

Alderson Disabled Ex-Servicemen's Homes Trust

**Registered Charity Number
216803**

Report and Accounts

For the Year Ended 31 March 2023

Alderson Disabled Ex-Servicemen's Homes Trust

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Alderson Disabled Ex-Servicemen's Homes Trust

**Legal And Administrative Details
Year Ended 31 March 2023**

The Trust is a registered charity - number 216803

The Trustees are:

The Lord Mayor of Birmingham
Councillor M Sharpe
Councillor J Lines
Hon Ald Anita Ward
Hon Ald Sue Anderson

The address for correspondence is:

Phil Wright
Legal and Democratic Services
Room B25
Council House
Birmingham
B1 1BB

The Trust's bankers are:

Barclays Bank PLC
PO BOX 34
15 COLMORE ROW
B3 2BH

The Trust's independent examiner is:

Jason Seagrave FCCA
Seagrave French LLP
1 Poplars Court
Nottingham
NG7 2RR

Alderson Disabled Ex-Servicemen's Homes Trust

Report of the Trustees for the Year Ended 31 March 2023

The Trustees present their annual report together with the financial statements of Alderson Disabled Ex-Servicemen's Homes Trust for the year ended 31 March 2023. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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)

Structure, Governance and Management

The Fund was established by a Trust Deed dated 16 May 1933 by Alderman Bernard Alderson, and is an unincorporated charity.

There are five Trustees responsible for the management of the estate and property, namely:

The Lord Mayor of the City of Birmingham, who shall be Chairman of the Trustees, and four Representative Trustees appointed by the City Council. Representative Trustees hold office for four years and may be re-appointed. There is currently one vacancy for a Representative Trustee.

Objectives and Activities

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the charity and in planning any future activities.

A lease between the Lord Mayor, Aldermen and Birmingham City Council granted the Trustees a piece of land fronting Kingsbury Road and Holly Lane, Erdington, for a period of 99 years, on which the Trustees have built 12 homes.

The objects of the Fund are to let the 28 dwelling houses in the first instance to disabled ex-service men who have resided in the City of Birmingham for not less than two years consecutively, immediately preceding their tenancy. The Trustees may let to poor persons, giving preference to old age pensioners, in the case of an insufficiency of ex-service men.

Financial Review and Policies

The endowment fund represents the value of the houses at cost.

The unrestricted funds may be invested in any type of investment and are reviewed regularly. Surplus unrestricted funds are built up to meet cyclical property repairs and to ensure sufficient funds are available to cover the annual maintenance of the properties and the administration costs of the Charity. (2023:£668,293 2022:£814,549)

The freehold interest in the properties is held by Birmingham City Council.

In May 2004 a tenant of one of the properties applied to the City Council to buy the house under Right to Buy legislation. The City Council failed to recognise the interest the Trust had in the property and accordingly sold the house to the tenant.

In recompense the City Council has provided an equivalent dwelling, 25 Halford Grove, Erdington. This property has been leased to the Trust until 24 December 2031, the date when the lease of the other dwellings terminates.

Alderson Disabled Ex-Servicemen's Homes Trust

Report of the Trustees for the Year Ended 31 March 2023 - continued

Risk Management

The Trustees keep under review the major strategic and operational risks which the Charity faces and are satisfied that systems have been established in order to minimise the possible effects of such risks on the Charity.

Following the sale, in error, of one of the Trust's properties, as described above, the Trustees have ensured that additional safeguards have been put in place by the City Council to ensure that such a situation can not recur.

Trustees' Responsibilities in Relation to the Financial Statements.

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

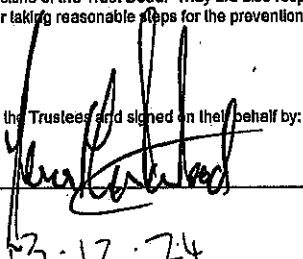
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Trustee

Date


13.12.24

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALDERSON DISABLED EX-SERVICEMEN'S HOMES TRUST (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021. 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. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

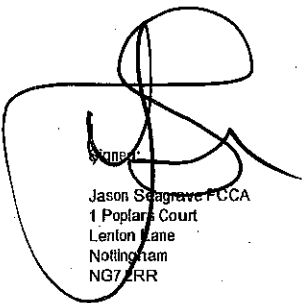
INDEPENDENT EXAMINER'S STATEMENT

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

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

Dated:

16/12/2024



Jason Seagrave FCCA
1 Poplars Court
Lenton Lane
Nottingham
NG7 2RR

Alderson Disabled Ex-Servicemen's Homes Trust

Statement of Financial Activities For The Year Ended 31 March 2023

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Incoming Resources					
Rent Income Receivable		131,877	-	131,877	125,697
Bank and Investment Interest	2	431	-	431	133
Total Incoming Resources		132,309	-	132,309	125,730
Resources Expended					
Charitable Activities					
Interest Payable to BCC		34,835	-	34,835	32,273
Repairs, Insurance and Other Costs		25,751	-	25,751	31,502
Legal Fees		70	-	70	66
Treasury Management Costs		15,809	-	15,809	15,170
Administration Fees		78,465	-	78,465	79,010
Governance Costs		2,100	-	2,100	2,100
Independent Examination Fees					
Total Resources Expended		78,565	-	78,565	81,110
Net Incoming Resources		53,744	-	53,744	44,620
Reconciliation of Funds					
Balance of Fund Brought Forward at 1 April 2022		614,549	7,810	622,359	577,740
Movement in Year		-	-	-	-
Balance of Fund Carried Forward at 31 March 2023		668,293	7,810	676,103	622,359

