

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales · Charity number 218627

Details

Other names	SUTTON COLDFIELD MUNICIPAL CHARITIES, THE SUTTON COLDFIELD MUNICIPAL CHARITIES
Status	Registered
Legal form	Other
Registered	1982-04-07
Register	View on the Charity Commission register

Contact

Address	Lingard House Fox Hollies Road Sutton Coldfield B76 2RJ
Phone	0121 7940970
Email	info@suttoncharitabletrust.org
Website	www.suttoncoldfieldcharitabletrust.com

Activities

Objects: THE OBJECTS OF THE CHARITY ARE:(A) THE PROVISION OF HOUSING ACCOMMODATION FOR BENEFICIARIES AND SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE RESIDENTS AS THE TRUSTEES DECIDE. THE LAND IDENTIFIED IN PART I OF THE SCHEDULE TO THIS SCHEME MUST BE RETAINED BY THE TRUSTEES FOR USE AS THE HOMES OF THE CHARITY.ANY SURPLUS INCOME NOT REQUIRED FOR THE OBJECTS ABOVE SHALL BE APPLIED FOR THE OBJECTS BELOW:(B) THE RELIEF OF PERSONS RESIDENT IN THE AREA OF BENEFIT WHO ARE IN NEED, HARDSHIP OR DISTRESS. THE TRUSTEES MAY RELIEVE PERSONS IN NEED BY:(I) MAKING GRANTS OF MONEY TO THEM;(II) PROVIDING OR PAYING FOR GOODS, SERVICES OR FACILITIES FOR THEM; OR(III) MAKING GRANTS OF MONEY TO OTHER PERSONS OR BODIES WHO PROVIDE GOODS, SERVICES OR FACILITIES TO THOSE IN NEED.(C) PROVIDING SUCH SPECIAL BENEFITS OF ANY KIND, NOT NORMALLY PROVIDED BY A LOCAL AUTHORITY OR ACADEMY TRUST, FOR ANY SCHOOL IN THE AREA OF BENEFIT OR SUBSTANTIALLY SERVING THE SAME AS MAY FROM TIME TO TIME BE AGREED BETWEEN THE SCHOOL GOVERNORS OR ACADEMY TRUST (AS THE CASE MAY BE) AND THE TRUSTEES.(D) PROMOTING THE EDUCATION (INCLUDING BUT NOT LIMITED TO, PHYSICAL EDUCATION AND EDUCATION IN RESPECT OF THE ARTS) OF PERSONS WHO ARE:(I) UNDER THE AGE OF 25; (II) IN NEED OF FINANCIAL ASSISTANCE; AND(III) RESIDENT IN THE AREA OF BENEFIT.(E) FOR THE GENERAL BENEFIT OF PERSONS RESIDENT IN THE AREA OF BENEFIT, IN ONE OR MORE OF THE FOLLOWING WAYS, EITHER DIRECTLY OR BY WAY OF DONATIONS OR SUBSCRIPTIONS TO INSTITUTIONS OR ORGANISATIONS WHICH APPLY OR WHICH UNDERTAKE IN RETURN TO APPLY THE WHOLE OR PART OF THEIR INCOME FOR SUCH CHARITABLE PURPOSES:(I) THE RELIEF OF THE ELDERLY WHO ARE IN NEED, HARDSHIP OR DISTRESS;(II) THE RELIEF OF DISTRESS AND SICKNESS;(III) THE PROVISION AND SUPPORT OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION;(IV) THE REPAIR OF HISTORIC BUILDINGS;(V) THE PROMOTION OF THE ARTS; OR(VI) THE ADVANCEMENT OF RELIGION.

Activities: Within Sutton Coldfield :To provide Almshouses and related benefits for elderly beneficiaries. Make grants for the relief of persons who may be elderly, disadvantaged, disabled or in need of medical assistance.To provide special benefits to local education authority schools, places of worship, historic buildings and support community groups, recreation and leisure.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** COUNCIL WARDS OF BIRMINGHAM CITY COUNCIL KNOWN AS THE SUTTON COLDFIELD CONSTITUENCY
- Birmingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£1,899,000	£2,497,000	£79,143,000	10
2024-09-30	£2,165,000	£2,969,000	£77,256,000	11
2023-09-30	£2,222,000	£2,223,000	£73,191,000	11
2022-09-30	£2,344,000	£1,916,000	£72,081,000	10
2021-09-30	£1,755,814	£2,236,688	£74,850,495	9

Trustees

Name	Role	Appointed
ANDREW FRANCIS BURLEY		2014-01-16
Andrew Charles Morris		2015-02-11
Brian William Maynard		2024-04-01
Bryan Dunn		2025-02-19
Cllr David Pears		2022-08-18
Cllr. Simon Douglas John Ward		2020-06-10
Danielle Williams		2025-11-12
Dr Francis Patrick Murray		2018-11-07
Fahmida Ismail		2023-04-01
Jane Mosson		2020-06-23
Nigel Meredith		2024-05-08
Rev Rebecca Reeve		2025-11-12
Stuart Kurt Roberts		2023-07-01

Linked charities

- GENERAL CHARITY (218627-1)
- THOMAS JESSON (218627-2)
- SCHOOL EDUCATION FUND (218627-3)

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales - Charity number 218627

Accounts

Trust number: 218627

Sutton Coldfield Charitable Trust

Report and financial statements.
For the year ended 30 September 2025

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

Contents

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report	14
Statement of financial activities (incorporating an income and expenditure account)	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

Reference and Administrative Information

Constitution

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners Trust (revised and updated on 25 February 2021) (registered number 218627) ("the Scheme").

The Board of Trustees ("the Board") is the governing body responsible for overseeing the management of operations and assets, making strategic decisions and ensuring good governance.

The Board consists of individually appointed Trustees who are either co-opted or nominated. Co-opted Trustees are appointed for terms of five years and nominated Trustees are put forward by Birmingham City Council and Royal Sutton Coldfield Town Council for terms of four years. All Trustees are members of the Board and at least one sub-committee.

Trustees

Trustees who served during the year and up to the date of this report were:

Trustees	Grants Committee	Property Committee	Almshouse Committee	Finance & General Purpose Committee
Andrew Burley	X (Chair)	X (Chair)		
Councillor Diane Donaldson* (until 19 February 2025)		X	X	
Jayne Luckett (until 28 August 2025)	X		X	
Andrew Morris (Vice Chair from November 2024)		X		X (Chair)
Councillor Jane Mosson*	X		X	
Dr Francis Murray (Chair)			X (Chair)	X
Councillor David Pears*	X			
Councillor Simon Ward**				X
Surrinder Bains (until 29 August 2025)	X		X	
Fahmida Ismail		X		X
Rita Martin (until 29 June 2025)	X			
Brian Maynard Grants Committee from 19 February 2025 Property Committee until 19 February 2025	X	X		X
Nigel Meredith		X		X
Helen Miles (until 8 June 2025)				X
Stuart Roberts Grants Committee from 21 May 2025	X		X	
Councillor Kath Scott* (Appointed 29 April 2025 as yet to be allocated to specific Committees)				

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

Trustees	Grants Committee	Property Committee	Alms house Committee	Finance & General Purpose Committee
Bryan Dunn (from 8 February 2025)		X		
Rev Canon Rebecca Reeve (appointed 12 Nov 2025)	X		X	
Danielle Williams (appointed 12 November 2025)	X		X	

Nominated By: * Birmingham City Council ** Royal Sutton Coldfield Town Council

Reference and Administrative Information

Trust number 218627 – registered in England & Wales

Registered office and operational address Lingard House, Fox Hollies Road
Sutton Coldfield B76 2RJ
Telephone number 0121 794 0970

Principal officers Claire Evans ACA (Chief Executive from 11 June 2025)
(Finance Director until 11 June 2025)
Interim Chief Executive from 1 December 2024 – 17 March 2025)
Lisa Martinali (Chief Executive from 18 March 2025 to 10 June 2025)
Tina Swani MBA FCIM (Chief Executive until 31 December 2024)
Claire Arrowsmith FCCA (Property Manager)
Clare Haines BA (Grants Manager)
Helen Kimmet (Administration Manager)

Bankers HSBC Bank plc CCLA Investment Management
67 The Parade One Angel Lane, London
Sutton Coldfield EC4R 3AB
B72 1PD

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London
EC1Y 0TG

Investment Managers Cazenove Capital Navera Investment Management
Part of Schrodgers Group (formerly Meridiem)
1 London Wall Place Riverside House
London 2a Southwark Bridge Road
EC2Y 5AU London, SE1 9HA
Appointed July 2025 **Appointed July 2025**

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

	CCLA Investment Management One Angel Lane, London EC4R 3AB Until July 2025	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ Until July 2025
Investment Consultants	Stanhope Consulting LLP 35 Portman Square London W1H 6LR	
Property Managers	Johnson Fellows LLP Charter House, 163 Newhall Street Birmingham B3 1SW	Nick Russell Associates Lavender Cottage Lucton HR6 9PH
	EOS Surveyors Ltd Arion Business Centre Harriet House, 118A High Street Birmingham B23 6BG	
Solicitors	Ansons Solicitors 316 – 318 Lichfield Road Mulberry Walk Sutton Coldfield B74 2UG	Blackhams Lancaster House 67 Newhall Street Birmingham B3 1NR
Insurance Brokers	Howdens Ltd Quadrangle Imperial Square Gloucestershire GL50 1PZ	
Marketing	Gary Phelps Communications Ltd 23 Station Road Wylde Green Sutton Coldfield	
HR Consultants	Colden Human Resources 2a Hollyfield Road Sutton Coldfield B75 5SG	

Trustees' Annual Report

The Trustees present their report and the audited financial statements for the year ended 30 September 2025. Reference and administrative information set out on pages 1-3 forms part of this report. The financial statements comply with current statutory requirements, the Trust's Trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, an inhabitant of Sutton Coldfield, born in the Town, who persuaded Henry VIII to grant a Charter in 1528 establishing a Warden and Society (Corporation) to govern the Town. The Corporation was obliged to use rental and other income to provide poor relief and improve the locality. Over the next four centuries, other bequests and endowments came within the Corporation's oversight. These included charities in memory of Thomas Jesson in the 1700s to provide apprenticeships for boys and to distribute bread to Sutton's poor. After a long and famous legal action, the Corporation's charities were reorganised in the 1820s and enriched by lands acquired in the 1825 Enclosure Award. From this time, Almshouses were built and the charities provided elementary schools (including teaching and uniforms) for Sutton's children. Practical necessities such as coal, blankets and boots were widely distributed. In pre-welfare state days, the charities financed nursing and medical care for people in need and made grants to widows.

In 1886, the Town became a Borough, and the Trust took over the Corporation and various related charities within one body. This operated closely alongside the Council and was administered by the Town Clerk. New Almshouses were built, including two in the 1890s from a bequest by Frances Lingard. When Sutton Coldfield became part of Birmingham in 1974, the independence of the Trust was safeguarded which ensured the continuing provision of benefits for individuals and organisations within the former Borough boundaries. Although the separate historic charities have been consolidated into one Trust, the Trustees' fundamental aims and priorities are still very similar to those pursued by Bishop Vesey and his successors over nearly five centuries.

Vision

The vision of the Trust is to enhance the quality of life for all in Sutton Coldfield.

Mission statement

The Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing and grant awards to support individuals and community organisations.

Values

The Trust strives to be responsible; inclusive; caring; transparent and sustainable in all our activities.

What our values mean

- **Responsible** applies to all matters including being a good employer, caring for the environment, protecting our assets and good governance.
- **Inclusive** relates to our operations, beneficiaries, staff and all those we work with, embracing equality, diversity and inclusion.
- **Caring** reflects the helping nature of the Trust and its core purpose.
- **Transparent** demonstrates our commitment to openness and sharing.

Trustees' Annual Report

- **Sustainable** ensures the Trust continues to make a lasting contribution and remains in good shape for the centuries ahead.

Objectives and activities for the public benefit

The principal objectives of the Trust are the provision of Almshouses and the distribution of funds and other measures for the alleviation of hardship and other needs for inhabitants and organisations within the boundaries of the former Borough of Sutton Coldfield.

The Trustees confirm that they have referred to the Trust Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policies. They consider the information which is contained in this report about the Trust's objectives, activities and achievements demonstrates the benefits to its beneficiaries and, through them to the public, which arise from those activities.

Review of activities and achievements

The Trust formally launched its five-year plan "looking forward to 2028" in May 2023. The title of the plan signifies the date the Trust will celebrate a heritage of 500 years, having responded and adapted over the past five centuries to meet constantly changing need. The aims of the five-year plan are as follows.

1. Almshouses research and assessment of future need.

Research has been undertaken into the housing needs of Sutton Coldfield. This will inform longer-term consideration about any potential future housing scheme for a more diverse range of beneficiaries. A review of Almshouse Governance has also been undertaken to ensure we implement best practice, safety and compliance.

2. Grants programme expansion.

The Trust's grants budget for the year was £1.375m and 125 organisational grants were approved in the year. The community newspaper "Royal Sutton Coldfield Trust News" was distributed in October 2024, showcasing the incredible work of charities and community organisations across the Town, including those projects that are as a result of a grant award from Trust. This has already stimulated applications from organisations we had not reached previously. We have also commissioned Our Place to manage individual grant applications which has resulted in over 30 personal grants awarded in the year.

3. Supporting heritage, green spaces and community

Conversations continue with Birmingham City Council and Royal Sutton Coldfield Town Council about the future of our community centres, which provide vital services and support. The Trust is also playing a part in delivering the Plan for Neighbourhood Fund, ensuring it aligns with community needs.

4. Being well run, efficient, accessible and inclusive.

We have 'gone digital' with new grant software systems for both organisational and school uniform grants and have been working with grant applicants to support them in this transition. Going digital does not mean losing the human element in the grant application process. Our grants team continue to be responsive and supportive of all grant applicants particularly those who may not have experience at making applications.

Trustees' Annual Report

5. Continual improvement of assets and their uses.

The Trust reviewed its investment strategy during the year and as a result of this the Trust appointed two new investment houses to manage its investment portfolio, Cazenove Capital and Navera Investment Management Ltd.

Equality, diversity and inclusion is embedded throughout the five-year plan. In order to truly enhance the quality of life for all in Sutton Coldfield, without exclusion, staff and Trustees have participated in a review of EDI, which led to an action plan and an agreed EDI statement which is available on the Trust's website.

Learning how to make a positive environmental contribution is a regular theme through the five-year plan, for example three years ago, Manorial Wood was replanted with deciduous saplings. In order to preserve their growth, bracken removal is required from time to time and in August 2024, Bronwyn & Abbey were appointed to carry out the removal of bracken by hand. This avoided the use of harmful chemicals, thus preserving biodiversity and contributing to maintaining clean air.

Awarding grants is the second, yet no less vital, purpose of the Trust. Grant awards in the year covered a wide range of needs. The Trust awarded £1,378,000 (2024 £1,717,000) in grants during the year. The prior year figure of £1,717,000 included a large project awarded to The Jericho Foundation of £375,000 to cover a period of 3 years.

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	2025 £000	2024 £000
Relief of those in need	392	575
Advancement of education	282	200
Advancement of religion	15	32
Advancement of health or the saving of lives	296	380
Advancement of citizenship or community development	118	291
Advancement of the arts, culture, heritage and science	107	29
Advancement of amateur sport	168	101
Advancement of environmental protection or improvement	0	109
	-----	-----
Total grants awarded	1,378	1,717
Awarded grants unclaimed or cancelled	(81)	(44)
	-----	-----
Net grants awarded (note 4 to the financial statements)	1,297	1,673
	=====	=====

As well as Almshouses, the Trust manages around 1,000 acres of agricultural land, 15 commercial properties and an investment portfolio, with the help of its expert advisers, in order to generate the income for the provision of homes and grant awards.

Trustees' Annual Report

Trustee appointments and resignations

Sadly, this year has been marked by the loss of Keith Dudley, who died on 15th October 2024 after 10 years as Trustee and almost 3 years as Chair. Keith's contribution to our board was deeply valued, and his presence is sorely missed. We extend our heartfelt condolences to his family.

In the year the Trustees welcomed Counsellor Kath Scott, Bryan Dunn, Danielle Williams and Rev Becky Reeves to the Board and look forward to benefiting from their fresh insights and expertise. Trustees also appointed Dennis Kennedy as a Committee member to the Grants Committee.

Trustees would like to thank Counsellor Diane Donaldson, Helen Miles, Rita Martin, Surrinder Bains and Jayne Lockett who stepped down in the year.

Staff appointments and resignations

In December 2024, Tina Swani resigned as Chief Executive having worked with staff and Trustees to strengthen the governance, profile and strategic direction of the trust as well as building a more inclusive working culture and environment. Lisa Martinali joined us in March 2025 for 3 months to June 2025 when Claire Evans was appointed as Chief Executive.

We said goodbye to Mick Hill our long serving Gardener, who retired in May 2024 after 19 years of exemplary service maintaining the grounds at our Walmley site.

We thank all our staff for all their hard work and commitment including Balvir Reehal who joined us in the year as Assistant Accountant.

Grant making policy.

The Trustees apply surplus income to benefit the residents of the former Borough of Sutton Coldfield by making awards to individuals, institutions or organisations in the following ways:

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages.
- Making awards to institutions or organisations for the:
 - Relief of those in need
 - Advancement of education
 - Advancement of religion.
 - Advancement of health or the saving of lives.
 - Advancement of citizenship or community development.
 - Advancement of the arts, culture, heritage or science.
 - Advancement of amateur sport.
 - Advancement of environmental protection or improvement.
 - Other purposes that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.

Trustees' Annual Report

Risk Management

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. This is a continuous obligation involving all Trustees and staff.

A risk register is used for the on-going review of risks and controls. The register is reviewed by each committee quarterly and reported to the Finance & General Purpose Committee. This is presented to the Board of Trustees twice a year. The risks are recorded and assessed in terms of impact and probability and a traffic light system employed to highlight areas of particular concern. The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

The Trustees have identified the following key strategic risks to the Trust. Actions to mitigate against these risks are also detailed;

Risk: Failure to realise the land sale proceeds expected from Langley SUE and other major transactions, due to market conditions, failing to obtain planning consent or default by developers

Mitigation: This risk is mitigated by in depth scrutiny by Board and Committees to all sales agreements, professional advice on all aspects of land sales, including risk of default by developer and tax implications and, legal advice reviewing proposed sale agreements.

Risk: Impact of tenant failure to adhere to relevant health and safety requirements and building maintenance

Mitigation: This risk is managed by retention of professional advisors to oversee and report on compliance, retained professional media consultant to help the Trust manage negative publicity and review of tenants' public liability insurance is in place.

Risk: Information technology exposure to cyber-attack on insufficient security of data held on IT systems.

Mitigation: This risk is managed by implementation of controls, recommended by specialist advisors, put in place, such as two factor authentication, cloud-based services penetration testing, constant cyber training for all staff and reviews of all IT policies.

Staff pay and remuneration (including key management personnel)

The Trust's staffing structure and changes to pay and conditions of staff must be approved by the Board. A Remuneration Sub-Committee of the Trustee Board appraises pay annually and makes pay recommendations to the Finance & General Purpose Committee and the full Board.

Pay awards are based on conditions set out in the updated contracts of employment and a range of factors including.

Trustees' Annual Report

- Inflation indices
- The financial position of the Trust
- External benchmarking of pay award and salaries.
- Economic trends and forecasts
- Progression and achievements of the Trust as a whole
- Business, governance and regulatory requirements
- Demands upon the Trust and changing needs of beneficiaries.
- Any other internal and external circumstances

Structure, governance and management.

Information relating to reference and administrative matters are set out above (pages 1-3).

The Board comprises 12 (minimum) to 16 (maximum) Trustees in total, made up of 8 to 12 co-opted Trustees and 4 nominated Trustees. Trustees may serve a maximum of three terms following which at least 12 months must expire before reappointment.

The Board of Trustees

The Board seeks Trustees who diversify and balance the breadth of qualities, background, skills and experience required for delivering the Trust's charitable and strategic objectives.

This expertise has included medicine, law, property, industry, faith, education, engineering, human resources, science, sheltered housing, town planning, marketing, accountancy and local government. An induction process helps Trustees to understand their responsibilities and the work of the Trust. Trustees have a two-yearly review with the Chair; new Trustees have an additional review in their first year.

The Board is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions, and determine strategy. A strategy day is held at least every two years, supplemented by regular reports on progress against the agreed actions. The Board also identifies and manages any risks to ensure the efficient and safe undertaking of its responsibilities. The Board oversees the financial health of the Trust, ensuring that management of its investments and accounts are robust, effective controls are in place and sufficient resources are available to meet the demands of the Almshouse and grant-making programme as the two core purposes of the Trust.

Every Trustee is a member of one or more of the following Committees:

- Almshouse Committee
- Grants Committee
- Finance & General Purpose Committee
- Property Committee

In addition, the Trust has a sub-committees for remuneration. Whilst each Committee has its approved membership, all Trustees may attend any Committee meeting at any time and have access to all agendas and papers through an on-line Trustee portal. Advisors may also attend Committees to provide specialist guidance. Working groups may be set up for specific purposes.

Trustees' Annual Report

Review of Governance and Compliance

Following the publication of the revised Trust Governance Code late in 2020 the Trust has continued to progress the actions it identified as priorities. Trustees are reviewing the Governance Code 2025 to identify new actions to progress.

These actions have included a review of policies primarily related to GDPR, a review of how the Trust communicates internally and externally, and a review of how Equality Diversity and Inclusion is embedded throughout the Trusts operations.

The Board of Trustees are periodically invited to complete a feedback survey after board meetings to consider its effectiveness and areas for improvement. The strategic and governance reviews have supported clarity of planning to enhance charitable benefit at a time of continued and increasing adversity and uncertainty.

Fundraising

The Trust does not undertake any fundraising activities in its own right or through third parties and so does not consider it necessary to register with the Fundraising Regulator or comply with any voluntary code of practice related to fundraising. The Trust has not received any complaints relating to fundraising.

Financial Review

The year under review saw a sustained level of underlying operating income and modest growth in Investment asset values, despite the challenging financial climate.

Total income in the last year was £1,899,000 (2024: £2,165,000) and the total expenditure was £2,497,000 (2024: £2,969,000) including grants (net of cancelled grants) of £1,297,000 (2024: £1,673,000). This resulted in net expenditure before gains/losses on investments of £598,000 (2024: £804,000).

The Trust's work is dependent on income and investment returns from its endowments. The past year saw a general increase in property and non-property investment asset values. The Trust reported a gain on investment assets of £2,485,000 (2024: £4,869,000) which in turn gave rise to an overall net increase in total funds of the Trust of £1,887,000 (2024: £4,065,000). At 30 September 2025, total Trust funds amounted to £79,143,000 (2024: £77,256,000).

After an extensive review, and taking legal and financial advice, the Trust decided to adopt the Total Return Accounting (TRA) Policy from 1 October 2023 accordingly. The Trustees transferred £1,840,000 (2024: £1,806,000) from the permanent endowment to unrestricted funds. This is made up of £1,306,000 (2024: £1,490,000) net investment income received from the endowment funds during the year plus a further £534,000 (2024: £316,000) from the permanent endowment fund Unapplied Total Return.

Continuing with careful financial management and disciplines, combined with appropriate support from the Trust's advisers and the additional flexibility offered by TRA, the Trust is confident of fulfilling its dual obligations of the provision of Almshouses and community grant giving.

Trustees' Annual Report

Evaluating Impact and Benefits

The Trust maintains close contact with organisations to ensure that the anticipated benefits from the grant have been achieved. All applications to the Trust are required to set out the objectives, or resulting benefits, from a potential grant award. This enables outcomes to be measured consistently.

A formal monitoring process is also in place. This enables Trustees to focus on those projects delivering the greatest impact. Depending on the value of the award, this is achieved by completion of a monitoring form at the conclusion of the project. Where necessary, interim reports are produced. Quarterly reports providing an overview of project progress, are made available to the Trustees for scrutiny.

Trust officers also evaluate impact through meetings, both in person and online, telephone discussions and visits to grant beneficiaries.

Investment Policy and Performance

The decision to adopt TRA, which allows a portion of the unrealised investment gains within the endowment fund to be transferred to unrestricted funds, enables the Trust to pursue an investment strategy which maximises total returns rather than dividend income and better meets its objectives.

The Trust's assets are invested in property, equities, government bonds, unit trusts, other financial instruments and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. The Trust's investment objectives are to generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms

Both the Finance & General Purpose Committee and the Board of Trustees receive quarterly reports from the Investment Managers, which consider the Trust's income requirements, the risk profile and Property Managers' view of market prospects in the medium term.

During the year the Trustees reviewed its investment strategy and as a result decided to move its investment portfolio to two new investment houses, Cazenove Capital and Navera Investment Management. The Trustees were supported through this process by the appointed investment advisors. The process started in March 2025 and was completed by late July 2025.

Reserve Policy and Going Concern

On 30 September 2025 the Trust holds Endowment Funds of £70,358,000 (2024: £68,546,000) including 'Functional Endowment' fund (Almshouse assets) of £1,242,000 (2024: £1,340,000). Total Return Accounting in the year has allowed the Trust to increase its unrestricted funds to further its charitable objectives. The Trust holds two unrestricted designated reserves as follows:

Extraordinary Repair Fund (for extraordinary repair, improvement or re-building). It is a requirement of the Trust's Scheme to maintain this reserve. The Extraordinary Repair Fund at 30 September 2025 amounted to £1,180,000 which represents estimated planned maintenance costs for the next five years including inflation. (2024: £1,180,000).

Trustees’ Annual Report

In 2022 Trustees established an unrestricted designated “Environment Management Fund” to be used for maintaining the Trust’s rural and woodland estate. At 30 September this amounted to £9,000 (2024: £27,000).

The Trustees retain free unrestricted reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, which may not otherwise be covered by incoming resources. The Trustees undertook a detailed review of the Trust’s reserve policy in 2023 and will continue to review this annually. In undertaking this review, Trustees were mindful that the Trust is in a relatively healthy financial position. Equally the long-term community need is challenging, and the Trust has an ambitious five-year plan.

After consideration Trustees consider that it is appropriate to hold undesignated free reserves of at least £7,400,000. Actual undesignated free reserves in 2025 were £7,596,000 (2024: £7,503,000). The difference is small and therefore no future action is expected to be necessary. The target is made up as follows:

	£’000
Minimum Working reserve	2,000
Reserve against downside risks	2,000
Reserve for future operating deficits (per medium term forecast)	400
Reserve to fund development Plan initiatives	<u>3,000</u>
Total Free reserves Target	<u>7,400</u>

Trustees have a rolling five-year financial plan. Trustees review the reserves to ensure appropriate amounts are set aside. Based on this work, the Trustees consider that there are no material uncertainties about the Trusts ability to meet liabilities as they fall due for the 12 months from the date of approval of the accounts. Accordingly, the Trustees continue to adopt the going concern basis in preparing the annual report and financial statement. Trustees take a long-term view over free reserves needed to meet future deficit budgets and are happy with the free reserves held in the accounts.

