security	12,831	8,503
Other creditors	9,829	8,449
Accruals and deferred income	174,792	146,926
Grants payable	196,829	232,163
	<u>426,793</u>	<u>414,354</u>

Included within accruals and deferred income is rental income invoiced in advance of £90,572 (2024: £83,176).

18. Creditors: Amounts falling due after more than one year

	Group 2025 £	<i>Group 2024 £</i>
Bank loans	<u>62,775</u>	<u>63,796</u>

The above loan included in creditors within and after one year is secured by a charge over Harborne House, one of the Charity's housing properties. The loan is repayable in instalments over a term of 60 years ending on 31 July 2044. The interest accrues at a rate of 10.25%. The loan represents 6.4% (2024: 6.4%) of the book value of the property.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

Statement of funds - current year

	Balance at 1 July 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2025 £
Unrestricted funds					
General Funds	6,923,658	1,970,340	(1,692,582)	99,758	7,301,174
Endowment funds					
Endowment Fund	15,838,075	-	(321,391)	71,354	15,588,038
Total of funds	22,761,733	1,970,340	(2,013,973)	171,112	22,889,212

Statement of funds - prior year

	Balance at 1 July 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2024 £
Unrestricted funds					
General Funds	6,505,206	1,872,928	(1,775,993)	321,517	6,923,658
Endowment funds					
Endowment Funds	15,992,700	-	(384,294)	229,669	15,838,075
Total of funds	22,497,906	1,872,928	(2,160,287)	551,186	22,761,733

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	60,201	4,254,015	4,314,216
Fixed asset investments	3,536,731	2,529,703	6,066,434
Investment property	1,128,478	10,622,001	11,750,479
Current assets	1,247,651	-	1,247,651
Creditors due within one year	(426,233)	(560)	(426,793)
Creditors due in more than one year	-	(62,775)	(62,775)
Loan between funds	1,754,346	(1,754,346)	-
Total	7,301,174	15,588,038	22,889,212

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	55,531	4,182,056	4,237,587
Fixed asset investments	3,766,125	2,163,259	5,929,384
Investment property	529,999	10,622,002	11,152,001
Current assets	1,920,911	-	1,920,911
Creditors due within one year	(413,794)	(560)	(414,354)
Creditors due in more than one year	-	(63,796)	(63,796)
Loan between funds	1,064,886	(1,064,886)	-
Total	6,923,658	15,838,075	22,761,733

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	<i>Group 2024 £</i>
Net income for the year (as per Statement of Financial Activities)	127,479	263,827
Adjustments for:		
Depreciation charges	183,789	148,844
Losses on investments	(171,112)	(538,099)
Dividends, interests and rents from investments	(802,705)	(783,848)
Loss on the sale of fixed assets	540	-
Increase in debtors	(96,173)	(30,821)
Increase in creditors	12,439	44,797
Net cash used in operating activities	(745,743)	(895,300)

22. Analysis of cash and cash equivalents

	Group 2025 £	<i>Group 2024 £</i>
Cash in hand	954,501	1,723,934
Cash held at investment manager	66,544	160,420
Total cash and cash equivalents	1,021,045	1,884,354

23. Analysis of changes in net debt

	At 1 July 2024 £	Cash flows £	Other non- cash changes £	At 30 June 2025 £
Cash at bank and in hand	1,723,934	(769,433)	-	954,501
Debt due within 1 year	(560)	1,021	(1,021)	(560)
Debt due after 1 year	(63,796)	-	1,021	(62,775)
	1,659,578	(768,412)	-	891,166

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24. Capital commitments

	Group 2025 £	<i>Group 2024 £</i>
Contracted for but not provided in these financial statements		
Acquisition of intangible assets	24,000	<i>409,336</i>

25. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £35,540 (2024: £31,889). Contributions totalling £5,094 (2024: £4,079) were payable to the fund at the balance sheet date and are included in creditors.

26. Related party transactions

None of the Trustees or any persons connected with them received any remuneration during the year (2024: £Nil).

The total amount of expenses reimbursed to Trustees or third parties in relation to Trustees expenses was £Nil during the year (2024: £Nil).

There were no further transactions with related parties during the year (2024: £Nil).