Balance Sheet as at 31 March 2023

		Unrestricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Fixed Assets					
New Properties	3	1,232,977	-	1,232,977	1,232,977
Properties	3	-	7,810	7,810	7,810
		1,232,977	7,810	1,240,787	1,240,787
Current Assets					
Debtors	4	134,690	-	134,690	125,406
Investments	5	96,438	-	96,438	96,008
Cash at Bank		-	-	-	-
		231,127	-	231,127	221,413
Creditors: amounts falling due within one year	6	134,144	-	134,144	126,794
Net Current Assets		96,984	-	96,984	94,619
Creditors: amounts falling due after one year	7	661,668	-	661,668	713,046
Total Net Assets		668,293	7,810	676,103	622,359
Represented by:					
Funds		668,293	7,810	676,103	622,359

Trustees

Date

13.12.24

Alderson Disabled Ex-Servicemen's Homes Trust

**Notes forming part of the Financial Statements
for the Year Ended 31 March 2023**

Note 1 Principal Accounting Policies

a) General information

Alderson Disabled Ex-Servicemen's Homes Trust is an unincorporated charity registered with the Charity Commission in England and Wales. The address of the principal office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations is to let dwelling houses to disabled ex-service men who have resided in the City of Birmingham for not less than two years consecutively.

b) Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 01 October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated by SORP Bulletin 1, and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Alderson Disabled Ex-Servicemen's Homes Trust constitutes a public benefit entity as defined by FRS102.

c) 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 charity and which have not been designated for other purposes.

Endowment funds represent the original investment in the properties as per the Trust Deed which must be held permanently by the charity.

d) 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.

Rental income and interest are accounted for on an accruals basis.

e) 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Charitable activities and Governance costs are costs incurred on the charity's activities, including support costs and costs relating to the governance of the charity apportioned to charitable activities. All expenditure is inclusive of irrecoverable VAT.

f) Investments

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 fair 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 shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

g) Debtors

Trade and other debtors are recognised at the settlement amount.

h) Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. In 2012 Birmingham City Council built 12 new properties which have been leased to the trust for a period exceeding 99 years. The value of the new properties is £1,232,977. The trust made an initial repayment of £200,000 and the balance will be repaid out of the rental income from all of its 28 properties. It is expected that this loan will be repaid in 18 years, by 2039/40.

The Trustees have not obtained an up to date valuation of the historic properties and hence the difference between the historical cost and the current market value is not known.

In addition, the Trustees are of the opinion that the estimated residual value of the properties would be at least equal to, the historical cost and hence no depreciation has been charged on the properties.

i) 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.

j) 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.

k) Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Residual value of the Leasehold property

	Total 2023	Total 2022
Note 2 Bank and Investment Interest	£	£
Birmingham City Council	431	133
	<u>431</u>	<u>133</u>

Note 3 Fixed Assets

	Total
Cost at 1 April 2022	1,240,787
Additions	
As at 31 March 2023	<u>1,240,787</u>

Note 4 Debtors

	6,846	2,778
Tenants	127,844	122,628
Birmingham City Council	<u>134,690</u>	<u>125,406</u>

Note 5 Investments

	96,438	98,006
Investments with CCLA Ltd arranged via Birmingham City Council	<u>96,438</u>	<u>98,006</u>

Alderson Disabled Ex-Servicemen's Homes Trust

Notes forming part of the Financial Statements for the Year Ended 31 March 2023- continued

	Total 2023	Total 2022
Note 6 Creditors - amounts falling due within one year		
Birmingham City Loan	52,214	41,790
Birmingham City Council	75,630	78,738
Independent examination fees	6,300	4,200
	<u>134,144</u>	<u>124,728</u>

Note 7 Creditors - amounts falling due after one year

In April 2010 the Council agreed to dispose of land in Frankley Road, Northfield on a long lease to the Trust at Enl cost and that the Council would build 12 properties and sell these to the Trust at the build cost of £1,232,977. The 12 properties at Poppy Drive were financed from the Trust's reserves of £200,000 and by a loan from the City Council of £1,032,977. This loan is effectively a repayment mortgage to be repaid from the surplus rent collected on behalf of the Trust by the Council on all of the Trust's 28 properties. It is anticipated that this debt will be fully repaid by 2046, of which £442,445 (2022:£521,072) is estimated as falling due in greater than five years. Interest is payable on the loan at 4.73% (2022: 4.23%)

Birmingham City Council Loan	661,668	713,046
	<u>661,668</u>	<u>713,046</u>

Note 8 Trustee Remuneration and Expenses

No remuneration or expenses was paid to any Trustee from Charity funds during the year. (2022 nil).
There were no staff employed by the charity and therefore no individual received remuneration of more than £60,000.

Note 9 Net Assets by Fund (prior Year)

	Unrestricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Fixed Assets	1,232,977	7,810	1,240,787
Current Assets	221,413	-	221,413
Creditors: amounts falling due within one year	126,794	-	126,794
Creditors: amounts falling due after one year	713,046	-	713,046
Total Net Assets	<u>614,549</u>	<u>7,810</u>	<u>622,359</u>

Note 10 Related Party Transactions

All of the Trustees are representatives of Birmingham City Council and the assets are managed by the Council on behalf of the charity. All transactions with the Council and the outstanding balances are discussed in the relevant notes in the accounts.