Future Plans and Objectives

The Trust’s Five Year Plan sets a strategic direction from 2023-2028. The pace of that direction will be determined by the timing of planning permission on Langley Sustainable Urban Extension (SUE). The details of the objectives within the plan are covered above (“Review of activities and achievements”). Both staff and Trustees are working through the detailed long term delivery plans that maintain longevity of the Trust and enhance its support for residents of Sutton Coldfield

The Trust has conducted a number of reviews in readiness to mobilise these ambitions and inform future decisions, including the social needs review (2022), research into future housing needs (2024) and Falcon Lodge Community Centre Feasibility Study (2023). Integral to these ambitions is our commitment to fostering an environment where equality, diversity, and inclusion are at the core of everything we do.

Statement of responsibilities of the Trustees

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 Trust’s financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

Trustees' Annual Report

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 Trust will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the Trust's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' report has been approved by the Trustees on 18 February 2026 and signed on their behalf by:

Dr Francis Murray
Chair

Independent auditor's report to the Trustees of Trust

Opinion

We have audited the financial statements of Trust (the 'Trust') for the year ended 30 September 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Trust's affairs as at 30 September 2025 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Trust'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.

Other Information

The other information comprises the information included in the Trustees' 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the Trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The 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 statement of Trustees' responsibilities set out in the Trustees' report, the Trustees 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and investment committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Sutton Coldfield Charitable Trust
For the year ended 30 September 2025

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 Trust and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 3 March 2026
Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Sutton Coldfield Charitable Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2025

	Note	Unrestricted funds £'000	Endowment funds £'000	2025 Total £'000	Unrestricted funds £'000	Endowment funds £'000	2024 Total £'000
Income from:							
Charitable activities							
Almshouses		337	–	337	274	–	274
Donations		–	–	–	5	–	5
Investments	2	117	1,445	1,562	206	1,680	1,886
Total income		454	1,445	1,899	485	1,680	2,165
Expenditure on:							
Raising funds							
Investment Property Expenses		178	44	222	176	46	222
Investment Management Costs		62	94	156	50	143	193
Charitable activities							
Almshouses		545	98	643	570	102	672
Grant Funding	3	1,476	–	1,476	1,882	–	1,882
Total expenditure	3	2,261	236	2,497	2,678	291	2,969
Net (expenditure) / income before net gains on investments		(1,807)	1,209	(598)	(2,193)	1,389	(804)
Net gains on investments							
Investment Property	11	–	325	325	–	1,485	1,485
Listed Investments	12	42	2,118	2,160	566	2,818	3,384
Total Net gains on investments		42	2,443	2,485	566	4,303	4,869
Net income / (expenditure) after net gains on investments		(1,765)	3,652	1,887	(1,627)	5,692	4,065
Transfer of investment income	19a	1,306	(1,306)	–	1,490	(1,490)	–
Additional allocation of Total return		534	(534)	–	316	(316)	–
Total Transfer between funds		1,840	(1,840)	–	1,806	(1,806)	–
Net movement in funds		75	1,812	1,887	179	3,886	4,065
Reconciliation of funds:							
Total funds brought forward		8,710	68,546	77,256	8,531	64,660	73,191
Total funds carried forward		8,785	70,358	79,143	8,710	68,546	77,256

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Sutton Coldfield Charitable Trust

Balance sheet

As at 30 September 2025

	Note	£'000	2025 £'000	£'000	2024 £'000
Fixed assets:					
Tangible assets	10	1,242		1,340	
Investment properties	11	27,240		26,915	
Listed Investments	12	40,379		40,531	
			68,861		68,786
Debtors: amounts due in more than one year	13		8,735		8,735
Current assets:					
Debtors: amounts due within one year	14	351		229	
Cash and cash equivalents		2,929		1,476	
		3,280		1,705	
Liabilities:					
Creditors: amounts falling due within one year	15	(1,398)		(1,764)	
Net current assets /(liabilities)			1,882		(59)
Total assets less current liabilities			79,478		77,462
Creditors: amounts falling due after more than one year	16		(335)		(206)
Total net assets	17		79,143		77,256
The funds of the charity:	18				
Endowment funds					
Functional Endowment Fund		1,242		1,340	
Permanent Endowment Fund		69,116		67,206	
Total endowment funds			70,358		68,546
Unrestricted income funds:					
Extraordinary Repair Fund		1,180		1,180	
Environmental Management Fund		9		27	
General Fund		7,596		7,503	
Total unrestricted funds			8,785		8,710
Total charity funds			79,143		77,256

Approved by the trustees on 18th February 2026 and signed on their behalf by

Dr Francis Murray
Chair

Andrew Morris
Vice Chair

Sutton Coldfield Charitable Trust

Statement of cash flows

For the year ended 30 September 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	1,887		4,065	
Investment Management Fees	89		143	
Depreciation charges	98		102	
Gains on investments	(2,485)		(4,869)	
Dividends, interest and rent from investments	(1,562)		(1,886)	
(Increases)/decreases in debtors	(123)		1	
(Increases)/decreases in creditors (excluding invest. managers' fees)	(235)		345	
		(2,331)		(2,099)
Net cash (used in) operating activities				
Cash flows from investing activities:	1,562		1,886	
Dividends, interest and rents from investments	-		541	
Proceeds from the sale of investment property	2,222		-	
Funds transferred (to)/ from investments	4			
		3,784		2,427
Net cash provided by investing activities				
		1,453		328
Change in cash and cash equivalents in the year		1,476		1,148
Cash and cash equivalents at the beginning of the year		2,929		1,476
Cash and cash equivalents at the end of the year				
Analysis of cash and cash equivalents and of net debt				
	At		At 30	
	1 October	Cash flows	September	
	2024		2025	
	£'000	£'000	£'000	
Cash at bank and in hand	1,171	(547)	624	
Deposit accounts maturing within 3 months	305	2,000	2,305	
Total cash and cash equivalents	1,476	1,453	2,929	

1 Accounting policies

a) Statutory information

Sutton Coldfield Charitable Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office address is Lingard House, Fox Hollies Road, Sutton Coldfield, B76 2RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

Mindful of the net expenditure before gains recorded on the statement of financial activities (SOFA), the Trustees note that, after considering the level of cash reserves and unrestricted investments held in Fixed Assets and the capacity of the Trust to flex its activities if income levels fall significantly, there are no material uncertainties to the availability of sufficient unrestricted resources available to meet the Trust's commitments for a period of 12 months from the date of approval of these financial statements. Accordingly, the Trustees continue to adopt the going concern basis in preparing the annual report and financial statement.

e)

Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from investment properties includes property income receivable less provision where the eventual receipt of income is considered doubtful.

Incoming resources from charitable activities relates to funds received in respect of Almshouse Weekly Maintenance Contributions (WMCs) and any donations received by the Trust.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f)

Dividends and interest receivable

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio. Other investment income is accounted for on an accruals basis. Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

g)

Fund accounting

The Trust has a permanent endowment, comprising the Walmley Almshouses and Fixed Asset Investments (property and securities). The Walmley Almshouses are held for charitable purposes and are treated as Functional Endowment assets. The Fixed Asset investments are held to generate income, which is wholly unrestricted.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. They are retained to the extent that they are considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital nature and revenue costs, which may not be covered by incoming resources.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Further details of each fund are disclosed in note 18.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- The costs of raising funds consist of investment management fees and property expenses together with their associated staffing, support and governance costs.
- Expenditure on charitable activities includes the costs of making grants and managing almshouse properties undertaken to further the purposes of the Trust and their associated staffing, support and governance costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the Trust.

Conditional grants – Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled.

Contingent grants – A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

j) Allocation of governance and support costs

Directly attributable payroll and other costs are allocated to the relevant activity (Raising Funds, Almshouses and Grants). Staff costs are allocated based on an estimate of staff time in the year. This estimate of staff time is reviewed at least annually.

Costs that are not directly attributable to an activity (support and governance costs) are apportioned by activity using appropriate cost drivers.

k) Tangible fixed assets

Almshouses are stated at cost. However, the construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information.

Where capital additions to the Almshouses are made, they are depreciated over the shorter of the remaining useful life of the property to which they relate and the life of the individual building component on a straight-line basis. Where necessary, the Trust makes an impairment charge for assets when they are due for replacement within the planning period and there is clear Trustee approval to the replacement programme.

Following a detailed review, all Almshouse assets and capital improvements are recorded as part of the Endowment Fund as 'functional permanent endowment', with associated depreciation and impairment also being charged to the Endowment Fund.

Security and other equipment are stated at cost although office equipment and IT are normally written off in the year of acquisition.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------------|--|
| • Almshouses | 20 years – straight line on net book value |
| • Security and other equipment | 5 years – straight line |

Notes to the financial statements

For the year ended 30 September 2025

1 Accounting policies (continued)

l) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value and not depreciated. Any change in fair value is recognised via the statement of financial activities as a gain or loss. The valuation method used to determine fair value is stated in note 11 to the accounts. The Trust's Investment properties are fully valued by independent valuers every five years on the basis of open market value for existing use, with desktop valuations in the intervening years.

m) Listed investments

Listed investments are made up of basic financial instrument and cash held by two Investment houses. The financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market bid price. Any change in fair value will be recognised in the statement of financial activities. 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. The Trust does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

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

o) Long Term Debtors

Where the Trust enters into transactions for the sale of land/ other investment properties, the amount receivable is initially recognised as a debtor at the invoiced / contracted value. Amounts due to the Trust after more than one year are disclosed accordingly.

From time to time, the Trust enters into Development Agreements, where the arrangements with the third party includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). In these cases, the Trust can be virtually certain of receiving economic benefits, but the final sums and timing can vary. The resulting residual interest of the Trust in the land is carried in the balance sheet at the lower of:

- the present value of the estimated future receipts (net of fees and associated costs) discounted at the Trust's cost of capital; and
- the market value of the underlying asset (based on the last professional valuation) less net amounts already received in respect of the transaction.

Where the timing of future cash flows is uncertain, the amount expected to be received is disclosed as a debtor falling due after more than one year, even where the Trust anticipates receiving payment earlier. The Trust only recognises a debtor as a current asset when it is contractually entitled to payment. This calculation is reviewed at least annually.

p) 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.

q) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The Trust 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.

s) Pensions

Contributions are paid into Personal Pension Plans operated by Aviva. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

Notes to the financial statements

For the year ended 30 September 2025

1 Accounting policies (continued)

t) Endowments

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Net income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. The Endowment Fund includes Almshouse fixed assets of £1,242,000 (2024: £1,340,000) as a "functional permanent endowment" and depreciation and impairment of these assets has also been charged against the Endowment Fund.

u) Total Return

On 8th November 23, by way of a resolution and in accordance with the Charities (Total return) Regulations 2013, the Trustees adopted the Total Return approach to Permanent endowment fund as at 1st October 2023. At this date the total fund was analysed between the trust for investment, being the estimated value of the Endowment as at 1st October 2001 and the unapplied total return.

Subsequently, the investment income is now allocated to the Endowed Funds and then subsequently a portion of the unapplied total return is allocated to unrestricted fund each year, which is calculated as follows: both property and investment income received in the year less management charges plus an amount from the opening unapplied return which is calculated so that the transfer from the investment endowments totals CPI+4% of the average investment endowments for previous 3 years as agreed by trustees and in line with New Investment Strategy.

v) Judgements and estimates

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the preparation of these financial statements, key estimates and judgements have been made by the Trustees concerning the valuation of investment properties and the Trust's interest in the Langley SUE project. Actual amounts could differ from those estimates. Further details of key estimates and judgements are provided in the relevant notes.

2 Income from investments

	Unrestricted £'000	Endowment £'000	2025 Total £'000	Unrestricted £'000	Endowment £'000	2024 Total £'000
Rents and property income receivable		685	685	–	702	702
Dividends and interest	117	760	877	206	978	1,184
Total income	117	1,445	1,562	206	1,680	1,886

3a Analysis of expenditure

	Raising funds		Charitable activities		Support costs	2025 Total £'000
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants £'000	£'000	
Staff costs (Note 6)	46	19	116	80	120	381
Grant making (note 4)	–	–	–	1,297	–	1,297
Property expenses	51	–	203	–	7	261
Professional fees	48	101	–	–	70	219
Office costs	–	–	–	–	7	7
IT and marketing	–	–	–	–	143	143
Meeting costs	–	–	–	–	7	7
Depreciation	–	–	98	–	–	98
Sundry & irrecoverable VAT	8	5	44	–	27	84
	153	125	461	1,377	381	2,497
Support costs	69	31	182	99	(381)	–
Total expenditure 2025	222	156	643	1,476	–	2,497

3b Analysis of expenditure (prior year)

	Raising funds		Charitable activities		Support costs	2024 Total £'000
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants £'000	£'000	
Staff costs (Note 6)	28	10	142	106	127	413
Grant making (note 4)	–	–	–	1,673	–	1,673
Property expenses	93	–	177	–	8	279
Professional fees	70	152	15	–	32	269
Office costs	–	–	–	–	9	9
IT and marketing	–	–	–	–	120	120
Meeting costs	–	–	–	–	9	9
Depreciation and impairment	–	–	102	–	–	102
Sundry & irrecoverable VAT	6	23	40	–	27	96
	197	185	476	1,779	332	2,969
Support costs	25	8	196	103	(332)	–
Total Expenditure 2024	222	193	672	1,882	–	2,969

Within support costs are Governance costs of £152,701 (2024:£146,000). This is made up of staff costs of £128,052 (2024:£127,000) , professional fees £18,082.31 (2024: £10,000) and meeting costs of £6,567.11 (2024: £9,000).

Notes to the financial statements

For the year ended 30 September 2025

4 Grant making

	2025 No.	£'000	2024 No.	£'000
Grants for:				
Grants (combined)	90	1,290	88	1,619
Individual educational and personal Grants	–	–	7	7
School clothing Grants	875	88	906	91
Sub-total	965	1,378	1,001	1,717
Grants unclaimed or cancelled	–	(81)	–	(44)
Total	965	1,297	1,001	1,673

Grants for community purposes comprise:

	2025 No.	£'000	2024 No.	£'000
Grants awarded:				
Greater than £1,000	56	1,264	51	1,602
£1,000 or less	34	26	27	17
Total	90	1,290	78	1,619

A full summary of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com.

5 Net expenditure for the year

This is stated after charging / (crediting):

	2025 £'000	2024 £'000
Depreciation	98	102
Operating lease rentals receivable: Property	(685)	(702)
 Auditor's remuneration excluding VAT Audit fees	 17	 17

6 Analysis of staff costs, Trustee expenses, and the cost of key personnel

Staff costs were as follows:

	2025 £'000	2024 £'000
Salaries and wages	320	338
Social security costs	23	31
Employer's contribution to defined contribution pension schemes	38	44
	381	413

One employee earned more than £60,000 during the year in the band £60,001–£70,000 (2024: 1).

The Trust considers its key personnel to be the Chief Executive and the Finance Director / Finance Manager as well as the unremunerated Trustees. The total employee benefits (including pension contributions and employer's national insurance) of the key personnel were £129,629 (2024: £148,000).

The charity Trustees were neither paid nor received any other benefits from the Trust in the year (2024: £nil). No Trustee received payment for professional or other services supplied to the Trust (2024: £nil).

Trustees' expenses represents costs of mileage, training/ development and IT consumables used for Trust business. These were nil for the year (2024: nil) .

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was:

	2025 No.	2024 No.
Almshouses staff	3	3
Office staff	7	8
	<u>10</u>	<u>11</u>

8 Related party transactions

During the year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved. They were also not involved in the payment process of the relevant grant.

Transaction type	Amount £	Organisation	Related party	Relationship to the Organisation
Grant approved	30,375	Sutton Coldfield Grammar School for Girls	S Ward	Family Link
Grant approved/ completed	34,400	Bishop Vesey's Grammar School	B Maynard	Family Link
Grant approved/ completed	33,000	The Arthur Terry School	B Maynard	Family Link
Grant approved & part paid	50,000	Sutton Town Hall Trust	D Pears E Baxter	Trustee Family Link
Grant approved	35,892	Erdington Gymnastics Club T/A North Birmingham Community Gymnastics – 2025 01	C Arrowsmith H Kimmet B Maynard	Family Link Family Link Family Link
Grants approved	40,000	Grow Family Services – 2025 02	H Kimmett	Member
Grant approved	1,000	Active Citizens Community Volunteers	J Mosson	Trustee
Grant approved & part paid	375,000	Jericho Foundation – Sutton Works	S Roberts	Family Link
Grant approved/ completed	78,000	St Giles Hospice	F Murray	Family Link
Grant approved/ completed	57,000	St Giles Hospice	F Murray	Family Link
Grant approved/ completed	32,000	St Johns Walmley	S Roberts	Trustee
Supplier	2,193	Broken Yolk Catering	C Haines	Family Link
Supplier	17,710	EOS Surveyors Ltd	C Arrowsmith	Family Link

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The Trust is exempt from corporation tax, as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

Cost	Freehold almshouse property £'000	Freehold almshouse improvements £'000	Security/ safety equipment £'000	Total £'000
At the Start and end of the year	496	2,829	101	3,426
Depreciation				
At the start of the year	412	1,573	101	2,086
Charge for the year	6	92	–	98
At the end of the year	418	1,665	101	2,184
Net book value				
At the end of the year	78	1,164	–	1,242
At the start of the year	84	1,256	–	1,340

The freehold Almshouses comprise seven blocks on the Trust's main site in Walmley. The cost of constructing the most modern block (containing 8 units, completed in 1995) is included within the balance sheet. The construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2025 and would therefore have £Nil (2024: £Nil) impact on the balance sheet. However, the cost of subsequent improvement and renovation works is included.

The market value of the Almshouses is expected to be significantly higher than their carrying value.

All of the above assets are used for charitable purposes.

11 Investment properties

	2025 £'000	2024 £'000
Fair value at the start of the year	26,915	25,971
Proceeds from disposals	–	(541)
Net gain on change in fair value	325	1,485
Fair value at the end of the year	27,240	26,915

12 Listed investments

	2025			2024		
	Investments £'000	Cash £'000	Total £'000	Investments £'000	Cash £'000	Total £'000
Fair value at the start of the year	39,336	1,195	40,531	36,511	775	37,286
Additions at cost	47,689	(47,689)	–	17,061	(17,061)	–
Disposal proceeds investment	(49,656)	49,656	–	(17,620)	17,620	–
Management fees	–	(89)	(89)	–	(139)	(139)
Transfer of funds to Trust	–	(2,000)	(2,000)	–	–	–
Transfer of funds to Trust to meet investment strategy	–	(222)	(222)	–	–	–
Net gain through foreign exchange	–	61	61	–	–	–
Net gain on change in fair value	2,098	–	2,098	3,384	–	3,384
Fair value at the end of the year	39,467	912	40,379	39,336	1,195	40,531

Investments comprise:

	2025 £'000	2024 £'000
Equities	31,142	30,025
Fixed interest	8,324	9,311
Cash	913	1,195
	40,379	40,531

Financial Instruments

The investment values above include financial assets measured at fair value through profit and loss of £39,467,000 (2024: £39,336,000)

During the year, the Trust reviewed the performance of its investment houses and subsequently appointed Cazenove Capital and Navera Investment Management (formerly Meridiem Investment Management) in June 2025.

During the year, £2m was transferred from CCLA investments to a CCLA deposit account as part of implementing the new investment strategy

During the year £222K (2024: nil) was transferred from investments to current assets to meet the targeted income from our investments to mitigate risk as part of investment strategy

13 Debtors: amounts due in more than one year

	2025 £'000	2024 £'000
Langley SUE land disposal	8,735	8,735
	8,735	8,735

The Debtor due after more than one year is in respect of proceeds from the sale of a parcel of land at Brockhurst Farm within the Langley Sustainable Urban Extension (Langley SUE). The sale agreement includes deferred payments at key project milestones (e.g. outline planning consent, completion of the scheme). This land sale completed in December 2021 and received outline planning consent in December 2022. The amount held in the balance sheet represents the market value of the underlying asset (based on the last professional valuation) less net amounts already received in respect of the transaction.

14 Debtors: amounts due within one year

	2025 £'000	2024 £'000
Rental income receivable	94	66
Dividends and interest receivable	206	103
Prepayments	51	60
	351	229

15 Creditors: amounts falling due within one year

	2,025	2024
	£'000	£'000
Grants payable	993	1,221
Rental Income due back to Tenants	–	79
Rental income received in advance	156	183
Taxation and social security	4	20
Accruals	105	132
Other creditors	140	129
	1,398	1,764

16 Creditors: amounts falling due after one year

	2025	2024
	£'000	£'000
Grants payable	335	206
	335	206

17a Analysis of net assets between funds (current year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	1,242	–	1,242
Investment properties	–	–	–	27,240	27,240
Investments	3,383	1,189	–	35,807	40,379
Long term debtors	2,930	–	–	5,805	8,735
Net current assets/ (liabilities)	1,918	–	–	264	2,182
Long term liabilities	(635)	–	–	–	(635)
Net assets at 30 September 2025	7,596	1,189	1,242	69,116	79,143

17b Analysis of net assets between funds (prior year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	1,340	–	1,340
Investment properties	–	–	–	26,915	26,915
Investments	5,303	1,207	–	34,021	40,531
Long term debtors	2,930	–	–	5,805	8,735
Net current assets/ (liabilities)	(524)	–	–	465	(59)
Long term liabilities	(206)	–	–	–	(206)
Net assets at 30 September 2024	7,503	1,207	1,340	67,206	77,256

18a Movements in funds (current year)

	At 1 October 2024	Income & gains	Expenditure & losses	Transfers	At 30 September 2025
	£'000	£'000	£'000	£'000	£'000
Endowment funds:					
Functional endowment	1,340	–	(98)	–	1,242
Permanent endowment	67,206	3,888	(138)	(1,840)	69,116
Total restricted funds	68,546	3,888	(236)	(1,840)	70,358
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	1,180	–	–	–	1,180
Environment management fund	27	–	(18)	–	9
Total designated funds	1,207	–	(18)	–	1,189
General funds	7,503	496	(2,243)	1,840	7,596
Total unrestricted funds	8,710	496	(2,261)	1,840	8,785
Total funds	77,256	4,384	(2,497)	–	79,143

The narrative to explain the purpose of each fund is given at the foot of the note below.

18b Movements in funds (prior year)

	At 1 October 2023	Income & gains	Expenditure & losses	Transfers	At 30 September 2024
	£'000	£'000	£'000	£'000	£'000
Endowment funds:					
Functional endowment	1,442	–	(102)	–	1,340
Permanent endowment	63,218	5,984	(190)	(1,806)	67,206
Total restricted funds	64,660	5,984	(292)	(1,806)	68,546
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	1,180	–	–	–	1,180
Environment management fund	38	–	–	(11)	27
Total designated funds	1,218	–	–	(11)	1,207
General funds	7,313	1,050	(2,677)	1,817	7,503
Total unrestricted funds	8,531	1,050	(2,677)	1,806	8,710
Total funds	73,191	7,034	(2,969)	–	77,256

Purposes of endowment funds

Permanent Endowment fund – represents those assets which must be held permanently by the Trust, principally investments. Net income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund.

Functional Endowment fund – represents the value of the Almshouse fixed assets of £1,242,000 (2024: £1,340,000) held as a functional permanent endowment and used by the Trust in the carrying out of its charitable mission. Depreciation and impairment of these assets has also been charged against this Endowment Fund.

Purposes of designated funds

Extraordinary repair fund – The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and is set at a level to cover at least five years' planned maintenance expenditure (including irrecoverable VAT and inflation). Amounts are transferred to meet expenditure which may be required in the future. There were no extraordinary repairs in the year. Routine / planned / budgeted repairs are not charged against this fund. The Trustees are content that the fund remains at the required level.

Environment management fund – In 2022 the Trust also established a designated Environment management Fund to be used for maintaining the Trust's rural and woodland estate spend

Notes to the financial statements

For the year ended 30 September 2025

19a Permanent Endowment Fund

	Trust for Investment	Unapplied Total Return	Total
	£'000	£'000	£'000
Opening balance as at 1st October 2024	45,232	21,974	67,206
Investment income to 30 September 2025	–	1,445	1,445
Less Management Fees to 30 September 2025	–	(138)	(138)
Plus Revaluations	–	2,443	2,443
Indexation from 1st October 2024 to 30 September 2025	1,719	(1,719)	–
	46,951	24,005	70,956
Unapplied Total Return allocated in the year			
Transfer of investment returns to unrestricted funds	–	(1,306)	(1,306)
Transfer from Investment Endowment funds to Charitable funds in reporting year	–	(187)	(187)
Additional Allocation of unapplied returns to Total Return for reporting period	–	(347)	(347)
Closing balance as at 30 September 2025	46,951	22,165	69,116
	Trust for Investment	Unapplied Total Return	Total
	£'000	£'000	£'000
Opening balance as at 1st October 2023	44,476	18,742	63,218
Investment Returns to 30 September 2024	–	1,680	1,680
Less Management Fees to 30 September 2024	–	(189)	(189)
Plus Revaluations	–	4,303	4,303
Indexation from 1st October 2023 to 30 September 2024	756	(756)	0
	45,232	23,780	69,012
Unapplied Total Return allocated in the year			
Transfer of net investment returns to unrestricted funds	–	(1,490)	(1,490)
Additional Allocation to Total Return for reporting period	–	(316)	(316)
Closing balance as at 30 September 2024	45,232	21,974	67,206

20 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2025	2024
	£'000	£'000
Less than one year	515	582
One to five years	2,298	1,534
Over five years	41,547	41,839
	44,360	43,955

The above figures include rental income from two properties, both with lease terms of 999 years. The total due to the Trust in respect of these properties is £40,182,000 (2024: £40,223,000).

21 Capital commitments

At the balance sheet date, the Trust had no capital commitments (2024: £nil)

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales - Charity number 218627

Accounts

Charity number: 218627

Sutton Coldfield Charitable Trust

Report and financial statements.
For the year ended 30 September 2024

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Contents

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Reference and Administrative Information

Charity number 218627 – registered in England & Wales

Registered office and operational address Lingard House, Fox Hollies Road
Sutton Coldfield B76 2RJ

Telephone number 0121 794 0970

Principal officers Tina Swani MBA FCIM (Chief Executive until 31 December 2024)
Rob Semple ACMA (Financial Controller until 29 February 2024)
Pamela Johnston MBE JP (Almshouse Manager until 30 June 2024)
Claire Evans ACA (Finance Director from 1 February 2024, Interim
Chief Executive from 1 December 24)
Claire Arrowsmith FCCA (Property Manager from 1 July 2024)
Clare Haines BA (Grants Manager)
Helen Kimmet (Administration Manager)

Bankers HSBC Bank plc
67 The Parade
Sutton Coldfield
B72 1PD

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London
EC1Y 0TG

Investment Managers	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ	CCLA Investment Management One Angel Lane, London EC4R 3AB
----------------------------	---	--

Investment Consultants Stanhope Consulting LLP
35 Portman Square
London
W1H 6LR

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Trustees' Annual Report

The trustees present their report and the audited financial statements for the year ended 30 September 2024. Reference and administrative information set out on pages 1-3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, an inhabitant of Sutton Coldfield, born in the town, who persuaded Henry VIII to grant a Charter in 1528 establishing a Warden and Society (Corporation) to govern the Town. The Corporation was obliged to use rental and other income to provide poor relief and improve the locality. Over the next four centuries, other bequests and endowments came within the Corporation's oversight. These included charities in memory of Thomas Jesson in the 1700s to provide apprenticeships for boys and to distribute bread to Sutton's poor. After a long and famous legal action, the Corporation's charities were reorganised in the 1820s and enriched by lands acquired in the 1825 Enclosure Award. From this time, Almshouses were built and the charities provided elementary schools (including teaching and uniforms) for Sutton's children. Practical necessities such as coal, blankets and boots were widely distributed. In pre-welfare state days, the charities financed nursing and medical care for people in need and made grants to widows.

In 1886, the Town became a Borough, and the Trust took over the Corporation and various related charities within one body. This operated closely alongside the Council and was administered by the Town Clerk. New Almshouses were built, including two in the 1890s from a bequest by Frances Lingard. When Sutton Coldfield became part of Birmingham in 1974, the independence of the Trust was safeguarded which ensured the continuing provision of benefits for individuals and organisations within the former Borough boundaries. Although the separate historic charities have been consolidated into one charity, the Trustees' fundamental aims and priorities are still very similar to those pursued by Bishop Vesey and his successors over nearly five centuries.

Vision

The vision of Sutton Coldfield Charitable Trust is to enhance the quality of life for all in Sutton Coldfield.

Mission statement

Sutton Coldfield Charitable Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing and grant awards to support individuals and community organisations.

Values

The Trust strives to be responsible; inclusive; caring; transparent and sustainable in all our activities.

Trustees' Annual Report

What our values mean

- **Responsible** applies to all matters including being a good employer, caring for the environment, protecting our assets and good governance.
- **Inclusive** relates to our operations, beneficiaries, staff and all those we work with, embracing equality, diversity and inclusion.
- **Caring** reflects the helping nature of the Trust and its core purpose.
- **Transparent** demonstrates our commitment to openness and sharing.
- **Sustainable** ensures the Trust continues to make a lasting contribution and remains in good shape for the centuries ahead.

Objectives and activities for the public benefit

The principal objectives of the Trust are the provision of Almshouses and the distribution of funds and other measures for the alleviation of hardship and other needs for inhabitants and organisations within the boundaries of the former Borough of Sutton Coldfield.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policies. They consider the information which is contained in this report about the Trust's objectives, activities and achievements demonstrates the benefits to its beneficiaries and, through them to the public, which arise from those activities.

Review of activities and achievements

The Trust formally launched its five-year plan "looking forward to 2028" in May 23. The title of the plan signifies the date the Trust will celebrate a heritage of 500 years, having responded and adapted over the past five centuries to meet constantly changing need. The aims of the five-year plan are as follows.

1. Almshouses research and assessment of future need.

Research has been undertaken into the housing needs of Sutton Coldfield. This will inform longer-term consideration about any potential future housing scheme for a more diverse range of beneficiaries. A review of Almshouse Governance has also been undertaken to ensure we implement best practice, safety and compliance.

2. Grants programme expansion.

The trust's grants budget increased from £1.5m to £1.75m. The community newspaper "Royal Sutton Coldfield Charity News" was distributed in October 2024, showcasing the incredible work of charities and community organisations across the Royal Town, including those projects that are as a result of a grant award from SCCT. This has already stimulated applications from organisations we had not reached previously. We have also commissioned Our Place to manage individual grant applications.

3. Supporting heritage, green spaces and community

Conversations continue with Birmingham City Council and Royal Sutton Coldfield Town Centre about the future of our community centres. These provide vital services and places for people to meet and socialise. Over the past 12 months we have developed a more granular view of the importance and diversity of support provided through mosques, churches, libraries and community centres.

Trustees' Annual Report

4. Being well run, efficient, accessible and inclusive.

We have 'gone digital' with our new grant software system and look forward to working with grant applicants to support them in this transition. Going digital does not mean losing the human element in the grant application process. Our grants staff continue to be responsive and supportive of all grant applicants particularly those who may not have experience at making applications.

5. Continual improvement of assets and their uses.

We used social media to advertise vacant almshouse properties, which led to a very positive response; we now have a small waiting list. In addition, we have commenced a benchmarking project to compare the costs and the way we run our almshouses with other housing schemes. This has led to improvements in staffing arrangements, engagement with residents, and use of the residents' communal facilities.

Equality, diversity and inclusion is embedded throughout the five-year plan. In order to truly enhance the quality of life for all in Sutton Coldfield, without exclusion, staff and trustees have participated in a review of EDI, which will be leading to an action plan and an accompanying EDI statement.

Learning how to make a positive environmental contribution is a regular theme through the five-year plan, for example two years ago, Manorial Wood was replanted with deciduous saplings. In order to preserve their growth, bracken removal is required from time to time and in August 2024, Bronwyn & Abbey were appointed to carry out the removal of bracken by hand. This avoided the use of harmful chemicals, thus preserving biodiversity and contributing to maintaining clean air.

Awarding grants is the second, yet no less vital, purpose of the Trust. Grant awards in the year covered a wide range of needs. The Trust awarded £1,718,000 (2023 £1,102,000) in grants during the year.

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	2024	2023
	£000	£000
Relief of those in need	575	461
Advancement of education	200	197
Advancement of religion	32	30
Advancement of health or the saving of lives	380	129
Advancement of citizenship or community development	291	151
Advancement of the arts, culture, heritage and science	29	42
Advancement of amateur sport	101	28
Advancement of environmental protection or improvement	109	64
	-----	-----
Total grants awarded	1,717	1,102
Awarded grants unclaimed or cancelled	(44)	(52)
	-----	-----
Net grants awarded (note 4 to the financial statements)	1,673	1,050
	=====	=====

Trustees' Annual Report

As well as Almshouses, the Trust manages around 1,000 acres of agricultural land, 15 commercial properties and an investment portfolio, with the help of its expert advisers, in order to generate the income for the provision of homes and grant awards.

Trustee resignations and appointments

Sadly, this year has been marked by the loss of Keith Dudley, who died on 15th October 2024 after 10 years as Trustee and almost 3 years as Chair. Keith's contribution to our board was deeply valued, and his presence is sorely missed. We extend our heartfelt condolences to his family.

In the year the Trustees welcomed Nigel Meredith and Brian Maynard to the Board and look forward to benefiting from their fresh insights and expertise. Trustees would like to thank Inge Kettner and Neil Andrews who both stepped down in the year.

Staff resignations and appointments

In December 2024, Tina Swani resigned as chief executive having worked with staff and Trustees to strengthen the governance, profile and strategic direction of the trust as well as building a more inclusive working culture and environment. We look forward to welcoming her successor, Lisa Martinali, joining as our new chief executive in 2025. Lisa brings much experience as a charity CEO and working in community regeneration.

Pamela Johnston, Almshouse Manager, retired in June 2024 after an incredible 37 years of dedicated service and whose role included maintaining a thriving almshouse community, high quality homes, assessment of personal grants and overseeing the distribution of school clothing grants. Almshouse Warden, Michael Mitchell retired in August 2024 after 4 years' excellent service supporting residents.

We thank all our staff for all their hard work and commitment including those we have welcomed to the team this past year, Finance Director, Claire Evans, Almshouse Manager Emma Baxter and Community Grants Officer, Jo Williams.

Grant making policy.

The Trustees apply surplus income to benefit the residents of the former Borough of Sutton Coldfield by making awards to individuals, institutions or organisations in the following ways:

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages.
- Making awards to institutions or organisations for the:
 - Relief of those in need
 - Advancement of education
 - Advancement of religion.

Trustees' Annual Report

- Advancement of health or the saving of lives.
- Advancement of citizenship or community development.
- Advancement of the arts, culture, heritage or science.
- Advancement of amateur sport.
- Advancement of environmental protection or improvement.
- Other purposes that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.

Risk Management

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. This is a continuous obligation involving all Trustees and staff.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee (which meets at least twice a year) the Finance Committee and the Board of Trustees to ensure that the risk management process is operating satisfactorily. The risks are recorded and assessed in terms of impact and probability and a traffic light system employed to highlight areas of particular concern. The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

The Trustees have identified the following key strategic risks to the charity. Actions to mitigate against these risks are also detailed;

Risk: Project delivery: Failure to adequately scope, resource and manage the projects related to the five year plan and to properly assess and mitigate the associated risks.

Mitigation: This risk is managed by strong governance via the 5-year plan and Board/Committee scrutiny of individual workstreams and projects. The Trust also commissions extensive external specialist advice in developing and managing projects and carries out risk assessments of large projects.

Risk: Financial Risk: Failure to manage and maximise the trust's assets and protect the permanent endowment.

Mitigation: This risk is managed by appropriate investment policies, prudent internal policies and strong governance over the application of Total Return Accounting, management of the Trust's assets by professional advisers, scrutiny of advisers via Board and Committee, a suitable reserves policy and regular budgeting, monitoring and reporting on financial performance.

Trustees' Annual Report

Risk: Loss of Income: Failure to realise projected income from large land sales, due to factors outside the Trust's control e.g. property values, planning consents.

Mitigation: This risk is managed by strong and active involvement in land transactions by Board and Committees and appropriate technical and legal advice on land sale transactions. The Trust's medium term financial forecasts are reviewed at least annually to ensure that they reflect the latest state of knowledge about the level and timing of land sale receipts to ensure that the Trust does not over commit.

Staff pay and remuneration (including key management personnel)

The Trust's staffing structure and changes to pay and conditions of staff must be approved by the Board. A Remuneration Sub-Committee of the Board appraises pay annually and makes pay recommendations to the Finance Committee and the full Board. During the year the Trust implemented a wider people policy review to modernise its terms and conditions of employment and its associated pay policy.

Pay awards are based on conditions set out in the updated contracts of employment and a range of factors including.

- Inflation indices
- The financial position of the Trust
- External benchmarking of pay award and salaries.
- Economic trends and forecasts
- Progression and achievements of the charity as a whole
- Business, governance and regulatory requirements
- Demands upon the charity and changing needs of beneficiaries.
- Any other internal and external circumstances

Structure, governance and management.

Information relating to reference and administrative matters are set out above (pages 1-3).

The Board comprises 12 (minimum) to 16(maximum) trustees in total, made up of 8 to 12 co-opted trustees, who are appointed for terms of five years, and 4 nominated trustees, who are put forward by Birmingham City Council and Royal Sutton Coldfield Town Council for terms of four years. Trustees may serve a maximum of three terms following which at least 12 months must expire before reappointment.

The Board of Trustees

The Board seeks Trustees who diversify and balance the breadth of qualities, background, skills and experience required for delivering the Trust's charitable and strategic objectives.

That expertise has included medicine, law, property, industry, faith, education, engineering, human resources, science, sheltered housing, town planning, marketing, accountancy and Local Government. An induction process helps trustees to understand their responsibilities and the work of the Trust. Trustees have a two-yearly review with the Chair; new trustees have an additional review in their first year.

Trustees' Annual Report

The Board of Trustees is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions, and determine strategy. A strategy day is held at least every two years, supplemented by regular reports on progress against the agreed actions. The Board also identifies and manages any risks to ensure the efficient and safe undertaking of its responsibilities. The Board oversees the financial health of the Trust, ensuring that management of its investments and accounts are robust, effective controls are in place and sufficient resources are available to meet the demands of the Almshouse and grant-making programme as the two core purposes of the Trust.

Every Trustee is a member of one or more of the following Committees:

- Almshouse Committee
- Grants Committee
- Finance Committee
- Property Committee

In addition, the Trust has sub-committees for remuneration and risk management. Whilst each Committee has its approved membership, all Trustees may attend any Committee meeting at any time and have access to all agendas and papers through an on-line Trustee portal. Advisors may also attend Committees to provide specialist guidance. Working groups may be set up for specific purposes.

Review of Governance and Compliance

Following the publication of the revised Charity Governance Code late in 2020 the Trust has continued to progress the actions it identified as priorities.

These actions have included a review of policies primarily related to GDPR, a review of how the Trust communicates internally and externally, and a review of how Equality Diversity and inclusion is embedded throughout the Trusts operations.

The Board of Trustees are periodically invited to complete a feedback survey after board meetings to consider its effectiveness and areas for improvement. The strategic and governance reviews have supported clarity of planning to enhance charitable benefit at a time of continued and increasing adversity and uncertainty.

Fundraising

The Trust does not undertake any fundraising activities in its own right or through third parties and so does not consider it necessary to register with the Fundraising Regulator or comply with any voluntary code of practice related to fundraising. The Trust has not received any complaints relating to fundraising.

Trustees' Annual Report

Financial Review

The year under review saw a sustained level of underlying operating income and modest growth in Investment asset values, despite the challenging financial climate.

Total income in the last year was £2,165,000 (2023: £2,222,000) and the total expenditure was £2,969,000 (2023: £2,223,000) including grants (net of cancelled grants) of £1,673,000 (2023: £1,050,000). This resulted in net expenditure before gains/losses on investments of £804,000 (2023: £1,000).

The Trust's work is dependent on income and investment returns from its endowments. The past year saw a general increase in property and non-property investment asset values. The Trust reported a gain on investment assets of £4,869,000 (2023: £1,111,000) which in turn gave rise to an overall net increase in total funds of the Trust of £4,065,000 (2023: £1,110,000). At 30 September 2024, total Trust funds amounted to £77,256,000 (2023: £73,191,000).

After an extensive review, and taking legal and financial advice, the Trust decided to adopt the Total Return Accounting (TRA) Policy from 1 October 2023. The Trustees have decided to take £1,806,000 (2023: £1,600,000) from the permanent endowment to unrestricted funds. This is made up of £1,490,000 (2023: £1,600,000) net investment income received from the endowment funds during the year plus a further £316,000 (2023: £nil) from the opening value of the permanent endowment unapplied Return.

Continuing with careful financial management and disciplines, combined with appropriate support from the Trust's advisers and the additional flexibility offered by TRA, the Trust is confident of fulfilling its dual obligations of the provision of Almshouses and community grant giving.

Evaluating Impact and Benefits

The Trust maintains close contact with organisations to ensure that the anticipated benefits from the grant have been achieved. All applications to the Trust are required to set out the objectives, or resulting benefits, from a potential grant award. This enables outcomes to be measured consistently.

A formal monitoring process is also in place. This enables Trustees to focus on those projects delivering the greatest impact. Depending on the value of the award, this is achieved by completion of a monitoring form at the conclusion of the project. Where necessary, interim reports are produced. Quarterly reports providing an overview of project progress, are made available to the Trustees for scrutiny.

Trust officers also evaluate impact through meetings, both in person and online, telephone discussions and visits to grant beneficiaries.

Trustees' Annual Report

Investment Policy and Performance

The Trust's assets are invested in property, UK and overseas equities, government bonds, unit trusts, other financial instruments and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. The Trust's investment objectives are to generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms

Both the Finance Committee and the Board of Trustees receive quarterly reports from the investment managers, which consider the Trust's income requirements, the risk profile and property managers' view of market prospects in the medium term. This strategy is set within the Total Return Accounting Policy which states that the Endowment Fund is to be invested long term to maximise total returns to meet current and future charitable objects whilst seeking preservation of capital in real terms.

A major part of the Trust's investment portfolio has been managed over a number of years by Rathbone Investment Management Limited. A smaller portfolio (the Charitable Funds) has been invested in the CCLA COIF Charities Investment Fund since April 2021. The Trustees are supported by Stanhope Consulting, the appointed investment advisors, in the assessment and monitoring of the investment managers. According to Stanhope's calculations, the Trust's total investment portfolio generated returns of 12% over the year to 30 September 2024, ahead of the target of CPI +4%, which would have been 6%.

In July 2024 the year the Trust undertook an investment strategy review, which is seeking to look to increase the Trusts equity exposure to allow for increased returns, but mitigating any risk associated with this by holding significant property investment assets and a cash buffer. This will be implemented in 2025.

Reserve Policy and Going Concern

On 30 September 2024 the Trust holds Endowment Funds of £68,269,000 (2023: £64,527,000) including 'Functional Endowment (Almshouse assets) of £1,340,000 (2023: £1,442,000). Total Return Accounting in the year has allowed the Trust to use this fund to further the Trust's charitable objectives. The Trust holds two unrestricted designated reserves as follows:

Extraordinary Repair Fund (for extraordinary repair, improvement or re-building). It is a requirement of the Trust's Scheme to maintain this reserve. The Extraordinary Repair Fund at 30 September 2024 amounted to £1,180,000 which represents estimated planned maintenance costs for the next five years including inflation. (2023: £1,180,000).

In 2022 Trustees established an unrestricted designated "Environment Management Fund" to be used for maintaining the Trust's rural and woodland estate. At 30 September this amounted to £28,000 (2023: £38,000).

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Trustees' Annual Report

The Trustees retain free unrestricted reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, which may not otherwise be covered by incoming resources. The Trustees undertook a detailed review of the Trust's reserve policy in 2023 and will continue to review this annually. In undertaking this review, Trustees were mindful that the Trust is in a relatively healthy financial position. Equally the long-term outlook is challenging, and the Trust has an ambitious five-year plan.

After consideration Trustees consider that it is appropriate to hold undesignated free reserves of at least £7,400,000. Actual undesignated free reserves in 2024 were £7,503,000 (2023: £7,313,000). The difference is small and therefore no future action is expected to be necessary. The target is made up as follows:

	£'000
Minimum Working reserve	2,000
Reserve against downside risks	2,000
Reserve for future operating deficits (per medium term forecast)	400
Reserve to fund development Plan initiatives	<u>3,000</u>
Total Free reserves Target	<u>7,400</u>

Trustees have a rolling five-year financial plan. Based on this plan, Trustees review the reserves to ensure appropriate amounts are set aside. Based on this work, the Trustees consider that there are no material uncertainties about the Trusts ability to meet liabilities as they fall due for the 12 months from the date of approval of the accounts. Trustees take a long-term view over free reserves needed to meet future deficit budgets and are happy with the free reserves held in the accounts

Future Plans and Objectives

The Sutton Coldfield Five Year Plan sets a strategic direction from 2023-28. The pace of that direction will be determined by the timing of planning permission on Langley Sustainable Urban Extension (SUE). The details of the objectives within the plan are covered above ("Review of activities and achievements"). Both staff and Trustees are working through the detailed long term delivery plans that maintain longevity of the Trust and enhance its support for residents of Sutton Coldfield

The Trust has conducted a number of reviews in readiness to mobilise these ambitions and inform future decisions, including the social needs review (2022), research into future housing needs (2024) and Falcon Lodge feasibility study (2023). Integral to these ambitions is our commitment to fostering an environment where equality, diversity, and inclusion are at the core of everything we do.

Trustees' Annual Report

Statement of responsibilities of the trustees

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 charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 Trust will continue in operation

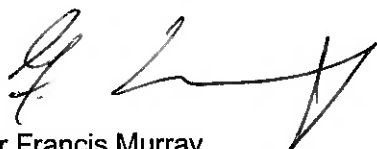
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the Trust's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' report has been approved by the Trustees on 19 February 2025 and signed on their behalf by:



Dr Francis Murray
Chair

Independent auditor's report to the trustees of Sutton Coldfield Charitable Trust

Opinion

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'Trust') for the year ended 30 September 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 30 September 2024 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Trust'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.

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Other Information

The other information comprises the information included in the Trustees' 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the Trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The 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 statement of Trustees' responsibilities set out in the Trustees' report, the Trustees 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and investment committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Sutton Coldfield Charitable Trust
For the year ended 30 September 2024

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 Trust and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Sutton Coldfield Charitable Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2024

	Note	Unrestricted funds £'000	Endowment funds £'000	2024 Total £'000	Restated Unrestricted funds £'000	Restated Endowment funds £'000	2023 Total £'000
Income from:							
Charitable activities							
Almshouses		274	-	274	235	-	235
Donations		5	-	5	-	-	-
Investments	2	206	1,680	1,886	203	1,784	1,987
Total income		485	1,680	2,165	438	1,784	2,222
Expenditure on:							
Raising funds							
Investment Property Expenses		176	46	222	101	51	152
Investment Management Costs		50	143	193	39	133	172
Charitable activities							
Almshouses		570	102	672	581	79	660
Grant Funding	4	1,882	-	1,882	1,239	-	1,239
Total expenditure	3	2,678	291	2,969	1,960	263	2,223
Net (expenditure) / income before net gains on investments		(2,193)	1,389	(804)	(1,522)	1,521	(1)
Net gains on investments							
Investment Property	11	-	1,485	1,485	-	410	410
Listed Investments	12	566	2,818	3,384	86	615	701
Total Net gains on investments		566	4,303	4,869	86	1,025	1,111
Net income / (expenditure) after net gains on investments		(1,627)	5,692	4,065	(1,436)	2,546	1,110
Transfer of investment income	19	1,490	(1,490)	-	1,600	(1,600)	-
Additional allocation of Total return	19	316	(316)	-	-	-	-
Total Transfer between funds		1,806	(1,806)	-	1,600	(1,600)	-
Net movement in funds		179	3,886	4,065	164	946	1,110
Reconciliation of funds:							
Total funds brought forward		8,531	64,660	73,191	8,367	63,714	72,081
Total funds carried forward		8,710	68,546	77,256	8,531	64,660	73,191

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Sutton Coldfield Charitable Trust

Balance sheet

As at 30 September 2024

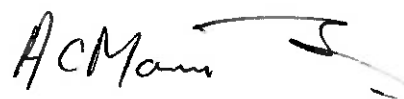
	Note	£'000	2024 £'000	£'000	2023 £'000
Fixed assets:					
Tangible assets	10	1,340		1,442	
Investment properties	11	26,915		25,971	
Investments	12	40,531		37,286	
			68,786		64,699
Debtors: amounts due in more than one year	13		8,735		8,735
Current assets:					
Debtors: amounts due within one year	14	229		230	
Cash and cash equivalents		1,476		1,148	
		1,705		1,378	
Liabilities:					
Creditors: amounts falling due within one year	15	(1,764)		(1,527)	
Net current liabilities			(59)		(149)
Total assets less current liabilities			77,462		73,285
Creditors: amounts falling due after more than one year	16		(206)		(94)
Total net assets	17		77,256		73,191
The funds of the charity:	18				
Endowment funds					
Functional endowment		1,340		1,442	
Permanent endowment		67,206		63,218	
Total endowment funds			68,546		64,660
Unrestricted income funds:					
Extraordinary Repair Fund		1,180		1,180	
Environmental Management Fund		27		38	
General Fund		7,503		7,313	
Total unrestricted funds			8,710		8,531
Total charity funds			77,256		73,191

Approved by the trustees on 19 February 2025 and signed on their behalf by

Dr Francis Murray
Chair



Andrew Morris
Vice Chair



Sutton Coldfield Charitable Trust

Statement of cash flows

For the year ended 30 September 2024

	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	4,065		1,110	
Investment Management Fees	143		133	
Depreciation charges	102		78	
Gains on investments	(4,869)		(1,111)	
Dividends, interest and rent from investments	(1,886)		(1,990)	
Decrease in debtors	1		90	
Increase in creditors (excluding investment managers' fees)	345		41	
Net cash (used in) operating activities		(2,099)		(1,649)
Cash flows from investing activities:				
Dividends, interest and rents from investments	1,886		1,987	
Purchase of fixed assets	-		(474)	
Proceeds from the sale of investment property	541		25	
Funds transferred (to)/ from investments	-		(44)	
Net cash provided by investing activities		2,427		1,494
Change in cash and cash equivalents in the year		328		(155)
Cash and cash equivalents at the beginning of the year		1,148		1,303
Cash and cash equivalents at the end of the year		1,476		1,148

Analysis of cash and cash equivalents and of net debt

	At 1 October 2023 £'000	Cash flows £'000	At 30 September 2024 £'000
Cash at bank and in hand	27	578	1,171
Deposit accounts maturing within 3 months	555	(250)	305
Total cash and cash equivalents	582	328	1,476

1 Accounting policies

a) Statutory information

Sutton Coldfield Charitable Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office address is Lingard House, Fox Hollies Road, Sutton Coldfield, B76 2RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

Mindful of the net current liability position recorded on the balance sheet, the Trustees note that, after considering the level of cash reserves and unrestricted investments held in Fixed Assets and the capacity of the Trust to flex its activities if income levels fall significantly, there are no material uncertainties to the availability of sufficient unrestricted resources available to meet the Trust's commitments for a period of 12 months from the date of approval of these financial statements.

e) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from investment properties includes property income receivable less provision where the eventual receipt of income is considered doubtful.

Incoming resources from charitable activities relates to funds received in respect of Almshouse Weekly Maintenance Contributions (WMCs) and any donations received by the Trust.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Dividends and interest receivable

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio. Other investment income is accounted for on an accruals basis. Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

g) Fund accounting

The Trust has a permanent endowment, comprising the Walmley Almshouses and Fixed Asset Investments (property and securities). The Walmley Almshouses are held for charitable purposes and are treated as Functional Endowment assets. The Fixed Asset investments are held to generate income, which is wholly unrestricted.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. They are retained to the extent that they are considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital nature and revenue costs, which may not be covered by incoming resources.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Further details of each fund are disclosed in note 18.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- The costs of raising funds consist of investment management fees and property expenses together with their associated staffing, support and governance costs.
- Expenditure on charitable activities includes the costs of making grants and managing almshouse properties undertaken to further the purposes of the Trust and their associated staffing, support and governance costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the Trust.

Conditional grants – Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled.

Contingent grants – A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

j) Allocation of governance and support costs

Directly attributable payroll and other costs are allocated to the relevant activity (Raising Funds, Almshouses and Grants). Staff costs are allocated based on an estimate of staff time in the year. This estimate of staff time is reviewed at least annually.

Costs that are not directly attributable to an activity (support and governance costs) are apportioned by activity using appropriate cost drivers.

k) Tangible fixed assets

Items of equipment associated with Almshouse improvements are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Almshouses are stated at cost. However, the construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information.

Where capital additions to the Almshouses are made, they are depreciated over the shorter of the remaining useful life of the property to which they relate and the life of the individual building component on a straight-line basis. Where necessary, the Trust makes an impairment charge for assets when they are due for replacement within the planning period and there is clear Trustee approval to the replacement programme.

Following a detailed review, all Almshouse assets and capital improvements are recorded as part of the Endowment Fund as 'functional permanent endowment', with associated depreciation and impairment also being charged to the Endowment

Security and other equipment are stated at cost although office equipment and IT are normally written off in the year of acquisition.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------------|--|
| • Almshouses | 20 years – straight line on net book value |
| • Security and other equipment | 5 years – straight line |

1 Accounting policies (continued)

l) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value and not depreciated. Any change in fair value is recognised via the statement of financial activities as a gain or loss. The valuation method used to determine fair value is stated in note 11 to the accounts. The Trust's investment properties are fully valued by independent valuers every five years on the basis of open market value for existing use, with desktop valuations in the intervening years.

m) Listed investments

Listed investments are made up of basic financial instrument and cash held by two investment houses. The financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market bid price. Any change in fair value will be recognised in the statement of financial activities. 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. The Trust does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

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

o) Long Term Debtors

Where the Trust enters into transactions for the sale of land/ other investment properties, the amount receivable is initially recognised as a debtor at the invoiced / contracted value. Amounts due to the Trust after more than one year are disclosed accordingly.

From time to time, the Trust enters into Development Agreements, where the arrangements with the third party includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). In these cases, the Trust can be virtually certain of receiving economic benefits, but the final sums and timing can vary. The resulting residual interest of the Trust in the land is carried in the balance sheet at the lower of:

- the present value of the estimated future receipts (net of fees and associated costs) discounted at the Trust's cost of capital; and
- the market value of the underlying asset (based on the last professional valuation) less net amounts already received in respect of the transaction.

Where the timing of future cash flows is uncertain, the amount expected to be received is disclosed as a debtor falling due after more than one year, even where the Trust anticipates receiving payment earlier. The Trust only recognises a debtor as a current asset when it is contractually entitled to payment. This calculation is reviewed at least annually.

p) 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.

q) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The Trust 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.

s) Pensions

Contributions are paid into Personal Pension Plans operated by Aviva. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

1 Accounting policies (continued)

t) Endowments

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Net income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. The Endowment Fund includes Almshouse fixed assets of £1,340,000 (2023: £1,442,000) as a "functional permanent endowment" and depreciation and impairment of these assets has also been charged against the Endowment Fund.

u) Total Return

On 8th November 23, by way of a resolution and in accordance with the Charities (Total return) Regulations 2013, the Trustees adopted the Total Return approach to Permanent endowment fund as at 1st October 2023. At this date the total fund was analysed between the trust for investment, being the estimated value of the Endowment as at 1st October 2001 and the unapplied total return.

Subsequently, the investment income is now allocated to the Endowed Funds and then subsequently a portion of the unapplied total return is allocated to income each year, which is calculated as follows: both property and investment income received in the year less management charges plus an amount from the opening unapplied return which is calculated so that the transfer from the investment endowments totals CPI+4% of the average investment endowments for previous 3 years as agreed by trustees and in line with New Investment Strategy.

v) Judgements and estimates

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the preparation of these financial statements, key estimates and judgements have been made by the Trustees concerning the valuation of investment properties and the Trust's interest in the Langley SUE project. Actual amounts could differ from those estimates. Further details of key estimates and judgements are provided in the relevant notes.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

2 Income from investments (current year)

	Unrestricted £'000	Endowment £'000	2024 Total £'000	Unrestricted £'000	Endowment £'000	2023 Total £'000
Rents and property income receivable	-	702	702	-	778	778
Dividends and interest	206	978	1,184	203	1,006	1,209
Total income	206	1,680	1,886	203	1,784	1,987

3a Analysis of expenditure (current year)

	Raising funds		Charitable activities			
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants £'000	Support costs £'000	2024 Total £'000
Staff costs (Note 6)	28	10	142	106	127	413
Grant making (note 4)	-	-	-	1,673	-	1,673
Property expenses	93	-	178	-	8	279
Professional fees	70	152	15	-	32	269
Office costs	-	-	-	-	9	9
IT and marketing	-	-	-	-	120	120
Meeting costs	-	-	-	-	9	9
Depreciation	-	-	102	-	-	102
Sundry & irrecoverable VAT	6	23	40	-	27	96
	197	185	476	1,779	332	2,969
Support costs	25	8	196	103	(332)	-
Total expenditure 2024	222	193	672	1,882	-	2,969

3b Analysis of expenditure (prior year)

	Raising funds		Charitable activities			
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants £'000	Support costs £'000	2023 Total £'000
Staff costs (Note 6)	21	8	127	76	134	366
Grant making (note 4)	-	-	-	1,050	-	1,050
Property expenses	44	-	200	-	7	251
Professional fees	53	128	6	-	36	223
Office costs	-	-	-	-	12	12
IT and marketing	-	-	-	-	116	116
Meeting costs	-	-	-	-	8	8
Depreciation and impairment	-	-	78	-	-	78
Sundry & irrecoverable VAT	7	26	60	-	26	119
	125	162	471	1,126	339	2,223
Support costs	27	10	189	113	(339)	-
Total Expenditure 2023	152	172	660	1,239	-	2,223

Within support costs are Governance costs of £146,000 (2023: £174,000). This is made up of staff costs of £127,000 (2023: £134,000), professional fees £10,000 (2023: £29,000) and meeting costs of £9,000 (2023: £8,000).

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

4 Grant making

	2024 No.	£'000	2023 No.	£'000
Grants for:				
Grants for Community purposes	88	1,619	75	997
Individual educational and personal Grants	7	7	20	24
School clothing Grants	906	91	808	81
Sub-total	1,001	1,717	903	1,102
Grants unclaimed or cancelled	-	(44)	-	(52)
Total	1,001	1,673	903	1,050

Grants for community purposes comprise:

	2024 No.	£'000	2023 No.	£'000
Grants awarded:				
Greater than £1,000	61	1,602	51	984
£1,000 or less	27	17	24	13
Total	88	1,619	75	997

A full summary of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com.

5 Net expenditure for the year

This is stated after charging / (crediting):

	2024 £'000	2023 £'000
Depreciation	102	79
Operating lease rentals receivable:		
Property	(702)	(771)
Auditor's remuneration (excluding VAT):		
Audit	17	14
Other services	-	-

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

6 Analysis of staff costs, Trustee expenses, and the cost of key personnel

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	338	304
Social security costs	31	24
Employer's contribution to defined contribution pension schemes	44	38
	<u>413</u>	<u>366</u>

One employee earned more than £60,000 during the year in the band £60,000–£69,999 (2023: 1).

The Trust considers its key personnel to be the Chief Executive and the Finance Director as well as the unremunerated Trustees. The total employee benefits (including pension contributions and employer's national insurance) of the key personnel were £148,000 (2023: £131,000).

The charity Trustees were neither paid nor received any other benefits from the Trust in the year (2023: £nil). No Trustee received payment for professional or other services supplied to the Trust (2023: £nil).

Trustees' expenses represents costs of mileage, training/ development and IT consumables used for Trust business. These were nil for the year (2023: £344 for 2 Trustees) .

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was:

	2024 No.	2023 No.
Almshouses staff	3	3
Office staff	8	8
	<u>11</u>	<u>11</u>

8 Related party transactions

During the year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved. They were also not involved in the payment process of the relevant grant.

Transaction type	Amount £	Beneficiary	Related party	Relationship to the Beneficiary
Grant approved & part paid	19,500	Wylde Green Rotary Club	A Burley	Club member
Grant approved	34,400	Bishop Vessy's Grammer School	B Maynard	Family link
Grant approved	26,200	Friends of New Valley Country Park Association	D Pears	Member
2 Grants approved & part paid	104,200	St Giles Hospice	Dr F Murray	Family link
Grant approved & part paid	16,000	Grow Family Services	H Kimmett	Family link
Grant approved	11,500	Langley Primary School	J Luckett	Professional relationship
Grant completed	19,800	Deanery CE Primary School	J Luckett	Headteacher
Grant completed	18,480	Maney Hill School	J Luckett	Family link
Grant completed	20,656	Boldmere Swimming Club	J Luckett	Former swimming coach
Grant approved & part paid	32,000	St John's Church Walmley	J Luckett & S Roberts	Members of Church
Grant approved & part paid	9,938	St Nicholas Catholic Primary School	K Dudley	Family link
Grant approved	20,531	Wylde Green Primary School	K Dudley	Family link
Grant completed	5,000	Boulevard Allotment Association	K Dudley	Family link
Grant completed	25,438	Plantsbrook School	K Dudley & C Arrowsmith	Family links
Grant approved & part paid	33,000	The Arthur Terry School	K Dudley	Family link
Grant completed	680	Glovers Trust Almshouses - Festive 23	P Johnston	Trustee
Grant completed	1,100	Lingard House Residents	P Johnston	Employee
Grant approved & part paid	54,541	Acorns Children's Hospice	R Martin	Volunteer
Grant approved & part paid	375,000	Jericho Foundation - Sutton Works	S Roberts	Family link
Grant approved	25,000	Birmingham Hospice	T Swani & S Bains	Previous employees
Grant completed	45,000	Boldmere St Michael's FC	C Arrowsmith	Family link
Supplier	2,320	Broken Yolk Catering	C Haines	Family link

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

9 Taxation

The charity is exempt from corporation tax, as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

Cost	Freehold almshouse property £'000	Freehold almshouse improvements £'000	Security/ safety equipment £'000	Total £'000
At the Start and end of the year	496	2,829	101	3,426
Depreciation				
At the start of the year	406	1,479	99	1,984
Charge for the year	6	94	2	102
At the end of the year	412	1,573	101	2,086
Net book value				
At the end of the year	84	1,256	-	1,340
At the start of the year	90	1,350	2	1,442

The freehold Almshouses comprise seven blocks on the Trust's main site in Walmley. The cost of constructing the most modern block (containing 8 units, completed in 1995) is included within the balance sheet. The construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2024 and would therefore have £Nil (2023: £Nil) impact on the balance sheet. However, the cost of subsequent improvement and renovation works is included.

The market value of the Almshouses is expected to be significantly higher than their carrying value.

All of the above assets are used for charitable purposes.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

11 Investment properties

	2024 £'000	2023 £'000
Fair value at the start of the year	25,971	25,586
Proceeds from disposals	(541)	(25)
Net gain on change in fair value	1,485	410
Fair value at the end of the year	26,915	25,971

12 Listed investments

	2024			2023		
	Investments £'000	Cash £'000	Total £'000	Investments £'000	Cash £'000	Total £'000
Fair value at the start of the year	36,511	775	37,286	34,762	1,914	36,676
Additions at cost	17,061	420	17,481	12,115	(1,139)	10,976
Disposal proceeds	(17,620)		(17,620)	(11,067)	-	(11,067)
Net gain on change in fair value	3,384	-	3,384	701	-	701
Fair value at the end of the year	39,336	1,195	40,531	36,511	775	37,286

Investments comprise:

	2024 £'000	2023 £'000
Equities	30,025	29,964
Fixed interest	9,311	6,547
Cash	1,195	775
	40,531	37,286

Financial Instruments

The investment values above include financial assets measured at fair value through profit and loss of £39,336,000 (2023:£36,511,000)

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

13 Debtors: amounts due in more than one year

	2024 £'000	2023 £'000
Langley SUE land disposal	8,735	8,735
	<u>8,735</u>	<u>8,735</u>

The Debtor due after more than one year is in respect of proceeds from the sale of a parcel of land at Brockhurst Farm within the Langley Sustainable Urban Extension (Langley SUE). The sale agreement includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). This land sale completed in December 2021 and received outline planning consent in December 2022. The amount held in the balance sheet represents an estimate of the residual interest the Trust has in the land.

14 Debtors: amounts due within one year

	2024 £'000	2023 £'000
Rental income receivable	66	57
Dividends and interest receivable	103	148
Prepayments	60	22
Other debtors	-	3
	<u>229</u>	<u>230</u>

15 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Grants payable	1,221	1,062
Rental Income due back to Tenants	79	-
Rental income received in advance	183	178
Taxation and social security	20	22
Accruals	132	205
Other creditors	129	60
	<u>1,764</u>	<u>1,527</u>

16 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Retention payments	-	19
Grants payable	206	75
	<u>206</u>	<u>94</u>

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

17a Analysis of net assets between funds (current year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	1,340	-	1,340
Investment properties	-	-	-	26,915	26,915
Investments	4,598	1,207	-	34,726	40,531
Long term debtors	2,930	-	-	5,805	8,735
Net current assets/ (liabilities)	181	-	-	(240)	(59)
Long term liabilities	(206)	-	-	-	(206)
Net assets at 30 September 2024	7,503	1,207	1,340	67,206	77,256

17b Analysis of net assets between funds (prior year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	1,442	-	1,442
Investment properties	-	-	-	25,971	25,971
Investments	4,593	1,218	-	31,475	37,286
Long term debtors	2,930	-	-	5,805	8,735
Net current liabilities	(116)	-	-	(33)	(149)
Long term liabilities	(94)	-	-	-	(94)
Net assets at 30 September 2023	7,313	1,218	1,442	63,218	73,191

18a Movements in funds (current year)

	At 1 October 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 30 September 2024 £'000
Endowment funds:					
Functional endowment	1,442	-	(102)	-	1,340
Permanent endowment	63,218	5,984	(190)	(1,806)	67,206
Total restricted funds	64,660	5,984	(292)	(1,806)	68,546
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	1,180	-	-	-	1,180
Environment management fund	38	-	-	(11)	27
Total designated funds	1,218	-	-	(11)	1,207
General funds	7,313	1,050	(2,677)	1,817	7,503
Total unrestricted funds	8,531	1,050	(2,677)	1,806	8,710
Total funds	73,191	7,034	(2,969)	-	77,256

The narrative to explain the purpose of each fund is given at the foot of the note below.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

18b Movements in funds (prior year)

	At 1 October 2022 £'000	Restated Income & gains £'000	Restated Expenditure & losses £'000	Restated Transfers £'000	Restated At 30 September 2023 £'000
Endowment funds:					
Functional endowment	1,046	-	(79)	475	1,442
Permanent endowment	62,668	2,810	(184)	(2,076)	63,218
Total restricted funds	63,714	2,810	(263)	(1,601)	64,660
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	640	-	-	540	1,180
Environment management fund	42	-	-	(4)	38
Total designated funds	682	-	-	536	1,218
General funds	7,685	520	(1,957)	1,065	7,313
Total unrestricted funds	8,367	520	(1,957)	1,601	8,531
Total funds	72,081	3,330	(2,220)	-	73,191

Purposes of endowment funds

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Net income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. The Endowment Fund includes Almshouse fixed assets of £1,340,000 (2023: £1,442,000) as a "functional permanent endowment" and depreciation and impairment of these assets has also been charged against the Endowment Fund.

Purposes of designated funds

Extraordinary repair fund – The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and is set at a level to cover at least five years' planned maintenance expenditure (including irrecoverable VAT and inflation). Amounts are transferred to meet expenditure which may be required in the future.

Environment management fund – In 2022 the Trust also established a designated Environment management Fund to be used for maintaining the Trust's rural and woodland estate

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2024

19 Permanent Endowment Fund

	Trust for Investment	Unapplied Total Return	Total
	£'000	£'000	£'000
Opening balance as at 1st October 2023	44,476	18,742	63,218
Investment income to 30 September 2024	-	1,680	1,680
Less Management Fees to 30 September 2024	-	(189)	(189)
Plus Revaluations	-	4,303	4,303
Indexation from 1st October 2023 to 30 September 2024	756	(756)	-
Unapplied Total Return allocated in the year			
Transfer of net investment returns to unrestricted funds	-	(1,490)	(1,490)
Additional allocation to meet target for transfer	-	(316)	(316)
Closing balance as at 30 September 2024	45,232	21,974	67,206

	Trust for Investment	Unapplied Total Return	Total
	£'000	£'000	£'000
Opening balance as at 1st October 2022	41,477	21,191	62,668
Investment Returns to 30 September 2023	-	1,784	1,784
Less Management Fees to 30 September 2023	-	(184)	(184)
Plus Revaluations	-	1,025	1,025
Less Transfers to functional Endowment	-	(475)	(475)
Indexation from 1st October 2022 to 30 September 2023	2,999	(2,999)	-
Unapplied Total Return allocated in the year			
Transfer of net investment returns to unrestricted funds	-	(1,600)	(1,600)
Closing balance as at 30 September 2023	44,476	18,742	63,218

20 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2024	2023
	£'000	£'000
Less than one year	582	530
One to five years	1,534	1,267
Over five years	41,839	41,140
	43,955	42,937

The above figures include rental income from two properties, both with lease terms of 999 years. The total due to the Trust in respect of these properties is £40,223,000 (2022: £40,264,000).

21 Capital commitments

At the balance sheet date, the charity had no capital commitments (2023: £nil)

22 Prior Period Adjustment

On 8th November 23, by way of a resolution and in accordance with the Charities (Total return) Regulations 2013, the Trustees adopted the Total Return approach to investments as at 1st October 2023. As this date the total fund was analysed between the trust for investments, being the estimated value of the Endowment as at 1st October 2001 and the unapplied total return, being the balance of the fund as shown below.

	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000
Opening Balance as at 1st October 2001	25,084	-	25,084
Investment Returns to 30 September 2022	-	31,325	31,325
Less Management Fees to 30 September 2022	-	(2,869)	(2,869)
Plus Revaluations	-	42,929	42,929
Less Transfer to Charitable funds	-	(30,800)	(30,800)
Transfer to Functional Endowment		(3,001)	(3,001)
Indexation from 1st October 2001 to 30 September 2022	16,393	(16,393)	-
	41,477	21,191	62,668

Subsequently, the investment income is allocated to the Endowed Funds and the Unapplied Total Return is applied to income in the year in accordance with the Trustees' policy. This is explained in more details in the Trustees' Report and is permitted in accordance with the regulations.

Following the application of a Total Return approach to investments, fund balances for the prior year are restated as follows

	Unrestricted funds £'000	Endowment funds £'000	Total £'000
Statutory accounts for 2022-23			
Reserve Position			
Funds previously reported	8,664	64,527	73,191
Adjustment on restatement			
Deduction of Management Charges from Investment income transferred between funds	(133)	133	-
Funds restated	8,531	64,660	73,191
Impact on Income and Expenditure			
Net movement in funds as previously reported	297	813	1,110
Adjustment on restatement			
Deduction of Management Charges from Investment income transferred between funds	(133)	133	-
Net movement in funds restated	164	946	1,110

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales - Charity number 218627

Accounts

Charity number: 218627

Sutton Coldfield Charitable Trust

Report and financial statements

For the year ended 30 September 2023

Sutton Coldfield Charitable Trust

Contents

For the year ended 30 September 2023

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report	13
Statement of financial activities (incorporating an income and expenditure account)	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

Sutton Coldfield Charitable Trust

Reference and administrative information

For the year ended 30 September 2023

Constitution

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners (revised and updated dated 25 February 2021) (registered number 218627) ("the Scheme").

Trustees

Trustees who served during the year and up to the date of this report were:

	Grants Committee	Property Committee	Almshouse Committee	Finance Committee
Keith Dudley (Chair)	*(Chair until 19 July 2023)	*	*	*
Inge Kettner (Vice Chair)	*(Chair from 19 July 2023)	*	*	*
Neil Andrews		*		*(Chair)
Andrew Burley	*	*(Chair)		*
Councillor Diane Donaldson**		*	*	
Jayne Lockett	*		*	
Dr Stephen Martin (retired 30 April 2023)	*(until 30 April 2023)	*(until 30 April 2023)		
Andrew Morris		*		*
Councillor Jane Mosson**	*			
Dr Francis Murray			*(Chair)	*
Councillor David Pears**	*(from 9 November 2022)			
John Routh (retired 1 January 2023)	* (until 1 January 2023)			*(until 1 January 2023)
Councillor Simon Ward***				*
Amarjit Singh (retired 25 October 2022)		*(until 25 October 2022)	*(until 25 October 2022)	
Surrinder Bains (appointed 1 April 2023)	*(from 8 November 2023)		*(from 1 April 2023)	
Rita Martin (appointed 1 April 2023)	*(from 1 April 2023)			
Fahmida Ismail (appointed 1 April 2023)		*(from 1 April 2023)		*(from 8 November 2023)
Helen Miles (appointed 1 April 2023)				*(from 1 April 2023)
Stuart Roberts (appointed 1 July 2023)			*(from 12 September 2023)	

Nominated By:

** Birmingham City Council *** Royal Sutton Coldfield Town Council

Sutton Coldfield Charitable Trust

Reference and administrative information

For the year ended 30 September 2023

Charity number	218627 – registered in England & Wales	
Registered office and operational address	Lingard House Fox Hollies Road Sutton Coldfield B76 2RJ	
Telephone number	0121 794 0970	
Principal officers	Tina Swani MBA FCIM (Chief Executive) Rob Semple ACMA (Finance Director) Claire Evans ACA (Finance Director) Pamela Johnston MBE JP (Almshouse Manager) David Cole ACIB (Grants Manager until 31 December 2022) Clare Haines BA (Grants Manager from 15 November 2022) Helen Kimmet (Administration Manager)	
Bankers	HSBC Bank plc 67 The Parade Sutton Coldfield B72 1PD	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG	
Investment Managers	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ	CCLA Investment Management One Angel Lane London EC4R 3AB
Investment Consultants	Stanhope Consulting LLP 35 Portman Square London W1H 6LR	

Sutton Coldfield Charitable Trust

Reference and administrative information

For the year ended 30 September 2023

Property Managers	Johnson Fellows LLP Charter House, 163 Newhall Street Birmingham B3 1SW	Nick Russell Associates Lavender Cottage Lucton Herefordshire HR6 9PH
	EOS Surveyors Ltd Mulberry House 46-48 Mere Green Road Sutton Coldfield B75 5BT	
Solicitors	Gowling WLG (UK) LLP Two Snowhill Birmingham B4 6WR	Ansons Solicitors 316-318 Lichfield Road Mulberry Walk Sutton Coldfield B74 2UG
	Anthony Collins 134 Edmund Street Birmingham B3 2ES	Mills & Reeve 78-84 Colmore Row Birmingham B3 2AB
	Blackhams Lancaster House, 67 Newhall Street Birmingham B3 1NR	
Insurance Brokers	Endsleigh Insurance (Brokers) Ltd Quadrangle Imperial Square Gloucestershire GL50 1PZ	
Marketing	Gary Phelps Communications Ltd 23 Station Road Wylde Green Sutton Coldfield	
HR Consultants	Colden Human Resources 2a Hollyfield Road Sutton Coldfield B75 7SG	

Trustees' annual report

For the year ended 30 September 2023

The trustees present their report and the audited financial statements for the year ended 30 September 2023.

Reference and administrative information set out on pages 1-3 forms part of this report. The financial statements comply with current statutory requirements, the Trust's Scheme and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, an inhabitant of Sutton Coldfield, born in the town, who persuaded Henry VIII to grant a Charter in 1528 establishing a Warden and Society (Corporation) to govern the Town. The Corporation was obliged to use rental and other income to provide poor relief and improve the locality. Over the next four centuries, other bequests and endowments came within the Corporation's oversight. These included charities in memory of Thomas Jesson in the 1700s to provide apprenticeships for boys and to distribute bread to Sutton's poor. After a long and famous legal action, the Corporation's charities were reorganised in the 1820s and enriched by lands acquired in the 1825 Enclosure Award. From this time, Almshouses were built and the charities provided elementary schools (including teaching and uniforms) for Sutton's children. Practical necessities such as coal, blankets and boots were widely distributed. In pre-welfare state days, the charities financed nursing and medical care for people in need and made grants to widows.

In 1886, the Town became a Borough and the Trust took over some of the functions of the Corporation and various related charities within one body. This operated closely alongside the Council and was administered by the Town Clerk. New Almshouses were built, including two in the 1890s from a bequest by Frances Lingard. When Sutton Coldfield became part of Birmingham in 1974, the independence of the Trust was safeguarded which ensured the continuing provision of benefits for individuals and organisations within the former Borough boundaries. Although the separate historic charities have been consolidated into one charity, the Trustees' fundamental aims and priorities are still very similar to those pursued by Bishop Vesey and his successors over nearly five centuries.

Vision

The vision of Sutton Coldfield Charitable Trust is to enhance the quality of life for all in Sutton Coldfield.

Mission statement

Sutton Coldfield Charitable Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing and grant awards to support individuals and community organisations.

Values

The Trust strives to be responsible; inclusive; caring; transparent and sustainable in all our activities.

What our values mean

- **Responsible** applies to all matters including being a good employer, caring for the environment, protecting our assets and good governance.
- **Inclusive** relates to our operations, beneficiaries, staff and all those we work with; embracing equality, diversity and inclusion.
- **Caring** reflects the helping nature of the Trust and its core purpose.
- **Transparent** demonstrates our commitment to openness and sharing.
- **Sustainable** ensures the Trust continues to make a lasting contribution and remains in good shape for the centuries ahead.

Trustees' annual report

For the year ended 30 September 2023

Objectives and activities for the public benefit

The principal objectives of the Trust are the provision of Almshouses and the distribution of funds and other measures for the alleviation of hardship and other needs for inhabitants and organisations within the boundaries of the former Borough of Sutton Coldfield.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in setting future activities and grant making policies. They consider the information which is contained in this report about the Trust's objectives, activities and achievements demonstrates the benefits that the Trust provides to the public within the boundaries in which the Trust operates.

Review of activities and achievements

The vision of Sutton Coldfield Charitable Trust is to enhance the quality of life for all in Sutton Coldfield. This was given heightened focus during the year as the grip of the cost of living crisis took hold. At the start of 2023 the Chief Executive was interviewed for BBC Midlands Today about the impact of the cost of living crisis and the vital work of charities and community organisations in the town.

The Trust formally launched its five year plan "looking forward to 2028" in May 2023 at the Trust's Working Together Event at the Trinity Centre. The title of the plan signifies the date the Trust will celebrate a heritage of 500 years, having responded and adapted over the past five centuries to meet constantly changing need. The launch event included sharing the findings of the Social Needs Review with key stakeholders. As a result of the event, the Trust gained vital feedback from community groups, built new community connections, and raised the profile of the grants programme to those who did not know that they could benefit from applying for a grant award.

The aims of the five year plan have also been shared at Royal Town Council forums such as the Sutton Coldfield Health and Wellbeing Partnership and the Sutton Coldfield Town Centre Regeneration Partnership. Specific aspects of that plan have been discussed with local councillors in Sutton Coldfield and colleagues at Birmingham City Council. The five year plan and the summary report of the Social Needs Review are both available on the Trust's website.

This level of collaboration is already supporting progress of the five aims in the plan:

1. Almshouses research and assessment of future need

The Trust has commissioned research to look at housing needs in Sutton Coldfield. This will help it to consider whether a new type of almshouse scheme may potentially serve a more diverse range of beneficiaries.

2. Grants programme expansion

The Trust's grants budget for 2023-2024 was increased from £1.2m to £1.5m.

3. Supporting heritage, green spaces and community

Specific grant awards such as the grant towards renovating sections of the boardwalk at New Hall Valley Country Park help provide much needed community access to parkland.

4. Being well run, efficient, accessible and inclusive

A grants software system is being procured to enable the Trust to improve the process for administering and monitoring grants. This will enable the Trust to better understand the wide range of needs and diversity across the population of Sutton Coldfield as well as the impact of our grant awards.

5. Continual improvement of assets and their use

The second phase refurbishment of kitchens and bathrooms in the Trust's 46 Almshouses was completed during the year.

Trustees' annual report

For the year ended 30 September 2023

Equality, diversity and inclusion is an embedded priority throughout the five year plan. The Trust awarded a number of grants in the year that support inclusion of those who may otherwise be marginalised from mainstream activities; particularly applications from community centres, local groups, sports clubs and schools. The Chief Executive joined events run by the Birmingham Race Impact Group and the Economic Justice Forum to engage with others to improve inclusion and equality across the City.

Learning how to make a positive environmental contribution is a regular theme throughout the five year plan. The Trust has commissioned an energy audit of the estate at Lingard House, Walmley, to understand the potential for saving and generating energy.

The primary purpose of the Trust is the provision of housing and the wellbeing of the residents in its community. In May 2023 the Bayes Business School published a report showing that living in an Almshouse community can boost longevity by as much as two-and-a-half years¹, which helps demonstrate the value of the services that the Trust provides. The Trust's Almshouse residents at Lingard House had their first outing since the pandemic in September 2023, to the Black Country Museum and social activities at Lingard House have included a number of events including the celebration of the King's coronation in May.

Awarding grants is the second, yet no less vital, purpose of the Trust. Grant awards in the year covered a wide range of needs from support to food banks to funding towards Walmley Golf Foundation's wheelchair friendly golf course – a first for the UK. The Trust awarded £1,102,000 (2022: £1,083,000) in grants during the year.

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	2023 £000	2022 £000
Relief of those in need	461	224
Advancement of education	197	258
Advancement of religion	30	59
Advancement of health or the saving of lives	129	103
Advancement of citizenship or community development	151	226
Advancement of the arts, culture, heritage and science	42	53
Advancement of amateur sport	28	140
Advancement of environmental protection or improvement	64	20
Total grants awarded	1,102	1,083
Awarded grants unclaimed or cancelled	(52)	(127)
Net grants awarded (note 3 to the financial statements)	1,050	956

As well as Almshouses, the Trust manages around 1,000 acres of agricultural land, 15 commercial properties and an investment portfolio, with the help of its expert advisers, in order to generate the income for the provision of homes and grant awards.

In the year the Trustees welcomed Fahmida Ismail, Rita Martin, Helen Miles, Surrinder Bains and Stuart Roberts to the Board and look forward to benefiting from their fresh insights and expertise. Trustees would like to thank John Routh and Stephen Martin (a former Chair) who both stepped down in the year.

¹ <https://www.bayes.city.ac.uk/news-and-events/news/2023/may/living-in-an-almshouse-boosts-life-expectancy-study-finds>

Trustees' annual report

For the year ended 30 September 2023

The Trustees wish Finance Director, Rob Semple, a happy retirement and welcome his successor Claire Evans. Rob leaves a remarkable legacy through his many achievements in overseeing IT improvements, asset management and finances of the Trust.

Finally, the Trust's thanks go out to all residents of Sutton Coldfield for all you do. The good neighbours of this Royal Town make a tremendous difference in these austere times. In an historic year that has seen the coronation of HM King Charles III, it is clear that there is a strong heritage of community spirit throughout all sectors and neighbourhoods that is essential for everyone to thrive.

Grant making policy

The Trustees apply surplus income to benefit the residents of the former Borough of Sutton Coldfield by making awards to individuals, institutions or organisations in the following ways:

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- Making awards to institutions or organisations for the:
 - Relief of those in need;
 - advancement of education;
 - advancement of religion;
 - advancement of health or the saving of lives;
 - advancement of citizenship or community development;
 - advancement of the arts, culture, heritage or science;
 - advancement of amateur sport;
 - advancement of environmental protection or improvement;
 - other purposes that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.

Grant application process

The Trust deals with all grant applications as quickly as possible and without unnecessary bureaucracy. An email, a telephone call, or even an answer-phone message, is all that is needed to make contact.

Applicants receive clear written guidelines, helping them to assemble the information required by the Trustees. The Grants Committee meets regularly (at least eight times each year) and receives carefully researched reports from the Trust's staff, who present evidence from meetings, visits, documents and accounts. Applicants usually meet Trust staff, either virtually, at the Trust's offices, or at their own locations.

Risk management

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. This is a continuous obligation involving all Trustees and staff.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee, which meets at least twice a year, the Finance Committee and the Board of Trustees, to ensure that the risk management process is operating satisfactorily. The risks are recorded and assessed in terms of impact and probability and a traffic light system is employed to highlight areas of particular concern. The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

Trustees' annual report

For the year ended 30 September 2023

The Trustees have identified the following key strategic risks to the charity. Actions to mitigate against these risks are also detailed:

Risk: **Project delivery:** Failure to adequately scope, resource and manage the projects related to the five year plan and to properly assess and mitigate the associated risks.

Mitigation: This risk is managed by strong governance via the 5-year plan and Board/ Committee scrutiny of individual workstreams and projects. The Trust also commissions extensive external specialist advice in developing and managing projects and carries out risk assessments of large projects.

Risk: **Financial risks:** including loss of capital on the permanent endowment. This is particularly pertinent as the Trust will adopt Total Return Accounting (TRA) from 1 October 2023.

Mitigation: This risk is managed by appropriate investment policies, prudent internal policies and strong governance over the application of Total Return Accounting, management of the Trust's assets by professional advisers, scrutiny of advisers via Board and Committees, a suitable reserves policy and regular budgeting, monitoring and reporting on financial performance.

Risk: **Loss of Income:** Not realising projected income from large land sales, due to factors outside the Trust's control (e.g. property values, planning consents).

Mitigation: This risk is managed by strong and active involvement in land transactions by Board and Committees and appropriate technical and legal advice on land sale transactions. The Trust's medium-term financial forecasts are reviewed at least annually to ensure that they reflect the latest state of knowledge about the level and timing of land sale receipts to ensure that the Trust does not over-commit.

Staff pay and remuneration (including key management personnel)

The Trust's staffing structure and changes to pay and conditions of staff must be approved by the Board. A Remuneration Sub-Committee of the Board appraises pay annually and makes pay recommendations to the Finance Committee and the full Board. During the year the Trust implemented a wider people policy review to modernise its terms and conditions of employment and its associated pay policy.

Pay awards are based on conditions set out in the updated contracts of employment and a range of factors including

- Inflation indices
- The financial position of the Trust
- External benchmarking of pay award and salaries
- Economic trends and forecasts
- Progression and achievements of the charity as a whole
- Business, governance and regulatory requirements
- Demands upon the charity and changing needs of beneficiaries
- Any other internal and external circumstances

Structure, governance and management

Information relating to reference and administrative matters are set out above (pages 1-3).

The Board comprises 12 (minimum) to 16 (maximum) trustees in total, made up of 8 to 12 **co-opted** trustees, who are appointed for terms of five years, and 4 **nominated** trustees, who are put forward by Birmingham City Council and Royal Sutton Coldfield Town Council for terms of four years. Trustees may serve a maximum of three terms following which at least 12 months must expire before reappointment.

Trustees' annual report

For the year ended 30 September 2023

The Board of Trustees

The Board seeks trustees who diversify and balance the breadth of qualities, background, skills and experience required for delivering the Trust's charitable and strategic objectives. That expertise has included medicine, law, property, industry, faith, education, engineering, human resources, science, sheltered housing, town planning, marketing, accountancy and local government. During the year five new trustees have joined the Trust bringing with them experience and knowledge which will strengthen and enhance the Board.

An induction process helps trustees to understand their responsibilities and the work of the Trust. Trustees have a two-yearly review with the Chair; new Trustees have an additional review in their first year.

The Board of Trustees is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions, and determine strategy. A strategy day is held at least every two years, supplemented by regular reports on progress against agreed actions. The Board identifies and manages any risks to ensure the efficient and safe undertaking of its responsibilities. The Board oversees the financial health of the Trust, ensuring that management of its investments and accounts are robust, effective controls are in place and sufficient resources are available to meet the demands of the Almshouse and grant-making programmes as the two core purposes of the Trust.

Every trustee is a member of one or more of the following committees:

- Almshouse Committee
- Grants Committee
- Finance Committee
- Property Committee

In addition, the Trust has sub-committees for remuneration and risk management.

Whilst each committee has an approved membership, all trustees may attend any committee, with access to agendas and papers through an on-line Trustee portal. Advisors may also attend Committees to provide specialist guidance. Working groups may be set up for specific purposes.

Review of governance and compliance

Following the publication of the revised Charity Governance Code² late in 2020 the Trust has continued to progress the actions it identified as a priority.

These actions have included the introduction of annual grant impact report assessments and the requirement for community grant applicants to demonstrate how they would incorporate the principles of Equality, Diversity and Inclusion (EDI) in their proposed project.

The Board of Trustees has reviewed and updated the terms of reference for each committee and a schedule of policy reviews is on-going. Trustees are periodically invited to complete a feedback survey after board meetings to consider its effectiveness and areas for improvement.

The strategic and governance reviews have supported clarity of planning to enhance charitable benefit at a time of continued and increasing adversity and uncertainty.

Fundraising

The Trust does not undertake any fundraising activities in its own right or through third parties and so does not consider it necessary to register with the Fundraising Regulator or comply with any voluntary code of practice related to fundraising. The Trust has not received any complaints relating to fundraising.

² Charity Governance Code Steering Group Charity Governance Code for larger charities (updated 2020)
<https://www.charitygovernancecode.org/en/pdf>

Trustees' annual report

For the year ended 30 September 2023

Financial review

The year under review saw a sustained level of underlying operating income and modest growth in investment asset values, despite the challenging financial climate.

Total income in the last year was £2,222,000 (2022: £2,344,000 including some one-off income) and total expenditure was £2,223,000 (2022: £1,916,000) including grants (net of cancelled grants) of £1,050,000 (2022: £956,000). This resulted in net expenditure before gains / losses on investments of £1,000 (2022: net income £428,000). The Trust spent over £470,000 in capital expenditure on the second and final phase of new kitchens and bathrooms for our Almshouses.

The Trust's work is dependent on income and investment returns from its endowment. The past year saw a general increase in property and non-property investment asset values, which was heartening in challenging world market conditions. The Trust reported a gain on investment assets of £1,111,000 (2022: loss of £3,197,000), which in turn gave rise to an overall net increase in the total funds of the Trust of £1,110,000 (2022: decrease of £2,769,000). At 30 September 2023, total Trust Funds amounted to £73,191,000 (2022: £72,081,000).

After an extensive review, and taking legal and financial advice, the Trust decided to adopt Total Return Accounting (TRA) from 1 October 2023. This process allows Trustees to use some of the capital returns on the permanent endowment for revenue expenditure to further its charitable objectives. Statements from the 2023/24 year onwards will be prepared to include Total Return Accounting, but this does not apply to the 2022/23 statements.

Continuing with careful financial management and disciplines, combined with appropriate support from the Trust's advisers and the additional flexibility offered by TRA, the Trust is confident of fulfilling its dual obligations of the provision of Almshouses and community grant giving.

Evaluating Impact and Benefits

The Trust maintains close contact with organisations to ensure that the anticipated benefits from the grant have been achieved. All applications to the Trust are required to set out the objectives, or resulting benefits, from a potential grant award. This enables outcomes to be measured consistently.

A formal monitoring process is also in place. This enables trustees to focus on those projects delivering the greatest impact. Depending on the value of the award, this is achieved by completion of a Monitoring Form at the conclusion of the Project. Where necessary, further interim reports are produced. Quarterly reports providing an overview of project progress, are made available to the trustees for scrutiny.

Trust officers also evaluate impact through meetings, both in-person and online, telephone discussions and visits to grant beneficiaries.

In-person visits to beneficiaries continued this year. However, a number of other monitoring methods remained in place for overseeing projects, such as online video meetings, virtual tours and photographs that show progress and completion of projects.

Investment policy and performance

The Trust's assets are invested in property, UK and overseas equities, government bonds, unit trusts and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. The Trust's investment objectives are to generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms.

Both the Finance Committee and the Board of Trustees receive quarterly reports from the investment managers, considering the Trust's income requirements, the risk profile and property managers' views of market prospects in the medium term. This strategy is set within a total return policy which states that the Endowment Fund is to be invested long term to maximise total returns to meet current and future charitable objectives whilst seeking preservation of capital in real terms. The restricted and unrestricted funds may be invested in any type of investment except direct investments in tobacco.

Trustees' annual report

For the year ended 30 September 2023

The major part of the Trust's investment portfolio has been managed over a number of years by Rathbone Investment Management Limited. A smaller portfolio (the Charitable Funds) has been invested in the CCLA COIF Charities Investment Fund since April 2021. During the last twelve months, global investment markets have recovered from their lows amid inflation starting to fall back and interest rates near their highs. Investors remain concerned about slowing economic growth, particularly in the US and Europe, and the geopolitical situation remains fragile, with the continuing war in Ukraine and the recent events in the Middle East. The Trustees are supported by Stanhope Consulting, the appointed investment advisers, in their assessment and monitoring of the investment managers. According to Stanhope's calculations, the Trust's total investment portfolio generated returns of 4.6% over the year to 30th September 2023, benefiting from the bounce back in equity markets over the period.

The main Rathbones portfolio generated an absolute return of 4.7% (net of fees) in the year to 30th September 2023 compared to the CPI +4% benchmark return of 10.9% (2022: -9.2% vs 14.5%). The Charitable Funds portfolio (which is invested in the CCLA COIF Charities Investment Fund) generated an absolute return of 4.3% (net of fees) over the year which underperformed against the COIF Fund's composite benchmark return of 7.6% (2022: -2.8% vs. -5.5%). The Trustees have diversified manager specific risk by having two managers who have different investment approaches and are aware that the increase in inflation has distorted the long term objective in the short term.

In light of the new Five Year Plan and adopting Total Return Accounting, the Trust and its advisers will undertake an investment strategy review in 2024.

Reserves policy and going concern

The Endowment Fund represents capital funds which the Trustees have no power to convert into income at time of writing. This will change with the advent of Total Return Accounting from 1 October 2023. At 30 September 2023, this fund amounted to £64,527,000 (2022: £63,714,000) including "Functional Endowment (Almshouse assets) of £1,442,000 (2022: £1,046,000). The income generated from this fund is utilised to further the Trust's charitable objectives and is included as unrestricted income.

The Trust holds two unrestricted designated reserves as follows:

- Extraordinary Repair Fund (for extraordinary repair, improvement or re-building). It is a requirement of the Trust's Scheme to maintain this reserve. The Extraordinary Repair Fund at 30 September 2023 amounted to £1,180,000 which represents estimated planned maintenance costs for the next five years including inflation (2022: 640,000)
- In 2022 Trustees established an unrestricted designated "Environment Management Fund" to be used for maintaining the Trust's rural and woodland estate. At 30 September this amounted to £38,000 (2022: £42,000)

The Trustees retain free unrestricted reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, which may not otherwise be covered by incoming resources. The Trustees undertook a detailed review of the Trust's reserves policy in 2023 and will continue to review this annually. In undertaking this review, Trustees were mindful that the Trust is in a relatively healthy financial position. Equally the long-term outlook is challenging and the Trust has an ambitious five year plan.

After consideration Trustees consider that it is appropriate to hold undesignated free reserves of £7,400,000, Actual undesignated free reserves in 2023 were £7,446,000 (2022: £7,685,000). The target is made up as follows:

	£000s
Minimum Working Reserve (1 year expenditure)	2,000
Reserve against downside risks (per risk register)	2,000
Reserve for future operating deficits (per medium term forecast)	400
Reserve to fund Development Plan initiatives	<u>3,000</u>
Total Free Reserves Target	<u>7,400</u>

Trustees have a rolling five-year financial plan. Based on this plan, Trustees review the reserves to ensure appropriate amounts are set aside. Based on this work, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Trustees' annual report

For the year ended 30 September 2023

Future plans and objectives

The SCCT Five Year Plan sets out the key priorities for the Trust over the next 5 years, recognising the anticipated financial proceeds from land sales within the Langley Sustainable Urban Extension. Delays to finalised full planning consent on Langley SUE are anticipated due to the current circumstances at Birmingham City Council. The detail of the objectives within the plan is covered above ("Review of activities and achievements"). SCCT staff and Trustees are now working through the 5 strategic aims to form long-term delivery plans that maintain longevity of the Trust and enhance its support for residents of Sutton Coldfield.

We are delighted that our Chair and Chief Executive have been invited to join the Royal Town's planning group that will be working towards the 500th Anniversary of Sutton Coldfield's Royal Charter.

We are pleased to welcome Jo Williams to our staff team as Community Grants Officer to expand our capacity as we experience an increase in grants applications. Our grants process is also very dynamic, aiming to ensure those without experience of making grant applications are not disadvantaged.

The Trust will continue to work collaboratively with local stakeholders, including the NHS and Town Council to build an ongoing understanding of changing needs in the Royal Town during a time of extensive and escalating hardship. Trustees will also continue to explore how the Trust may improve its environmental impact.

The Trustees have approved a budget for the current financial year, 2023/24, incorporating an increased level of grant funding (from £1.2M to £1.5M). The Trust aims to award grants at a similar or increased level going forward.

Statement of responsibilities of the trustees

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 charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the Trust's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' report has been approved by the trustees on 7 February 2024 and signed on their behalf by:

Keith Dudley
Chair

Independent auditor's report

To the trustees of

Sutton Coldfield Charitable Trust

Opinion

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 30 September 2023 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Sutton Coldfield Charitable Trust'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.

Other Information

The other information comprises the information included in the trustees' 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.

Independent auditor's report

To the trustees of

Sutton Coldfield Charitable Trust

Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The 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 statement of trustees' responsibilities set out in the trustees' report, the trustees 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 Trust'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and investment committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

To the trustees of

Sutton Coldfield Charitable Trust

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 22 February 2024
Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Sutton Coldfield Charitable Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2023

	Note	Unrestricted funds £'000	Endowment funds £'000	2023 Total £'000	Unrestricted funds £'000	Endowment funds £'000	2022 Total £'000
Income from:							
Charitable activities							
Almshouses		235	–	235	216	–	216
Investments	2	1,987	–	1,987	2,128	–	2,128
Total income		2,222	–	2,222	2,344	–	2,344
Expenditure on:							
Raising funds							
Investment Property Expenses		152	–	152	234	–	234
Investment Management Costs		39	133	172	34	137	171
Charitable activities							
Almshouses		581	79	660	358	48	406
Grant funding for:							
Community purposes		1,105	–	1,105	979	–	979
Individual educational and personal		39	–	39	28	–	28
School clothing		95	–	95	98	–	98
Total expenditure	3	2,011	212	2,223	1,731	185	1,916
Net income / (expenditure) before net gains/ (losses) on investments		211	(212)	(1)	613	(185)	428
Net gains / (losses) on investments							
Investment Property	11	–	410	410	–	1,268	1,268
Listed Investments	12	86	615	701	(452)	(4,013)	(4,465)
Total Net gains / (losses) on investments		86	1,025	1,111	(452)	(2,745)	(3,197)
Net movement in funds		297	813	1,110	161	(2,930)	(2,769)
Reconciliation of funds:							
Total funds brought forward as previously stated		8,367	63,714	72,081	6,742	68,108	74,850
Prior period adjustment		–	–	–	1,464	(1,464)	–
Total funds brought forward (as restated)		8,367	63,714	72,081	8,206	66,644	74,850
Total funds carried forward		8,664	64,527	73,191	8,367	63,714	72,081

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Sutton Coldfield Charitable Trust

Balance sheet

As at 30 September 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets:					
Tangible assets	10	1,442		1,046	
Investment properties	11	25,971		25,586	
Investments	12	37,286		36,676	
			64,699		63,308
Debtors: amounts due in more than one year	13		8,735		8,735
Current assets:					
Debtors: amounts due in within one year	14	230		320	
Cash at bank and in hand		1,148		1,303	
		1,378		1,623	
Liabilities:					
Creditors: amounts falling due within one year	15	(1,527)		(1,436)	
Net current (liabilities) / assets			(149)		187
Total assets less current liabilities			73,285		72,230
Creditors: amounts falling due after one year	16		(94)		(149)
Total net assets	17		73,191		72,081
The funds of the charity:	18				
Endowment funds					
Functional Endowment Fund		1,442		1,046	
Endowment Fund		63,085		62,668	
Total endowment funds			64,527		63,714
Unrestricted income funds:					
Extraordinary Repair Fund		1,180		640	
Environmental Management Fund		38		42	
General Fund		7,446		7,685	
Total unrestricted funds			8,664		8,367
Total charity funds			73,191		72,081

Approved by the trustees on 7 February 2024 and signed on their behalf by

Keith Dudley
Chair

Inge Kettner
Vice Chair

Sutton Coldfield Charitable Trust

Statement of cash flows

For the year ended 30 September 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,110	(2,769)
Investment Management Fees	133	139
Depreciation charges	78	48
Losses/(gains) on investments	(1,111)	3,197
Dividends, interest and rent from investments	(1,990)	(2,128)
Decrease /(Increase) in debtors	90	(8,888)
Increase /(decrease) in creditors (excluding investment managers' fee)	41	(124)
Net cash (used in) operating activities	(1,649)	(10,525)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,987	2,128
Purchase of fixed assets	(474)	(454)
Proceeds from the sale of investment property	25	9,012
Funds transferred (to)/ from investments	(44)	643
Net cash provided by investing activities	1,494	11,329
Change in cash and cash equivalents in the year	(155)	804
Cash and cash equivalents at the beginning of the year	1,303	499
Cash and cash equivalents at the end of the year	1,148	1,303
Analysis of cash and cash equivalents and of net debt		
	At 1 October 2022	At 30 September 2023
	£'000	£'000
Cash at bank and in hand	648	593
Deposit accounts maturing within 3 months	655	555
Total cash and cash equivalents	1,303	1,148

1 Accounting policies

a) Statutory information

Sutton Coldfield Charitable Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office address is Lingard House, Fox Hollies Road, Sutton Coldfield, B76 2RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Trust meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees have prepared budgets and forecasts and considered the period of a minimum of 12 months from the date of approval of these financial statements in making its assessment that the going concern basis remains an appropriate basis of preparation of the financial statements.

Mindful of the net current liability position recorded on the balance sheet, the Trustees note that, after considering the level of cash reserves and unrestricted investments held in Fixed Assets and the capacity of the Trust to flex its activities if income levels fall significantly, there are no material uncertainties to the availability of sufficient unrestricted resources available to meet the Trust’s commitments.

1 Accounting policies (continued)

e) Income

Income is recognised when the Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from investment properties includes property income receivable less provision where the eventual receipt of income is considered doubtful.

Incoming resources from charitable activities relates to funds received in respect of Almshouse Weekly Maintenance Contributions (WMCs) and any donations received by the Trust.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Dividends and interest receivable

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio. Other investment income is accounted for on an accruals basis. Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

g) Fund accounting

The Trust has a permanent endowment, comprising the Walmley Almshouses and Fixed Asset Investments (property and securities). The Walmley Almshouses are held for charitable purposes and are treated as Functional Endowment assets. The Fixed Asset investments are held to generate income, which is wholly unrestricted.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. They are retained to the extent that they are considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital nature and revenue costs, which may not be covered by incoming resources.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Further details of each fund are disclosed in note 18.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- The costs of generating funds consist of investment management fees and property expenses together with their associated staffing, support and governance costs.
- Expenditure on charitable activities includes the costs of making grants and managing almshouse properties undertaken to further the purposes of the Trust and their associated staffing, support and governance costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the Trust's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the Trust.

Conditional grants – Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled.

Contingent grants – A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

1 Accounting policies (continued)

j) Allocation of governance and support costs

Directly attributable pay and non-pay costs are allocated to the relevant activity (Raising Funds, Almshouses and Grants). Staff costs are allocated based on an estimate of staff time in the year. This estimate of staff time is reviewed at least annually.

Costs that are not directly attributable to an activity (support and governance costs) costs are apportioned by activity using appropriate cost drivers.

k) Tangible fixed assets

Items of equipment associated with Almshouse improvements are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Almshouses are stated at cost. However, the construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information.

Where capital additions to the Almshouses are made, they are depreciated over the shorter of the remaining useful life of the property to which they relate and the life of the individual building component on a straight-line basis. Where necessary, the Trust makes an impairment charge for assets when they are due for replacement within the planning period and there is clear Trustee approval to the replacement programme.

Following a detailed review in 2022, all Almshouse assets and capital improvements are recorded as part of the Endowment Fund as 'functional permanent endowment', with associated depreciation and impairment also being charged to the Endowment Fund.

Security and other equipment are stated at cost although office equipment and IT are normally written off in the year of acquisition.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------------|--|
| ● Almshouses | 20 years – straight line on net book value at 30 June 2018 |
| ● Security and other equipment | 5 years – straight line |

l) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value and not depreciated. Any change in fair value is recognised via the statement of financial activities as a gain or loss. The valuation method used to determine fair value is stated in note 11 to the accounts. The Trust's Investment properties are fully valued by independent valuers every five years on the basis of open market value for existing use, with desktop valuations in the intervening years.

m) Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. 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. The Trust does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

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

o) Long Term Debtors

Where the Trust enters into transactions for the sale of land/ other investment properties, the amount receivable is initially recognised as a debtor at the invoiced / contracted value. Amounts due to the Trust after more than one year are disclosed accordingly.

From time to time, the Trust enters into Development Agreements, where the arrangements with the third party includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). In these cases, the Trust can be virtually certain of receiving economic benefits, but the final sums and timing can vary. The resulting debtor is carried in the balance sheet at the lower of:

- the present value of the estimated future receipts (net of fees and associated costs) discounted at the Trust's cost of capital; and
- the market value of the underlying asset (based on the last professional valuation) less net amounts already received in respect of the transaction.

Where the timing of future cash flows is uncertain, the amount expected to be received is disclosed as a debtor falling due after more than one year, even where the Trust anticipates receiving payment earlier. The Trust only recognises a debtor as a current asset when it is contractually entitled to payment within one year. This calculation is reviewed at least annually.

p) Cash at bank and in hand

Cash at bank and cash 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.

q) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The Trust 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.

s) Pensions

Contributions are paid into Personal Pension Plans operated by Aviva. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

2a Income from investments (current year)

	Investment properties	Listed investments	Bank interest	Total
	£'000	£'000	£'000	£'000
Rents and property income receivable	778	–	–	778
Dividends and interest	–	1,142	67	1,209
Total income	778	1,142	67	1,987
External costs of managing investments				
Property expenses	44	–	–	44
Professional fees	53	154	–	207
Irrecoverable VAT	7	–	–	7
Total external costs	104	154	–	258
Net income from investments	674	988	67	1,729

2b Income from investments (prior year)

	Investment properties	Listed investments	Bank interest	Total
	£'000	£'000	£'000	£'000
Rents and property income receivable	1,006	–	–	1,006
Dividends and interest	–	1,111	11	1,122
Total income	1,006	1,111	11	2,128
External costs of managing investments				
Property expenses	136	–	–	136
Professional fees	47	157	–	204
Irrecoverable VAT	13	–	–	13
Total external costs	196	157	–	353
Net income from investments	810	954	11	1,775

All income from investments is unrestricted.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2023

3a Analysis of expenditure (current year)

	Raising funds		Charitable activities							
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants for Community purposes £'000	Individual educational and personal Grants £'000	School clothing Grants £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (Note 6)	21	8	127	54	10	12	134	–	366	311
Grant making (note 4)	–	–	–	969	15	66	–	–	1,050	956
Property expenses	44	–	200	–	–	–	–	7	251	227
Professional fees	53	128	6	–	–	–	29	6	222	194
Office costs	–	–	–	–	–	–	–	12	12	10
IT and marketing	–	–	–	–	–	–	–	116	116	67
Meeting costs	–	–	–	–	–	–	8	–	8	8
Depreciation and impairment	–	–	78	–	–	–	–	–	78	48
Sundry & irrecoverable VAT	7	26	60	–	–	–	–	27	120	95
	125	162	471	1,023	25	78	171	168	2,223	1,916
Support costs	12	4	95	42	7	9	–	(168)	–	–
Governance costs	15	6	94	40	7	9	(171)	–	–	–
Total expenditure 2023	152	172	660	1,105	39	95	–	–	2,223	
Total expenditure 2022	234	171	406	980	27	98	–	–		1,916

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2023

3b Analysis of expenditure (prior year)

	Raising funds		Charitable activities						
	Investment property expenses £'000	Investment management costs £'000	Almshouses £'000	Grants for Community purposes £'000	Individual educational and personal £'000	School clothing Grants £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 6)	17	7	109	48	9	10	111	–	311
Grant making (note 4)	–	–	–	876	6	74	–	–	956
Property expenses	136	–	79	–	–	–	–	12	227
Professional fees	47	131	–	–	–	–	16	–	194
Office costs	–	–	–	–	–	–	–	10	10
IT and advertising	–	–	–	–	–	–	–	67	67
Meeting costs	–	–	–	–	–	–	8	–	8
Depreciation and impairment	–	–	48	–	–	–	–	–	48
Sundry & irrecoverable VAT	13	26	17	–	–	–	–	39	95
	213	164	253	924	15	84	135	128	1,916
Support costs	10	3	78	24	6	7	–	(128)	–
Governance costs	11	4	75	32	6	7	(135)	–	–
Total expenditure 2022	234	171	406	980	27	98	–	–	1,916

4 Grant making

	2023 No.	£'000	No.	2022 £'000
Grants for:				
Grants for Community purposes	75	997	76	985
Individual educational and personal Grants	20	24	18	24
School clothing Grants	808	81	741	74
Sub-total	903	1,102	835	1,083
Grants unclaimed or cancelled	-	(52)	-	(127)
Total	903	1,050	835	956

Grants for community purposes comprise:

	2023 No.	£'000	No.	2022 £'000
Grants awarded:				
Greater than £1,000	51	984	54	973
£1,000 or less	24	13	22	12
Total	75	997	76	985

A full summary of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com.

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 £'000	2022 £'000
Depreciation	78	48
Impairment	-	-
Operating lease rentals receivable:		
Property	771	747
Auditor's remuneration (excluding VAT):		
Audit	14	11
Other services	2	4

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	304	260
Social security costs	24	19
Employer's contribution to defined contribution pension schemes	38	32
	366	311

One employee earned more than £60,000 during the year in the band £60,000–£69,999 (2022: none).

The Trust considers its key management personnel to be the Chief Executive and the Finance Director as well as the unremunerated trustees. Although the trustees control and manage the administration of the Trust, the day-to-day management of its activities are delegated to the principal officers who report to the trustees. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £131,000 (2022: £106,000).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents costs of mileage, training/ development and IT consumables used for Trust business. These totalled totalling £344 (2022: £154) incurred by two trustees (2022: one Trustee) .

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was:

	2023 No.	2022 No.
Almshouses staff	3	3
Office staff	8	7
	11	10

8 Related party transactions

During the year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved. They were also not involved in the payment process of the relevant grant.

Transaction type	Amount £	Beneficiary	Related party	Relationship to the Beneficiary
2 Grants approved & part paid	3,350	CPR Counts	S Martin Trustee (until 30 April 2023)	A friend of the founder
Grant approved & part paid	21,009	Sutton Coldfield Baptist Church – Heating	J Routh Trustee (until 1 January 2023)	Rector of Holy Trinity Parish Church
Grant approved	30,000	Sutton Coldfield Baptist Church – Food	J Routh Trustee (until 1 January 2023)	Rector of Holy Trinity Parish Church
Grant approved	43,500	Holy Trinity Parish Church	J Routh Trustee (until 1 January 2023)	Rector of Holy Trinity Parish Church
Grant approved & part paid	19,800	The Deanery CE Primary School	J Lockett Trustee	Headteacher
Grant approved	18,480	Maney Hill Primary School	J Lockett Trustee	Family connections
Grant approved & part paid	20,656	Boldmere Swimming Club	J Lockett Trustee	Former swimming coach
Grant approved & part paid	14,400	Town Junior School	J Lockett Trustee	Trustee of Learning Trust for Excellence
Grant approved & completed	25,200	Four Oaks Primary School	J Lockett Trustee	Trustee of Learning Trust for Excellence
Grant approved & part paid	33,000	The Arthur Terry School	K Dudley Trustee	Family connection
Grant approved	36,810	Sutton Coldfield Grammar School for Girls	K Dudley Trustee	Family connection
Grant approved	15,000	Salus Fatigue Foundation	I Kettner Trustee	Former Trustee
Grant approved	36,810	Sutton Coldfield Grammar School for Girls	S Ward Trustee	Member of the Academy Trust
Grant approved & completed	20,000	Love Life Again	J Mosson Trustee	Friend of applicant
Grant approved & completed	618	Glovers Trust Almshouses	P Johnston Staff	Chair of Trust

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax, as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Freehold almshouse property £'000	Freehold almshouse improvements £'000	Security/ safety equipment £'000	Assets in course of construction £'000	Total £'000
Cost					
At the start of the year	496	2,335	101	20	2,952
Additions in year	–	474	–	–	474
Transfers in year	–	20	–	(20)	–
At the end of the year	496	2,829	101	–	3,426
Depreciation					
At the start of the year	400	1,411	95	–	1,906
Charge for the year	6	68	4	–	78
At the end of the year	406	1,479	99	–	1,984
Net book value					
At the end of the year	90	1,350	2	–	1,442
At the start of the year	96	924	6	20	1,046

The freehold Almshouses comprise seven blocks on the Trust's main site in Walmley. The cost of constructing the most modern block (containing 8 units, completed in 1995) is included within the balance sheet. The construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2023 and would therefore have £Nil (2022: £Nil) impact on the balance sheet. However, the cost of subsequent improvement and renovation works is included.

During the year the Trust completed its programme to fit new kitchens and bathrooms in 24 Almshouses (Phase 2) – these new assets are included in the accounts as Fixed Asset additions.

All of the above assets are used for charitable purposes.

11 Investment properties

	2023	2022
	£'000	£'000
Fair value at the start of the year	25,586	33,330
Additions	–	–
Disposals	(25)	(9,012)
Revaluation during the year	410	1,268
	25,971	25,586

Investment properties are independently valued every year on the basis of open market value. In the year, Johnson Fellows and Nick Russell Associates undertook a full revaluation of the Trust's investment properties as at 30 September 2021 and desktop revaluations as at 30 September 2022 and 30 September 2023.

12 Listed investments

	2023			2022		
	Investments £'000	Cash £'000	Total £'000	Investments £'000	Cash £'000	Total £'000
Fair value at the start of the year	34,762	1,914	36,676	40,076	1,851	41,927
Additions at cost	12,115	(1,139)	10,976	5,519	63	5,582
Disposal proceeds	(11,067)	–	(11,067)	(6,368)	–	(6,368)
Net gain /(loss) on change in fair value	701	–	701	(4,465)	–	(4,465)
	36,511	775	37,286	34,762	1,914	36,676

Investments comprise:

	2023	2022
	£'000	£'000
Equities	29,964	29,463
Fixed interest	6,547	5,299
Cash	775	1,914
	37,286	36,676

Financial Instruments

The investment values above include financial assets measured at fair value through profit and loss of £36,511,000 (2022: £34,762,000).

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2023

13 Debtors: amounts due in more than one year

	2023	2022
	£'000	£'000
Langley SUE land disposal	8,735	8,735
	8,735	8,735

The Debtor after more than one year is in respect of proceeds from the sale of a parcel of land at Brockhurst Farm within the Langley Sustainable Urban Extension (Langely SUE). The sale agreement includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). This land sale completed in December 2021 and received outline planning consent in December 2022. Full planning consent is awaited. The amount held in the balance sheet represents an estimate of the amounts receivable from the developer in the next 5 years net of fees and associated expenses.

14 Debtors: amounts due within one year

	2023	2022
	£'000	£'000
Rental income receivable	57	163
Dividends and interest receivable	148	97
Prepayments and accrued income	22	56
Other debtors	3	4
	230	320

15 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Grants payable	1,062	998
Rental income received in advance	178	166
Taxation and social security	22	24
Accruals	205	128
Other creditors	60	120
	1,527	1,436

16 Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Retention payments	19	10
Grants payable	75	139
	94	149

17a Analysis of net assets between funds (current year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	1,442	–	1,442
Investment properties	–	–	–	25,971	25,971
Investments	4,726	1,218	–	31,342	37,286
Long term debtors	2,930	–	–	5,805	8,735
Net current (liabilities)	(116)	–	–	(33)	(149)
Long term liabilities	(94)	–	–	–	(94)
Net assets at 30 September 2023	7,446	1,218	1,442	63,085	73,191

17b Analysis of net assets between funds (prior year)

	General unrestricted funds	Designated funds	Functional Endowment	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	1,046	–	1,046
Investment properties	–	–	–	25,586	25,586
Investments	5,182	682	–	30,812	36,676
Long term debtors	2,446	–	–	6,289	8,735
Net current assets/(liabilities)	196	–	–	(9)	187
Long term liabilities	(139)	–	–	(10)	(149)
Net assets at 30 September 2022	7,685	682	1,046	62,668	72,081

18a Movements in funds (current year)

	At 1 October 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 30 September 2023 £'000
Endowment funds:					
Functional Endowment	1,046	–	(79)	475	1,442
Permanent endowment	62,668	1,025	(133)	(475)	63,085
Total restricted funds	63,714	1,025	(212)	–	64,527
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	640	–	–	540	1,180
Environment management fund	42	–	–	(4)	38
Total designated funds	682	–	–	536	1,218
General funds	7,685	297	–	(536)	7,446
Total unrestricted funds	8,367	297	–	–	8,664
Total funds	72,081	1,322	(212)	–	73,191

The narrative to explain the purpose of each fund is given at the foot of the note below.

18b Movements in funds (prior year)

	At 1 October 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 30 September 2022 £'000
Endowment funds:					
Functional Endowment	640		(48)	454	1,046
Permanent endowment	66,004	–	(2,882)	(454)	62,668
Total restricted funds	66,644	–	(2,930)	–	63,714
Unrestricted funds:					
Designated funds:					
Extraordinary repair fund	3,109	–	–	(2,469)	640
Cyclical repair fund	289	–	–	(289)	–
Environment Management Fund	–	–	–	42	42
Total designated funds	3,398	–	–	(2,716)	682
General funds	4,808	2,344	(2,183)	2,716	7,685
Total unrestricted funds	8,206	2,344	(2,183)	–	8,367
Total funds	74,850	2,344	(5,113)	–	72,081

Purposes of endowment funds

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. Investment management charges relating to the Endowment Fund have been charged against the Endowment Fund. The Endowment Fund includes Almshouse fixed assets of £1,442,000 (2022: £1,046,000) as a “functional permanent endowment” and depreciation and impairment of these assets has also been charged against the Endowment Fund.

Purposes of designated funds

Extraordinary repair fund – The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and is set at a level to cover at least five years’ planned maintenance expenditure (including irrecoverable VAT and inflation). Amounts are transferred to meet expenditure which may be required in the future.

Cyclical repair fund – The Trust may maintain a Cyclical Maintenance Fund as an optional reserve in accordance with its Scheme. The Trust agreed in 2022 to merge this into the Extraordinary Repair Fund.

Environment management fund – In 2022 the Trust also established a designated Environment management Fund to be used for maintaining the Trust’s rural and woodland estate

19 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2023	2022
	£'000	£'000
Less than one year	530	701
One to five years	1,267	1,400
Over five years	41,140	41,234
	42,937	43,335

The above figures include rental income from two properties, both with lease terms of 999 years. The total due to the Trust in respect of these properties is £40,264,000 (2022: £40,305,000).

20 Capital commitments

At the balance sheet date, the charity had no capital commitments (2022: £443,000 in respect of the Trust's Almshouse window, bathroom and kitchen replacement programme).

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales - Charity number 218627

Accounts

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended

30 September 2022

Charity No. 218627

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISORS

for the year ended 30 September 2022

Constitution

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners (revised and updated dated 25 February 2021) (registered number 218627) ("the Scheme").

The Trust is a registered charity and complies with the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the 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.

Trustees

The Trustees who served during the year were:

Board of Trustees	Grants Committee	Property Committee	Almshouse Committee	Finance Committee	Nominated By: * Birmingham City Council ** Royal Sutton Coldfield Town Council
Keith Dudley (Chair from 9 February 2022)	*(Chair)	*	*	*	
Inge Kettner (Vice Chair from 9 February 2022)	*	*	*(from 9 February 2022)	*(from 9 February 2022)	
Neil Andrews		*		*(Chair)	
Andrew Burley (Chair until 9 February 2022)	*	*(Chair)	*(until 9 February 2022)	*(until 9 February 2022)	
Malcolm Cornish (resigned 20 May 2022)	*		*		*
Councillor Diane Donaldson		*	*		*
Ranjan Hoath (resigned 18 May 2022)	*				
Jayne Lockett	*		*		
Dr Stephen Martin	*	*			
Andrew Morris		*		*	
Councillor Jane Mosson	*(from 10 August 2022)				*
Dr Francis Murray			*(Chair)	*	
Councillor David Pears (appointed 18 August 2022)					*
John Routh (resigned 1 January 2023)	*			*	
Councillor Simon Ward				*	**
Amarjit Singh (resigned 25 October 2022)		*(from 11 August 2021 until 25 October 2022)	*(from 11 November 2021 until 25 October 2022)		

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISORS (continued)

for the year ended 30 September 2022

Principal officers

Tina Swani MBA FCIM (Chief Executive)
Rob Semple ACMA (Financial Controller)
Pamela Johnston MBE JP (Almshouse Manager)
David Cole ACIB (Grants Manager until 15 December 2022)
Clare Haines BA (Grants Manager from 15 November 2022)
Helen Kimmet (Administration Manager)

Registered address

Lingard House
Fox Hollies Road
Sutton Coldfield
West Midlands
B76 2RJ
Telephone number: 0121 794 0970

Advisors

Auditor

Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers

HSBC Bank plc
67 The Parade
Sutton Coldfield
West Midlands
B72 1PD

Investment Managers

Rathbone Investment Management Limited
8 Finsbury Circus
London
EC2M 7AZ

CCLA Investment Management
Senator House
85 Queen Street
London
EC4V 4ET

Property Managers

Johnson Fellows LLP
Charter House
163 Newhall Street
Birmingham
B3 1SW

EOS Surveyors Ltd
Arion Business Centre
Harriet House
118A High Street
Birmingham
B23 6BG

Investment Consultants

Stanhope Consulting LLP
35 Portman Square
London
W1H 6LR

Nick Russell Associates
Lavender Cottage
Luton
Leominster
Herefordshire
HR6 9PH

Insurance Brokers

Endsleigh Insurance (Brokers) Ltd
Shurdington Road
Cheltenham
Gloucestershire
GL51 4UE

Solicitors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT

for the year ended 30 September 2022

The Trustees present their annual report and audited financial statements for the year ended 30 September 2022.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, an inhabitant of Sutton Coldfield, born in the town, who persuaded Henry VIII to grant a Charter in 1528 establishing a Warden and Society (Corporation) to govern the Town. The Corporation was obliged to use rental and other income to provide poor relief and improve the locality. Over the next four centuries, other bequests and endowments came within the Corporation's oversight. These included charities in memory of Thomas Jesson in the 1700s to provide apprenticeships for boys and to distribute bread to Sutton's poor. After a long and famous legal action, the Corporation's charities were reorganised in the 1820s and enriched by lands acquired in the 1825 Enclosure Award. From this time, Almshouses were built and the charities provided elementary schools (including teaching and uniforms) for Sutton's children. Practical necessities such as coal, blankets and boots were widely distributed. In pre-welfare state days, the charities financed nursing and medical care for people in need and made grants to widows.

In 1886, the Town became a Borough and the Trust took over the Corporation and various related charities within one body. This operated closely alongside the Council and was administered by the Town Clerk. New Almshouses were built, including two in the 1890s from a bequest by Frances Lingard. When Sutton Coldfield became part of Birmingham in 1974, the independence of the Trust was safeguarded which ensured the continuing provision of benefits for individuals and organisations within the former Borough boundaries. Although the separate historic charities have been consolidated into one charity, the Trustees' fundamental aims and priorities are still very similar to those pursued by Bishop Vesey and his successors over nearly five centuries.

Vision

The vision of Sutton Coldfield Charitable Trust is to enhance the quality of life for all in Sutton Coldfield.

Mission statement

Sutton Coldfield Charitable Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing and grant awards to support individuals and community organisations.

Values

The Trust strives to be responsible; inclusive; caring; transparent and sustainable in all our activities.

What our values mean

Responsible applies to all matters including being a good employer, caring for the environment, protecting our assets and good governance.

Inclusive relates to our operations, beneficiaries, staff and all those we work with; embracing equality, diversity and inclusion.

Caring reflects the helping nature of the Trust and its core purpose.

Transparent demonstrates our commitment to openness and sharing.

Sustainable ensures the Trust continues to make a lasting contribution and remains in good shape for the centuries ahead.

Objectives and activities for the public benefit

The principal objectives of the Trust are the provision of Almshouses and the distribution of funds and other measures for the alleviation of hardship and other needs for inhabitants and organisations within the boundaries of the former Borough of Sutton Coldfield.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Objectives and activities for the public benefit (continued)

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policies. They consider the information which is contained in this report about the Trust's objectives, activities and achievements demonstrates the benefits to its beneficiaries and, through them to the public, that arise from those activities.

Grant making policy

The Trustees apply surplus income to benefit the residents of the former Borough of Sutton Coldfield by making awards to individuals, institutions or organisations in the following ways:

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- Making awards to institutions or organisations for the:
 - prevention or relief of poverty;
 - advancement of education;
 - advancement of religion;
 - advancement of health or the saving of lives;
 - advancement of citizenship or community development;
 - advancement of the arts, culture, heritage or science;
 - repair of historic buildings;
 - advancement of amateur sport;
 - advancement of environmental protection or improvement;
 - other purposes that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.

Grant application process

The Trust deals with all grant applications as quickly as possible and without unnecessary bureaucracy. An email, a telephone call, or even an answer-phone message, is all that is needed to make contact.

Applicants receive clear written guidelines, helping them to assemble the information required by the Trustees. The Grants Committee meets regularly (at least eight times each year) and receives carefully researched reports from the Trust's staff, who present evidence from meetings, visits, documents and accounts. Applicants usually meet Trust staff, either virtually, at the Trust's offices, or at their own locations.

Risk management

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. This is a continuous obligation involving all Trustees and staff.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee, which meets at least twice a year, Finance Committee and the Board of Trustees, to ensure that the risk management process is operating satisfactorily. The risks are recorded and assessed in terms of impact and probability and a traffic light system is employed to highlight areas of particular concern. The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

The Trustees have identified the following key strategic risks to the charity. Actions to mitigate against these risks are also detailed:

Risk:	Loss of key staff, resulting in loss of corporate knowledge and delay to operational projects and priorities.
--------------	---

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Risk management (continued)

Mitigation: This risk is managed by operating flexible working practices (including cover as needed), appropriate notice periods for all staff, written procedures and electronic storage and sharing of key records

Risk: Financial risks including high inflation, loss of capital and income on the permanent endowment and over dependence on key income sources.

Mitigation: This risk is managed by appropriate investment policies, management of the Trust's assets by professional advisers, scrutiny of advisers via Board and Committees, having a suitable reserves policy and regular budgeting, monitoring and reporting on financial performance.

Risk: COVID-19 pandemic with associated risk to Almshouse residents, staff and visitors as well as an operational and financial impact on the Trust. Although this is having a lower impact than before, it is still a significant risk to the Trust.

Mitigation: This risk is managed by planning (e.g. Disaster Recovery Plan), risk assessment and guidance to staff and residents and implementing COVID-19 protocols and procedures, including input from external advisors and insurers where appropriate. The financial impact is managed through budgeting, forecasting, in-year monitoring of financial results and reports from investment advisers.

Pay and remuneration of Key Management Personnel

The pay and remuneration of key management personnel are set with reference to published pay market data, including the Xpert HR Voluntary Sector Annual Salary Survey. A Remuneration Sub-Committee of the Board appraises pay annually and makes recommendations to the Finance Committee and the full Board.

Structure, governance and management

Information relating to reference and administrative matters are set out above (pages 1-2).

The Board comprises a minimum of 12 and a maximum of 16 Trustees, made up of 8 to 12 co-opted Trustees, who are appointed for terms of five years, and 4 nominated Trustees, who are put forward by Birmingham City Council and Royal Sutton Coldfield Town Council for terms of four years. Trustees may serve a maximum of three terms, following which at least 12 months must expire before reappointment.

The Board seeks Trustees who will diversify, balance and complement the range of skills and experience among their members with the qualities and expertise required for the attainment of its charitable and strategic objectives. That expertise has included medicine, law, property, industry, faith, education, engineering, human resources, science, sheltered housing, town planning, marketing, accountancy and Local Government.

Trustees have an induction to familiarise them with their responsibilities and the purpose of the Trust. All Trustees have a two-yearly review with the Chair or Vice Chair. New Trustees also have a review in their first year.

The Board of Trustees is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions, and determine strategy. The aim is to hold a strategy day at least every two years, supplemented by regular reports on progress against the agreed action areas. The Board also identifies and manages any risks to ensure the efficient and safe undertaking of its responsibilities. The Board oversees the financial health of the Trust, ensuring that management of its investments and accounts are robust, effective controls are in place and funding is sufficient to meet the demands of the Almshouses and grant-making programmes as the two core purposes of the Trust.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)
for the year ended 30 September 2022

Structure, governance and management (continued)

Every Trustee is a member of one or more of the following Committees:

- Almshouse Committee
- Grants Committee
- Finance Committee
- Property Committee
- Remuneration Sub-Committee
- Risk Management Sub-Committee

Whilst each Committee has its approved membership, all Trustees may attend any Committee meeting at any time and have access to all agendas and papers through an on-line Trustee portal. Advisors join Committees to provide guidance on compliance matters such as safety requirements and other specialist expertise. Working groups may be set up for specific purposes. Over the past year, these have included a Social Needs Review Group, a Grants Strategy Working Group, a Governance Working Group and a Strategic Planning Group.

An extensive review of governance and compliance was undertaken in 2019, with many action points already addressed. This review was refreshed in 2021/22 following the publication of the revised Charity Governance Code late in 2020 with all actions in progress. This has included actions relating to equality, diversity and inclusion (EDI). Trustees have also made EDI an embedded theme throughout the SCCT Five Year Plan. Progress against the actions is regularly reported to the Board of Trustees.

The strategic planning process and governance reviews have supported clarity of planning to enhance charitable benefit at a time of continued and increasing adversity and uncertainty. The Trust will continue to work collaboratively with local stakeholders, including the NHS and Town Council to build an ongoing understanding of changing needs in the Royal Town during a time of extensive and escalating hardship. Trustees will also explore how the Trust can improve its environmental impact.

Fundraising

The Trust does not undertake any fundraising activities in its own right or through third parties and so does not consider it necessary to register with the Fundraising Regulator or comply with any voluntary code of practice related to fundraising. The Trust has not received any complaints relating to fundraising.

Review of activities and achievements

During the past year, the Trust has continued to put in place measures to prepare for what will be a turbulent year for many. As ever, the Trust's focus is on making a positive impact during ongoing uncertainty and hardship, especially as the energy crisis and rising costs make it so hard for many people to make ends meet.

During the year, the Trust continued to make grants for community purposes, individual, educational and personal needs, and for school clothing. In 2022 Trustees awarded £1,083,000 in grants (2021: £1,092,000).

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Review of activities and achievements (continued)

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	2022 £000	2021 £000
Relief of those in need	224	133
Advancement of education	258	364
Advancement of religion	59	77
Advancement of health or the saving of lives	103	266
Advancement of citizenship or community development	226	64
Advancement of the arts, culture, heritage and science	53	1
Advancement of amateur sport	140	130
Advancement of environmental protection or improvement	20	58
Total grants awarded	1,083	1,093
Awarded grants unclaimed or cancelled	(127)	(152)
Net grants awarded (note 7 to the financial statements)	956	941

As awards have remained at this level over the past 10 years, Trustees were concerned to ensure that the Trust budgeted for at grants totalling £1,000,000. This resulted in a cash deficit budget in 2021/22, which was funded from unrestricted reserves.

The Trust has worked with other agencies to improve the Trust's impact and extend our ability to meet growing need. For example, some Almshouse residents have learned to use digital communication and IT devices through Age UK's digital inclusion project

As reported previously, the Trust commissioned a university research team (originally from the University of Birmingham, now novated to the University of Nottingham) to review the social needs across Sutton Coldfield (the "Social Needs Review"). Over 600 Sutton Coldfield residents participated. The Trust's Chief Executive has shared pre-launch findings of the research with stakeholders in the NHS and Town Council, so that the results may inform local health and wellbeing plans. The final report will be published in 2023.

The Trust has continued to maintain, improve and modernise its Almshouse accommodation. In 2021/22 the Trust completed the refurbishment of kitchens and bathrooms of 24 Almshouses, with the refurbishment of the remaining Almshouses already underway for completion in 2023. Trustees consider that social isolation is hugely detrimental to the mental health of older people. Regular Almshouse social activities are held throughout the year and this year the residents also celebrated the Queen's Platinum Jubilee with a special lunch.

Alongside adversity, the past year has also been one of celebration. Trustees and staff joined teachers and pupils of Little Sutton School, the local police cadets, and the Chair of Sutton in Bloom, to plant a yew tree in the centre of Manorial Woods, to celebrate the Queen's 70th Jubilee. Trustee annual visits to grant beneficiaries took place in October 2022. This was an opportunity for Trustees to see at first hand, the diverse impact grants are making such as the improvement of green spaces; access to sports; extending welfare guidance and advice; sustaining food banks; upgrading early years play facilities; and addressing loneliness.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)
for the year ended 30 September 2022

Review of activities and achievements (continued)

Following the sad death of Her Majesty Queen Elizabeth II, it was an honour for SCCT Trustee, Councillor Jane Mosson in her role as Deputy Mayor of Sutton Coldfield, to read the proclamation of the accession of King Charles III, at Holy Trinity SC. Cllr Mosson was joined at the dais by Revd Canon John Routh, Rector of Holy Trinity Sutton Coldfield and Trustee of SCCT.

The Trustees would like to thank Malcolm Cornish, who stepped down after long service on the Board of Trustees and to welcome new Trustee, Councillor David Pears who was nominated to the Board by Birmingham City Council in August 2022. This year also saw the departure of Ranjan Hoath and Amarjit Singh from the Board and Trustees would like to thank them for their service and support to the Trust. They also thank the Chief Executive and all staff for their hard work and achievements during such a challenging year.

Following almost five years' service as the Trust's Grants Manager, the Trustees wish David Cole a long and happy retirement and welcome his successor, Clare Haines.

Monitoring achievement

Payment of grants is carefully managed and the Trust operates a robust formal monitoring process. The Trust maintains close contact with organisations to ensure that the anticipated benefits from the grant have been achieved. For example, has the purchase of a minibus been effective in transporting the elderly to events or scout groups to camp? Has investment in supporting children with autism met the needs of both children and parents? Has investment in the local primary school outdoor education facilities provided benefit to the school?

A formal monitoring process is also in place. Dependent on the value of the award, this is achieved by completion of a Monitoring Form at the conclusion of the Project. Where necessary, further interim reports are produced. Trust officers also evaluate impact through meetings, telephone discussions and visits to grant beneficiaries. Grants Committee receive regular monitoring reports on larger projects.

In-person visits to beneficiaries recommenced this year following the COVID-19 Lockdowns. However, a number of other monitoring methods remained in place for overseeing projects i.e. online video meetings, virtual tours and photographs that show progress and completion of projects.

A review was undertaken in the year to enable the grants programme to evolve in line with the outcomes identified in the recent Social Needs Review. Forward planning is underway for the next five years.

Financial review

The year under review saw a marked improvement in the Trust's operating income as the COVID-19 pandemic subsided, resulting in fewer void properties and higher rental income and investment income.

Total income in the last year was £2,344,000 (2021: £1,756,000) and total expenditure was £1,916,000 (2021: 2,237,000) including grants (net of cancelled grants) of £956,000 (2021: £941,000). This resulted in net income of £428,000 (2021: net expenditure £481,000). The Trust spent over £450,000 in capital expenditure on the first of two phases of new kitchens and bathrooms for our Almshouses. The second phase is underway and is due for completion in 2022/23.

The Trust's work is dependent on income and investment returns from its endowment. The past year saw a decrease in non-property investment asset values due to challenging world market conditions. The Trust reported a loss on investment assets of £3,197,000 (2021: gain of £11,016,000), which in turn gave rise to an overall net decrease in the total funds of the Trust of £2,769,000 (2021: increase of £10,535,000). At 30 September 2022, total Trust Funds amounted to £72,081,000 (2021: £74,850,000).

In the year the Trust sold its site at Brockhurst farm as part of the Langley Sustainable Urban Extension (Langley SUE).

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Financial review (continued)

Following a detailed review the Trust changed its accounting policy to include all the Almshouse built estate within the Permanent Endowment fund as 'functional permanent endowment' rather than within the Unrestricted Charitable Fund. This has no impact on the total assets of the Trust, but changes the allocation between funds. Details of this accounting policy change and its impact on the financial statements are set out in note 21 to the accounts.

Continuing with careful financial management and disciplines, combined with appropriate support from the Trust's advisors, the Trust is confident of fulfilling its dual obligations of the provision of Almshouses and community grant giving.

Investment policy and performance

The Trust's assets are invested in property, UK and overseas equities, government stocks, unit trusts and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. The Trust's investment objectives are to generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms.

Both the Finance Committee and the Board of Trustees receive quarterly reports from the investment managers, considering the Trust's income requirements, the risk profile and property managers' views of market prospects in the medium term. This strategy is set within an overall policy which states that the Endowment Fund is to be invested long term to maximise income to meet current and future charitable objectives whilst seeking preservation of capital in real terms. The restricted and unrestricted funds may be invested in any type of investment except direct investments in tobacco.

The major part of the Trust's investment portfolio has been managed over a number of years by Rathbone Investment Management Limited. A smaller portfolio (the Charitable Funds) has been invested in the CCLA COIF Charities Investment Fund since April 2021. During the last twelve months, global investment markets have fallen due to concerns about surging inflation, rising interest rates and slowing economic growth, particularly in the context of Russia's invasion of Ukraine in February 2022. The Trustees are supported by Stanhope Consulting, the appointed investment advisers, in their assessment and monitoring of the investment managers. According to Stanhope's calculations, the total investment portfolio generated returns of -8.4% over the year to 30th September 2022, reflecting the weakness in bond and equity markets over the period. Given the surge in UK inflation over the year, the portfolio return has heavily lagged the long term objective of CPI +4% which returned 14.5% over the same period.

The main Rathbones portfolio generated a negative return of -9.2% (net of fees) in the year to 30th September 2022 compared to the CPI +4% benchmark return of 14.5% (2021: 17.2% vs 7.3%). The Charitable Funds portfolio (which is invested in the CCLA COIF Charities Investment Fund) generated a negative return of -2.8% (net of fees) over the year but outperformed the COIF Fund's composite benchmark return of -5.5%. The Trustees have reduced manager specific risk by having two managers who have different investment approaches and are aware that the increase in inflation has distorted the long term objective in the short term.

Reserves policy and going concern

The Endowment Fund represents capital funds which the Trustees have no power to convert into income. At 30 September 2022, this fund amounted to £63,714,000 (2021: £66,644,000 re-stated). The income generated from this fund is utilised to further the Trust's charitable objectives and is included as unrestricted income.

The Trustees periodically review the level of reserves retained in unrestricted funds. The Trustees retain these reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, which may not otherwise be covered by incoming resources. During the year, Trustees have reviewed the level of these reserves and consider that they should not, other than in exceptional circumstances, drop below £750,000 (2021: £750,000), which would be regarded as a contingency reserve to meet ongoing revenue commitments.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Reserves policy and going concern (continued)

The Trustees are mindful that investment income, which is the Trust's main source of income, is susceptible to variation through market changes. Trustees therefore consider it appropriate to hold free funds to meet both the Trust's commitment to outstanding grants, which can be over £1,000,000 at any one time and to cover its obligations to support the Almshouses, administration and governance costs. In addition, Trustees hold free funds in anticipation of significant special projects for the benefit of the public.

The undesignated Charitable Fund at 30 September 2022 amounted to £7,685,000 (2021: £4,808,000 *re-stated*), which the Trustees believe is sufficient given the Trust's foreseeable commitments and fund strategic initiatives in future as required.

In 2021 the Trust was holding two unrestricted designated reserves as follows:

- Extraordinary Repair Fund (for extraordinary repair, improvement or re-building). It is a requirement of the Trust's Scheme to maintain this reserve.
- Cyclical Maintenance Fund (for ordinary repair and maintenance of the Almshouses and other property of the charity). This is an optional reserve under the Trust's Scheme.

Because all Almshouses assets are now within the Endowment Fund (see note 21), the cost of all future enhancements/ capital improvements will also be within the Endowment Fund. The Trustees therefore agreed that the Extraordinary Repair fund should be used for future planned maintenance and should at least cover the estimated value of the Almshouse planned maintenance programme for the next 5 years (including irrecoverable VAT and inflation). Trustees will review this annually and adjust the reserve as appropriate. The Extraordinary Repair Fund at 30 September 2022 amounted to £640,000 which represents estimated planned maintenance costs for the next five years' (2021: £3,109,000-including rebuild/ capital costs, which will now be met from within the Endowment Fund).

The Cyclical Maintenance Fund is an optional reserve in accordance with the Scheme clause 26(2)). This is no longer necessary and Trustees have decided to merge it into the Extraordinary Repair Fund. In 2021 the balance was £289,000.

In 2022 Trustees established a new unrestricted designated "Environment Management Fund" of £42,000 (2021: £nil) to be used for maintaining the Trust's rural and woodland estate.

Trustees have a rolling five-year financial plan. Based on this plan, Trustees review the reserves to ensure appropriate amounts are set aside. Based on this work, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Future plans and objectives

The Social Needs Review of Sutton Coldfield has continued to guide the Trust's long-term strategic decisions and plans. The Trust has published a summary of the Review and has held dissemination in the past year. The full report will be published in 2023.

Based on the emerging outcomes of the Social Needs Review and the prospect of financial returns from land sales within the Langlely Sustainable Urban Extension area, the Trust has produced its new SCCT Five Year Plan ("Looking forward to 2028"), with an updated vision, mission and values (see above). The Five-Year Plan sets out the Trust's 5 strategic aims to set the direction for the planning period:

1. Almshouses research and assessment of future need;
2. Grants programme expansion;
3. Supporting heritage, green spaces and community;
4. Being well run, efficient, accessible and inclusive;
5. Good management of assets and their use.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2022

Future plans and objectives (continued)

SCCT staff and Trustees will now work through the 5 strategic aims to form long-term delivery plans that maintain longevity of the Trust and enhance its support for residents of Sutton Coldfield.

The Trustees have approved a budget for the current financial year, 2022/23, and plan to award grants at a similar or increased level to previous years going forward.

Auditor

Sayer Vincent LLP was re-appointed as the Trust's auditor during the year and has indicated its willingness to continue in that capacity.

On behalf of the board

Keith Dudley
Chair

8 February 2023

Sutton Coldfield Charitable Trust

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF 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).

The 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 Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST

Opinion

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *FRS 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 charity's affairs as at 30 September 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Sutton Coldfield Charitable Trust'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.

Other information

The other information comprises the information included in the trustees' 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.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST (continued)

Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The 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 statement of trustees' responsibilities set out in the trustees' report, the trustees 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 Trust'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance Committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST (continued)

Capability of the audit in detecting irregularities (continued)

- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Date: 14 February 2023

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Sutton Coldfield Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2022

	Notes	Unrestricted funds 2022 £000	Endowment fund 2022 £000	Total funds 2022 £000	Total funds 2021 £000 <i>RE-STATED (Note 21)</i>
Income from:					
<i>Investments:</i>					
Income from investment properties	2	1,006	-	1,006	506
Income from investments	3	1,111	-	1,111	1,023
Short term deposit interest		11	-	11	-
		<u>2,128</u>	<u>-</u>	<u>2,128</u>	<u>1,529</u>
Charitable activities	4	216	-	216	227
Total income		<u>2,344</u>	<u>-</u>	<u>2,344</u>	<u>1,756</u>
Expenditure					
<i>Expenditure on raising funds:</i>					
Investment property expenses	2	196	-	196	352
Investment management costs		20	137	157	161
		<u>216</u>	<u>137</u>	<u>353</u>	<u>513</u>
Total cost of raising funds		<u>216</u>	<u>137</u>	<u>353</u>	<u>513</u>
<i>Expenditure on charitable activities:</i>					
Cost of running Almshouses	5	335	48	383	621
Grant funding					
Community purposes	5	1,029	-	1,029	980
Individual educational and personal	5	38	-	38	20
School clothing	5	113	-	113	103
		<u>1,515</u>	<u>48</u>	<u>1,563</u>	<u>1,724</u>
Total charitable activities		<u>1,515</u>	<u>48</u>	<u>1,563</u>	<u>1,724</u>
Total expenditure		<u>1,731</u>	<u>185</u>	<u>1,916</u>	<u>2,237</u>
Net income/(expenditure) before gains or losses on investments		<u>613</u>	<u>(185)</u>	<u>428</u>	<u>(481)</u>
(Losses)/ Gains on investment assets	13	(452)	(2,745)	(3,197)	11,016
Net (expenditure) / income and net movement in funds		<u>161</u>	<u>(2,930)</u>	<u>(2,769)</u>	<u>10,535</u>

Sutton Coldfield Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2022

	Notes	Unrestricted funds 2022 £000	Endowment fund 2022 £000	Total funds 2022 £000	Total funds 2021 £000 RE-STATED
Reconciliation of Funds					
Fund balances brought forward at 1 October as previously reported	18	6,742	68,108	74,850	64,315
Prior year adjustment: To record all Almshouse fixed assets within the Endowment Fund	21	1,464	(1,464)	-	-
Fund balances brought forward at 1 October as re-stated	18	8,206	66,644	74,850	64,315
Net (expenditure) / income and net movement in funds (above)		161	(2,930)	(2,769)	10,535
Fund balances carried forward at 30 September	18	8,367	63,714	72,081	74,850

The incoming resources, resources expended and resulting net movement in funds arise from the Trust's continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year or preceding year.

Sutton Coldfield Charitable Trust

BALANCE SHEET

30 September 2022

Charity Registration No. 218627

	Notes	2022 £000	2021 (Re-stated) £000	2021 (Re-stated) £000
Fixed assets:				
Tangible assets	12	1,046	640	
Investment properties	13	25,586	33,330	
Listed and other investments	13	36,676	41,927	
<i>Total fixed assets</i>			63,308	75,897
Debtors: Amounts falling due after more than one year	14		8,735	-
Current assets:				
Debtors	14	320	167	
Cash at bank and in hand	15	1,303	499	
<i>Total current assets</i>		1,623	666	
Liabilities:				
Creditors: Amounts falling due within one year	16	(1,436)	(1,515)	
<i>Net current assets /(liabilities)</i>			187	(849)
<i>Total assets less current liabilities</i>			72,230	75,048
Creditors: Amounts falling due after more than one year	16		(149)	(198)
Total net assets			72,081	74,850
The funds of the Trust:				
Endowment fund	18	63,714		66,644
Unrestricted funds:				
Charitable fund	18	7,685	4,808	
Extraordinary repair fund	18	640	3,109	
Cyclical Maintenance Fund	18	-	289	
Environmental Management Fund	18	42	-	
<i>Total unrestricted funds</i>			8,367	8,206
TOTAL TRUST FUNDS	18		72,081	74,850

The financial statements were approved by the Trustees on 8 February 2023 and were signed on their behalf by:

Keith Dudley
Chair

Inge Kettner
Vice Chair

Sutton Coldfield Charitable Trust

STATEMENT OF CASH FLOWS

For the year ended 30 September 2022

Charity Registration No. 218627

	Note	2022 £000	2021 £000
<i>Cash flows from operating activities:</i>			
Net cash used in operating activities	20	(10,275)	(1,622)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		2,128	1,529
Accumulation income		-	(94)
Proceeds from sale of investment property		9,012	15
Funds transferred (to)/ from investments		393	(513)
Purchase of fixed assets		(454)	-
Net cash provided by investing activities		11,079	937
Change in cash and cash equivalents in the year		804	(685)
Cash and cash equivalent brought forward		499	1,184
Cash and cash equivalent carried forward		1,303	499

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners ("the Scheme") (revised and updated 25 February 2021). The financial statements are drawn up in accordance with the accounting policies detailed below and in compliance with the relevant sections of the Charities Act 2011.

The financial statements have been prepared under the historical cost accounting rules as amended for the revaluation of investment assets and 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 (FRS102).

The Trust constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The Trustees have prepared budgets and forecasts and considered the period of a minimum of 12 months from the date of approval of these financial statements in making its assessment that the going concern basis remains an appropriate basis of preparation of the financial statements.

Mindful of the net current liability position recorded on the balance sheet, the Trustees note that, after considering the level of cash reserves and unrestricted investments held in Fixed Assets and the capacity of the Trust to flex its activities if income levels fall significantly, there are no material uncertainties to the availability of sufficient unrestricted resources available to meet the Trust's commitments.

FUNDS STRUCTURE

The Trust has a permanent endowment. This provides for the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. They are retained to the extent that they are considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital nature and revenue costs, which may not be covered by incoming resources. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and is sufficient to cover at least five years' planned maintenance expenditure (including irrecoverable VAT and inflation). Amounts are transferred to meet expenditure which may be required in the future.

The Trust may maintain a Cyclical Maintenance Fund as an optional reserve in accordance with its Scheme. The Trust has decided in 2022 to merge it into the Extraordinary Repair Fund.

Further details of each fund are disclosed in notes 18 and 19.

STATEMENT OF FINANCIAL ACTIVITIES

The incoming resources and resources expended by the Trust are detailed below, together with the respective accounting treatments:

INCOME

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

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Income from investment properties

Income includes property income receivable less provision where the eventual receipt of income is considered doubtful.

Income from other investments

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio.

Other investment income is accounted for on an accruals basis.

Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

Income from charitable activities

Incoming resources from charitable activities relates to funds received in respect of Almshouse Weekly Maintenance Charges and any donations received by the Trust.

EXPENDITURE

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Grant funding

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Conditional grants

Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled.

Contingent grants

A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

EXPENDITURE ON RAISING FUNDS

The costs of generating funds consist of investment management fees and property expenses, allocated in proportion to funds invested.

Allocation of governance and support costs

Support costs are allocated first between "Charitable Activities" and "Governance" using a combination of staff time and activity cost drivers.

Governance costs comprise all expenditure involving the public accountability of the Trust and its compliance with regulation and good practice. These include costs related to statutory audit and legal fees.

Governance and support costs relating to charitable activities are then apportioned between Almshouses and grant funding using a combination of allocation, staff time and activity cost drivers (see note 8 for details).

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

FIXED ASSETS

Almshouses are stated at cost. However, the construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information.

Security and other equipment are stated at cost although office equipment and IT are normally written off in the year of acquisition. A re-inspection carried out in June 2018 determined that the Almshouses had a minimum remaining life of at least 20 years, subject to regular and routine maintenance being undertaken. The depreciation policy was amended accordingly so that assets are depreciated over their estimated useful life, as follows:

Almshouses	20 years - straight line on net book value at 30 June 2018
------------	--

Security and other equipment	5 years - straight line
------------------------------	-------------------------

Almshouses improvements policy

Where capital additions to the Almshouses are made, they are depreciated over the shorter of the remaining useful life of the property to which they relate and the life of the individual building component on a straight-line basis. Where necessary, the Trust makes an impairment charge for assets when they are (a) due for replacement within the planning period and (b) there is clear Trustee approval to the replacement programme.

Following a detailed review in 2022, all Almshouse assets and capital improvements are recorded as part of the Endowment Fund as 'functional permanent endowment', with associated depreciation and impairment also being charged to the Endowment Fund.

FIXED ASSETS – VALUATION OF INVESTMENTS

Investments are included in the balance sheet at their fair values at 30 September which are determined as follows:

- (i) Freehold properties are independently valued every five years on the basis of open market value for existing use. Intermediate annual valuations are carried out and incorporated on the basis of an external desktop review.
- (ii) UK listed securities are quoted at the recognised Stock Exchange bid price ruling at the year end. Accrued interest is included in the value of fixed interest securities.
- (iii) Unit trust and managed fund investments are stated at the average value quoted by the investment managers at the year end.

All movements in value arising from investment changes or revaluation are recognised in the Statement of Financial Activities.

REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value or purchase cost if purchased during the year. Realised and unrealised investment gains are not separated in the Statement of Financial Activities.

PENSIONS

Contributions are paid into Personal Pension Plans operated by Aviva. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

TAXATION

The Trust is exempt from taxation on its income and gains where they are applied for charitable purposes.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Trust makes estimates and assumptions concerning the future. The resulting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees do not consider there to be any 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.

The Trust carries its investment properties at fair value, with changes in fair value being recognised through the Statement of Financial Activities. The Trust engages independent valuation specialists to determine fair value of these properties each year. Some of the key assumptions used to determine the fair value of these assets are based on the valuers' knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Where the Trust has entered into Development Agreements (see below), the timing and amount of income receivable can vary. The Trust has an accounting policy to cover this, but this necessarily depends on estimates and judgements.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Rental and other debtors

Rental and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of rental debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the rental debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Long term debtors

Where the Trust enters into transactions for the sale of land/ other investment properties, the amount receivable is initially recognised as a debtor at the invoiced / contracted value. Amounts due to the Trust after more than one year are disclosed accordingly.

From time to time, the Trust enters into Development Agreements, where the arrangements with the third party includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). In these cases, the Trust can be virtually certain of receiving economic benefits, but the final sums and timing can vary. In these cases, the debtor carried in the balance sheet is measured at the **lower of:**

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Financial assets (continued)

- the present value of the estimated future receipts (net of fees and associated costs) discounted at the Trust's cost of capital; and
- the market value of the underlying asset (based on the last professional valuation) less net amounts already received in respect of the transaction.

This calculation is reviewed annually.

Where the timing of future cash flows is uncertain, the amount expected to be received is disclosed as a debtor falling due after more than one year, even where the Trust anticipates receiving payment earlier. The Trust only recognises a debtor as a current asset when it is contractually entitled to payment within one year.

Investments

Investments are equity investments over which the Trust has no significant influence, joint control or control and are initially measured at transaction price.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

1 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES (RESTATED)

	Unrestricted funds 2021 £000	Endowment fund 2021 £000	Total funds 2021 £000
Income from:			
<i>Investments:</i>			
Income from investment properties	506	-	506
Income from investments	1,023	-	1,023
	1,529	-	1,529
Charitable activities	227	-	227
Total income	1,756	-	1,756
Expenditure			
<i>Expenditure on raising funds:</i>			
Investment property expenses	352	-	352
Investment management costs	19	142	161
Total cost of raising funds	371	142	513
<i>Expenditure on charitable activities:</i>			
Cost of running Almshouses	418	203	621
Grant funding			
Community purposes	980	-	980
Individual educational and personal	20	-	20
School clothing	103	-	103
Total charitable activities	1,521	203	1,724
Total expenditure	1,892	345	2,237
Net expenditure)before gains or losses on investments	(136)	(345)	(481)
Gains on investment assets	1,153	9,863	11,016
Net income and net movement in funds	1,017	9,518	10,535

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

1 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES (RESTATED) (continued)

	Unrestricted funds 2021 £000	Endowment fund 2021 £000	Total funds 2021 £000
Reconciliation of funds			
Trust fund balances brought forward at 1 October as previously reported	5,922	58,393	64,315
Prior year adjustment: To record all Almshouse fixed assets within the Endowment Fund	1,267	(1,267)	-
Trust fund balances brought forward at 1 October as re-stated	7,189	57,126	64,315
Net income and net movement in funds (above)	1,017	9,518	10,535
Fund balances carried forward at 30 September	8,206	66,644	74,850

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2	INCOME FROM INVESTMENT PROPERTIES	2022	2021
		£000	£000
	Rents and property income receivable	1,006	506
	Less:		
	Agents' commission and Expenses	13	12
	Property expenses*	162	318
	Valuation fee	8	15
	VAT irrecoverable	13	7
		<u>(196)</u>	<u>(352)</u>
	Net income from investment properties	<u>810</u>	<u>154</u>

* Property Expenses include dilapidations works and additional security and maintenance costs associated with empty commercial properties

3	INCOME FROM INVESTMENTS	2022	2021
		£000	£000
	Dividends and fixed interest income receivable	1,111	1,023
		<u>1,111</u>	<u>1,023</u>
4	INCOME FROM CHARITABLE ACTIVITIES	2022	2021
		£000	£000
	Almshouse Weekly Maintenance Charges	216	215
	Donations	-	12
	Total	<u>216</u>	<u>227</u>

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

5a ANALYSIS OF CHARITABLE EXPENDITURE (2022)

The Trust undertook direct charitable activities in the provision of Almshouses and awarded grants to individuals and institutions in furtherance of its charitable activities.

	2022				2021
	Activities undertaken directly £000	Grant funded activity £000	Support costs £000	Total £000	Total £000
Almshouses	200	-	183	383	621
Grants:					
Grants for community purposes to institutions	-	876	153	1,029	980
Individual grants for personal and educational needs	-	6	32	38	20
School clothing grants to individuals	-	74	39	113	103
	-	956	224	1,180	1,103
	200	956	407	1,563	1,724
	Note 6	Note 7	Note 8	Statement of financial activities	Statement of financial activities

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

5b ANALYSIS OF CHARITABLE EXPENDITURE (2021)

Comparative figures for the prior year are as follows:

		2021		
	Activities undertaken directly £000	Grant funded activity £000	Support costs £000	Total £000
Almshouses	436	-	185	621
Grants:				
Grants for community purposes to institutions	-	869	111	980
Individual grants for personal and educational needs	-	(2)	22	20
School clothing grants to individuals	-	74	29	103
	-	941	162	1,103
	436	941	347	1,724

6 COST OF RUNNING ALMSHOUSES

	2022 £000	2021 £000
Staff costs	56	58
Rates, water and insurance	22	20
Heat and light	10	9
Maintenance of lawns and gardens	9	9
Repairs	38	106
Sundries	11	13
VAT irrecoverable	6	18
	152	233
Depreciation (note 12)	48	50
Impairment (note 12)	-	153
	200	436

Note 5

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

7	GRANTS	2022		2021	
		Number of grants	£000	Number of grants	£000
	Grants for community purposes to institutions	76	985	53	1,008
	Grants to individuals for personal and educational needs	18	24	12	11
	School clothing grants to individuals	741	74	737	74
	Total grants awarded	835	1,083	802	1,093
	Awarded grants unclaimed or cancelled	-	(127)	-	(152)
	Net grants awarded	835	956	802	941

Note 5

Grants for community purposes comprise:

	Number of grants	£000	Number of grants	£000
Grants awarded:				
Greater than £1,000	54	973	33	995
£1,000 or less	22	12	20	12
	76	985	53	1,007

A full summary of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

8a ALLOCATION OF SUPPORT COSTS (2022)

A breakdown of governance and support costs for 2022 is shown below, together with the way in which these have been allocated between charitable and governance activities:

	Total allocated £000	Charitable activities £000	Governance £000	Basis of allocation
Staff costs	255	122	133	Staff time
IT and advertising	65	43	22	Activity
Office costs	30	15	15	Staff time
Sundry and irrecoverable VAT	33	16	17	Staff time
Auditor's remuneration (note 11)	15	-	15	
Legal fees	1	-	1	
Costs of meetings	8	-	8	
	407	196	211	

Note 5

8b ALLOCATION OF SUPPORT COSTS (2021)

Comparative figures for the prior year are as follows:

	Total allocated £000	Charitable activities £000	Governance £000	Basis of allocation
Staff costs	212	114	98	Staff time
IT and advertising	64	36	28	Activity
Office costs	23	15	8	Staff time
Sundry and irrecoverable VAT	31	19	12	Staff time
Auditor's remuneration (note 11)	15	-	15	
Legal fees	2	-	2	
Costs of meetings	-	-	-	
	347	184	163	

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

8c ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

The total governance and support costs attributable to charitable activities is then apportioned between Almshouses (specific) and grant funding (pro rata to staff time) as shown in the table below:

	2022	2021
	£000	£000
Almshouses	183	185
Grants:		
Grants for community purposes to institutions	153	111
Individual grants for personal needs	32	22
School clothing grants to individuals	39	29
	224	162
Total	407	347
	Note 5	

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

9 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The average number of staff employed during the year was as follows:

	Number of employees	
	2022	2021
Almshouses staff	3	3
Office staff	7	6
	10	9

The total emoluments of these persons were as follows:

	2022	2021
	£000	£000
Wages and salaries	260	227
Social security costs	19	16
Pension costs	32	27
	311	270

The Trust considers its key management personnel comprise the Chief Executive and the Financial Controller. The total employment benefits including employer National Insurance and pension contributions of the key management personnel were £106,000 (2021: £100,000). There were no employees who earned more than £60,000 in the year (2021: None).

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

10 RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). Expenses paid to 2 Trustees for training and development in the year totalled £154 (2021: £nil).

Trustee indemnity insurance, to protect the Trust from loss and indemnify the Trustees and Officers against the consequences of any neglect or default on their part, is taken out by the Trust.

During the financial year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved and played no part in the payment process of grants:

TRANSACTION TYPE	£	BENEFICIARY	RELATED PARTY	RELATIONSHIP TO:	
				SUTTON COLDFIELD CHARITABLE TRUST	BENEFICIARY
Grant approved & part paid	1,350	CPR Counts	S Martin	Trustee	A friend of the founder
Grant approved & part paid	2,000	CPR Counts	S Martin	Trustee	A friend of the founder
Grant approved	25,200	Four Oaks Primary School	J Lockett	Trustee	Trustee (Learning Trust for Excellence)
Grant approved & part paid	43,500	Holy Trinity Parish Church	J Routh	Trustee	Trustee /Rector of Holy Trinity Parish church
Grant approved	25,020	Mere Green Primary School	R Hoath	Trustee (until 18 May 2022)	Employee of academy trust
Grant approved & part paid	15,000	Salus Fatigue Foundation	I Kettner (Chair until 30 November 2021)	Trustee	Former Trustee
Grant approved	36,810	Sutton Coldfield Grammar School for Girls	K Dudley	Trustee	Family connections
Grant approved	36,810	Sutton Coldfield Grammar School for Girls	S Ward	Trustee	Family connections
Grant approved & part paid	21,009	Sutton Coldfield Baptist Church - Heating	J Routh	Trustee	Rector of Holy Trinity Parish Church
Grant approved & part paid	30,000	Sutton Coldfield Baptist Church - Food	J Routh	Trustee	Rector of Holy Trinity Parish Church
Grant approved	14,400	Town Junior School	J Lockett	Trustee	Trustee (Learning Trust for Excellence)
Grant approved & completed	26,000	Sutton Coldfield Community Games	M Cornish	Trustee (until 20 May 2022)	Family connections
Grant approved & completed	33,680	Sutton Coldfield Methodist Church Centre	J Routh	Trustee	Rector of Holy Trinity Parish Church

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

10 RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION (continued)

				RELATIONSHIP TO:	
TRANSACTION TYPE		BENEFICIARY	RELATED PARTY	SUTTON COLDFIELD CHARITABLE TRUST	BENEFICIARY
Grant approved & completed	20,000	Sutton Coldfield Baptist Church	J Routh	Trustee	Rector of Holy Trinity Parish Church
Grant approved & completed	45,000	Wylde Green Primary School	J Lockett	Trustee	Trustee (Learning Trust for Excellence)
Grant approved & completed	45,000	Wylde Green Primary School	K Dudley	Trustee	Family connection
Grant approved & completed	92,298	St Giles Hospice	F Murray	Trustee	Family connections
Grant approved & completed	35,000	Salus Fatigue Foundation	I Kettner (until 30 November 2021)	Trustee	Former Trustee
Grant approved & completed	45,000	Whitehouse Common Primary School	J Lockett	Trustee	Trustee (Learning Trust for Excellence)

11 NET INCOME/ EXPENDITURE FOR THE YEAR

This is stated after charging/ (crediting):

	2022 £000	2021 £000
Depreciation	48	50
Impairment	-	153
Operating lease rentals receivable:		
Property	747	506
Auditor's remuneration (excluding VAT)		
Audit	11	14
Other services	4	1

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

12 TANGIBLE FIXED ASSETS

	Freehold Almshouses £000	Freehold Almshouses improvement £000	Security/ safety equipment £000	Assets in the course of construction £000	Total £000
Cost:					
At 1 October 2021	496	1,901	101	-	2,498
Additions	-	434	-	20	454
At 30 September 2022	496	2,335	101	20	2,952
Depreciation:					
At 1 October 2021	394	1,373	91	-	1,858
Charge for year	6	38	4	-	48
At 30 September 2022	400	1,411	95	-	1,906
Net book value:					
At 30 September 2022	96	924	6	20	1,046
At 30 September 2021	102	528	10	-	640

The freehold Almshouses comprise seven blocks on the Trust's main site in Walmley. The cost of constructing the most modern block (containing 8 units, completed in 1995) is included within the balance sheet. The construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2021 and would therefore have £Nil (2021: £Nil) impact on the balance sheet. However, the cost of subsequent improvement and renovation works is included.

During the year the Trust fitted new kitchens and bathrooms in 24 Almshouses (Phase 1) - these new assets are included in the accounts as Fixed Asset additions. The Trust also paid fees in respect of awarding the contract for Phase 2 of the project (now underway and due for completion in 2022/23). These costs are recorded as Assets in the Course of Construction. In the prior year there was an impairment charge of £153,000 on the old kitchens and bathrooms as they were to be replaced by new ones.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

13 INVESTMENTS (HELD AS FIXED ASSETS)

Investments (held as fixed assets) comprise the following:

	2022 £000	2021 £000
Investments in Endowment Fund		
Investment properties	25,586	33,330
Government stocks	5,299	5,434
Listed companies		
Ordinary stocks and shares	7,475	9,172
Unit trusts	16,124	18,403
Cash held for re-investment	1,914	1,851
	56,398	68,190
Investments in Charitable Fund		
Unit trusts	1,184	2,121
COIF Charities Investment Fund	3,998	1,548
	5,182	3,669
Investments in Extraordinary Repair Fund		
COIF Charities Investment Fund	640	3,109
Investments in the Cyclical Maintenance Fund		
COIF Charities Investment Fund	-	289
Investments in Environment Management Fund		
COIF Charities Investment Fund	42	-
Total investments	62,262	75,257
Analysed as:		
Investment properties at fair value	25,586	33,330
Listed and other investments at fair value:		
UK	27,491	23,964
Other	7,271	16,112
	34,762	40,076
Cash held for re-investment	1,914	1,851
	62,262	75,257

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

13 INVESTMENTS (HELD AS FIXED ASSETS) (continued)

Cash held for re-investment is held for short term as a matter of timing difference whilst funds are re-invested and also as part of the portfolio's strategic management

Movement in fixed asset investments (2022)

	Freehold investment properties £000	Listed and other investments £000	Cash held for re- investment £000	Total £000
Market value at 1 October	33,330	40,076	1,851	75,257
Add: Additions at cost	-	5,519	63	5,582
Less: Disposal proceeds (net)	(9,012)	(6,368)	-	(15,380)
Net (losses)/gains for year	1,268	(4,465)	-	(3,197)
Market value at 30 September	25,586	34,762	1,914	62,262

Movement in fixed asset investments (2021)

Comparative figures for the prior year are as follows:

	Freehold investment properties £000	Listed and other investments £000	Cash held for re- investment £000	Total £000
Market value at 1 October	26,383	36,719	687	63,789
Add: Additions at cost	1,815	8,699	1,164	11,678
Less: Disposal proceeds (net)	(15)	(11,211)	-	(11,226)
Net gains for year	5,149	5,867	-	11,016
Market value at 30 September	33,330	40,076	1,851	75,257

The properties are independently valued every year on the basis of open market value. In the year, Johnson Fellows and Nick Russell Associates undertook a full revaluation of the Trust's properties as at 30 September 2021 and a desktop revaluation as at 30 September 2022.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

14	DEBTORS	2022 £000	2021 £000
	Rentals receivable	163	82
	Interest and dividends receivable	97	55
	Prepayments and accrued income	56	30
	Other debtors	4	-
		<u>320</u>	<u>167</u>
	DEBTORS AFTER MORE THAN ONE YEAR		
	Langley SUE Land Disposal	8,735	-
		<u>8,735</u>	<u>-</u>

The Debtor after more than one year is in respect of proceeds from the sale of a parcel of land at Brockhurst Farm within the Langley Sustainable Urban Extension (SUE). The sale agreement includes deferred payments at key project milestones (e.g. planning consent, completion of the scheme). This land sale completed in December 2021 and the amount held in the balance sheet represents an estimate of the amounts receivable from the developer in the next 5 years net of fees and associated expenses.

15	BANK BALANCES AND SHORT-TERM DEPOSITS	2022 £000	2021 £000
	Short-term deposits	655	208
	Current accounts	647	290
	Petty cash	1	1
		<u>1,303</u>	<u>499</u>

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

16 ANALYSIS OF CURRENT LIABILITIES AND LONG-TERM CREDITORS

	2022 £000	2021 £000
Creditors under one year		
Charitable grants payable	998	1,030
Rental income invoiced and payable in advance	166	160
Accruals	128	217
Taxation and social security	24	16
Other creditors	120	92
	<u>1,436</u>	<u>1,515</u>

	2022 £000	2021 £000
Creditors due after one year		
Retentions	10	4
Charitable grants payable	139	194
	<u>149</u>	<u>198</u>

17 FINANCIAL INSTRUMENTS

	2022 £000	2021 £000
Financial assets:		
Fixed Asset Investments at fair value	34,762	40,075
Debt instruments measured at amortised cost	264	137
	<u>35,026</u>	<u>40,212</u>
Financial liabilities measured at amortised cost	<u>1,395</u>	<u>1,537</u>

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

18a	FUNDS (2022)	Restricted Endowment Fund	Unrestricted Charitable Fund	Extraordinary Repair Fund	Designated Cyclical Repair Fund	Environment Management Fund	Total
		£000	£000	£000	£000	£000	£000
	Balance at 1 October 2021	66,644	4,808	3,109	289	-	74,850
	Restated						
	Income	-	2,344	-	-	-	2,344
	Expenditure	(185)	(1,731)	-	-	-	(1,916)
	Gains / (Losses) on investments	(2,745)	(452)	-	-	-	(3,197)
	Transfers	-	2,716	(2,469)	(289)	42	-
	Balance at 30 September 2022	63,714	7,685	640	-	42	72,081
18b	FUNDS (2021) Re-stated	Restricted Endowment Fund	Unrestricted Charitable Fund	Extraordinary Repair Fund	Designated Cyclical Repair Fund		Total
		£000	£000	£000	£000		£000
	Balance at 1 October 2020	57,127	3,988	2,912	289		64,316
	Income	-	1,756	-	-		1,756
	Expenditure	(345)	(1,892)	-	-		(2,237)
	Gains on investments	9,863	1,153	-	-		11,016
	Transfers	-	(197)	197	-		-
	Balance at 30 September 2021	66,644	4,808	3,109	289		74,850

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. Investment management charges relating to the Endowment Fund have been charged against the Endowment Fund. The Endowment Fund includes Almshouse fixed assets as a "functional permanent endowment" and depreciation and impairment of these assets has also been charged against the Endowment Fund. The Charity's Almshouses, included at a value of £1,046,000 (2021: £640,000) within the permanent endowment, are regarded as functional endowment assets.

The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and is set at a level to cover at least five years' planned maintenance expenditure (including irrecoverable VAT and inflation). Amounts are transferred to meet expenditure which may be required in the future.

The Trust may maintain a Cyclical Maintenance Fund as an optional reserve in accordance with its Scheme. The Trust agreed in 2022 to merge this into the Extraordinary Repair Fund. In 2022 the Trust also established a designated Environment management Fund to be used for maintaining the Trust's rural and woodland estate

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

19a ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022)

	Restricted Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Environment Management Fund	Total
	£000	£000	£000	£000	£000
Tangible assets	1,046	-	-	-	1,046
Investments	56,398	5,182	640	42	62,262
Current assets	24	1,599	-	-	1,623
Long term assets	6,289	2,446	-	-	8,735
Current liabilities	(33)	(1,403)	-	-	(1,436)
Long term liabilities	(10)	(139)	-	-	(149)
Total net assets	63,714	7,685	640	42	72,081

19b ANALYSIS OF NET ASSETS BETWEEN FUNDS (2021 re stated)

Comparative figures for the prior year are as follows:

Re-stated	Restricted Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Cyclical Maintenance Fund	Total
	£000	£000	£000	£000	£000
Tangible assets	640	-	-	-	640
Investments	68,190	3,669	3,109	289	75,257
Current assets	(147)	814	-	-	666
Current liabilities	(2,039)	523	-	-	(1,516)
Long term liabilities	-	(198)	-	-	(198)
Total net assets	66,644	4,808	3,109	289	74,850

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

20 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £000	2021 £000
Net (expenditure) / income (per SOFA)	(2,769)	10,535
Adjustments for:		
Depreciation and impairment charges	48	203
Investment managers' fees	137	140
Losses / (gains) on investments	3,197	(11,016)
Dividends, interest and rents from investments	(2,128)	(1,529)
(Increase) in debtors	(8,888)	(23)
Increase in creditors	128	68
Net cash used in operating activities	(10,275)	(1,622)

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

21 PRIOR YEAR ADJUSTMENT

Following a detailed review in the year, including specialist financial and legal advice the Trust changed its accounting policy to include all the Almshouse built estate within the Permanent Endowment fund as 'functional permanent endowment' rather than within the Unrestricted Charitable Fund with associated depreciation and impairment also being charged to the Endowment Fund. The Prior year adjustment to record this policy change has no impact on the overall assets of the Trust, but changes the allocation of assets and reserves between funds as set out below:

	At 30 September 2021			At 1 October 2020		
	Restricted Endowment Fund £000	Unrestricted Charitable Fund £000	Total £000	Restricted Endowment Fund £000	Unrestricted Charitable Fund £000	Total £000
Reserves position						
Funds previously reported	68,108	6,742	74,850	58,393	5,922	64,315
Adjustments on restatement:						
Record Almshouse assets as functional Endowment Assets	(1,464)	1,464	-	(1,267)	1,267	-
Funds re-stated	66,644	8,206	74,850	57,126	7,189	64,315

The effect of this accounting policy change is that Almshouse Improvement and Security Equipment assets with a value of £2,446,000 (2021; £2,002,000) were transferred from the Endowment Fund to the Charitable Fund. This transfer was matched by an equivalent transfer of long-term assets from the Endowment Fund to the Charitable Fund.

Impact on income and expenditure	Restricted Endowment Fund £000	Unrestricted Charitable Fund £000	Total £000
Year to 30 September 2021			
Net income as previously reported	9,715	820	10,535
Adjustments on restatement			
Depreciation on Almshouse Fixed Assets Charged to Endowment Fund instead of Charitable Fund	(44)	44	-
Impairment of Almshouse Fixed Assets Charged to Endowment Fund Rather Than Charitable Fund	(153)	153	-
Net income as re-stated	9,518	1,017	10,535

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

22 CAPITAL COMMITMENTS

	2022 £000	2021 £000
Authorised and contracted for but not provided for in the financial statements.	443	17

The commitment for capital projects of £443,000 at 30 September 2022 is in respect of Phase 2 of the Trust's Almshouse window, bathroom and kitchen replacement programme.

23 OPERATING LEASES

At 30 September 2022 the future minimum lease payments due to the Trust under non-cancellable operating leases are as follows:

	2022 £000	2021 £000
Expiry date:		
Due within 1 year: Land and buildings	701	694
Between 2 and 5 years: Land and buildings	1,400	1,581
More than 5 years: Land and buildings	41,234	41,404

The above figures include rental income from 2 properties, both with lease terms of 999 years. The total due to the Trust in respect of these properties is £40,305,000 (2021: £40,347,000)

SUTTON COLDFIELD CHARITABLE TRUST

England & Wales - Charity number 218627

Accounts

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended

30 September 2021

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISORS

for the year ended 30 September 2021

Constitution

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners (revised and updated dated 25 February 2021) (registered number 218627) ("the Scheme").

The Trust is a registered charity and complies with the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the 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.

Trustees

The Trustees who served during the year were:

Board of Trustees	Grants Committee	Property Management Committee	Almshouse Committee	Finance & Investment Committee	Nominated By: * Birmingham City Council ** Royal Sutton Coldfield Town Council
Andrew Burley (Chair)	* (Chair until 10 February 2021)	*(Chair)	*	*	
Keith Dudley (Vice-Chair)	*(Chair from 10 February 2021)	*	*	*	
Neil Andrews		*		*(Chair)	
Christine Brown (Resigned 12 May 2021)	*	*			
Malcolm Cornish	*		*		*
Councillor Diane Donaldson		*	*		*
Carole Hancox (Resigned 24 April 2021)	*		* (Chair until 24 April 2021)		
Ranjan Hoath	*				
Inge Kettner	*	*			
Jayne Luckett	*		*		
Dr Stephen Martin	*	*			
Andrew Morris		*		*	
Councillor Jane Mosson			*		*
Dr Francis Murray			* (Chair from 24 April 2021)	*	
John Routh	*			*	
Councillor Simon Ward				*	**
Amarjit Singh (appointed 11 August 2021)			*		

Principal officers

Tina Swani MBA FCIM (Chief Executive)
Alison Trenfield ACMA CGMA (Financial Controller until 31 May 2021)
Rob Semple ACMA (Financial Controller from 11 May 2021)
Pamela Johnston MBE JP (Almshouse Manager)
David Cole ACIB (Grants Manager)
Helen Kimmet (Administration Manager)

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISORS (continued)
for the year ended 30 September 2021

Registered address

Lingard House
Fox Hollies Road
Sutton Coldfield
West Midlands
B76 2RJ
Telephone number: 0121 794 0970

Advisors

Auditor

Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers

HSBC Bank plc
67 The Parade
Sutton Coldfield
West Midlands
B72 1PD

Investment Managers

Rathbone Investment Management Limited
8 Finsbury Circus
London
EC2M 7AZ

CCLA Investment Management
Senator House
85 Queen Street
London
EC4V 4ET

Property Managers

Johnson Fellows LLP
Charter House
163 Newhall Street
Birmingham
B3 1SW

EOS Surveyors Ltd
Arion Business Centre
Harriet House
118A High Street
Birmingham
B23 6BG

Investment Consultants

Stanhope Consulting LLP
35 Portman Square
London
W1H 6LR

Nick Russell Associates
Lavender Cottage
Lucton
Leominster
Herefordshire
HR6 9PH

Insurance Brokers

Endsleigh Insurance (Brokers) Ltd
Shurdington Road
Cheltenham
Gloucestershire
GL51 4UE

Solicitors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT

for the year ended 30 September 2021

The Trustees present their annual report and audited financial statements for the year ended 30 September 2021.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, an inhabitant of Sutton Coldfield, born in the town, who persuaded Henry VIII to grant a Charter in 1528 establishing a Warden and Society (Corporation) to govern the Town. The Corporation was obliged to use rental and other income to provide poor relief and improve the locality. Over the next four centuries, other bequests and endowments came within the Corporation's oversight. These included charities in memory of Thomas Jesson in the 1700s to provide apprenticeships for boys and to distribute bread to Sutton's poor. After a long and famous legal action, the Corporation's charities were reorganised in the 1820s and enriched by lands acquired in the 1825 Enclosure Award. From this time, Almshouses were built and the charities provided elementary schools (including teaching and uniforms) for Sutton's children. Practical necessities such as coal, blankets and boots were widely distributed. In pre-welfare state days, the charities financed nursing and medical care for people in need and made grants to widows.

In 1886, the Town became a Borough and the Trust took over the Corporation and various related charities within one body. This operated closely alongside the Council and was administered by the Town Clerk. New Almshouses were built, including two in the 1890s from a bequest by Frances Lingard. At the time Sutton Coldfield became part of Birmingham in 1974, the independence of the Trust was safeguarded, ensuring the continuing provision of benefits for individuals and organisations within the former Borough boundaries. Although the separate historic charities have been consolidated into one charity, the Trustees' fundamental aims and priorities are still very similar to those pursued by Bishop Vesey and his successors over nearly five centuries.

Mission statement

Sutton Coldfield Charitable Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing for older people of limited means and by making awards to meet the needs of individuals and community organisations.

Objectives and activities for the public benefit

The principal objectives of the Trust are the provision of Almshouses, the distribution of funds and other measures for the alleviation of hardship and other needs for inhabitants and organisations within the boundaries of the former Borough of Sutton Coldfield.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policies. They consider the information which is contained in this report, about the Trust's objectives, activities and achievements in the many areas of interest that it supports, demonstrates the benefit to its beneficiaries and, through them, to the public, that arise from those activities.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Grant making policy

The Trustees apply surplus income to benefit the residents of the former Borough of Sutton Coldfield by making awards to individuals, institutions or organisations in the following ways:

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- Making awards to institutions or organisations for the:
 - prevention or relief of poverty;
 - advancement of education;
 - advancement of religion;
 - advancement of health or the saving of lives;
 - advancement of citizenship or community development;
 - advancement of the arts, culture, heritage or science;
 - repair of historic buildings;
 - advancement of amateur sport;
 - advancement of environmental protection or improvement;
 - other purposes that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.

Grant application process

The Trust welcomes initial contact from individuals and organisations interested in making applications. Officers will always advise on the best way to prepare a grant request and to ensure that applicants are aware of the necessary information required by the Trustees.

To make a grant application:

- Contact the Trust, either by letter, using the registered address, by the website enquiry form, or by telephone on 0121 794 0970.
- Outline your needs and request a copy of the Trust's guidelines for applicants.
- If appropriate, seek a meeting with a member of staff in making your application.
- Ensure that all relevant documents, including estimates and accounts, reach the Trust by the requested dates.

Risk management

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. This is a continuous obligation involving all Trustees and staff.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee, which meets twice a year, and the Board of Trustees, to ensure that the risk management process is operating satisfactorily. The risks are recorded and assessed in terms of impact and probability and a traffic light system is employed to highlight areas of particular concern. The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

The Trustees have identified the following key strategic risks to the charity. Actions to mitigate against these risks are also detailed:

Risk: COVID-19 pandemic with associated risk to Almshouse residents, staff and visitors as well as an operational and financial impact on the Trust.

Mitigation: This risk is managed by planning (e.g. Disaster Recovery Plan), risk assessment and guidance to staff and residents and implementing COVID protocols and procedures, including input from external advisors and insurers where appropriate. The financial impact is managed through budgeting, forecasting, in-year monitoring of financial results and reports from investment advisers.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Risk management (continued)

Risk: Loss of key staff, resulting in loss of corporate knowledge and delay to operational projects and priorities.

Mitigation: This risk is managed by operating flexible working practices (including cover as needed), appropriate notice periods for all staff, written procedures and electronic storage and sharing of key records

Risk: Financial risks including loss of capital and income on the permanent endowment and over dependence on key income sources.

Mitigation: This risk is managed by appropriate investment policies, management of the Trust's assets by professional advisers, scrutiny of advisers via Board and Committees, having a suitable reserves policy and regular budgeting, monitoring and reporting on financial performance.

Pay and remuneration of Key Management Personnel

The pay and remuneration of key management personnel are set by means of salary scales based on published pay market data, including the Xpert HR Voluntary Sector Annual Salary Survey. A remuneration sub-committee of the Board appraises pay annually and makes recommendations to the Finance Committee and the full Board.

Structure, governance and management

Information relating to reference and administrative matters are set out above.

The Board comprises 12 (minimum) to 16 (maximum) Trustees in total, made up of 8 to 12 co-opted Trustees, who are appointed for terms of five years, and 4 nominated Trustees, who are put forward by Birmingham City Council and Royal Sutton Coldfield Town Council for terms of four years. Trustees may serve a maximum of three terms, following which at least 12 months must expire before reappointment.

The Board seeks Trustees who will diversify, balance and complement the range of skills and experience among their members with the qualities and expertise required for the attainment of its charitable and strategic objectives. That expertise has included medicine, law, property, industry, faith, education, engineering, human resources, science, sheltered housing, town planning, marketing, accountancy and Local Government.

Trustees have an induction to familiarise them with their responsibilities and the purpose of the Trust. All Trustees have a two-yearly review with the Chair. New Trustees also have a review in their first year.

The Board of Trustees is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions, and determine strategy. The aim is to hold a strategy day at least every two years, supplemented by regular reports on progress against the agreed action areas. The Board also identifies and manages any risks to ensure the efficient and safe undertaking of its responsibilities. The Board oversees the financial health of the Trust, ensuring that management of its investments and accounts are robust, that effective controls are in place and that the income is sufficient to meet the demands of the Almshouse and grant-making programmes as the two core purposes of the Trust.

Every Trustee is a member of one or more of the following Committees:

- Almshouse Committee
- Grants Committee
- Finance Committee
- Property Committee
- Remuneration Sub-Committee
- Risk management Sub-Committee

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Structure, governance and management (continued)

Whilst each Committee has its approved membership, all Trustees may attend any Committee meeting at any time and have access to all agendas and papers through an on-line Trustee portal. Advisors join Committees to provide guidance on compliance matters such as safety requirements and other specialist expertise. Working groups may be set up for specific purposes. Over the past year, these have included a Social Needs Review Group, a Governance Working Group and a Strategic Planning Group.

An extensive review of governance and compliance was undertaken in 2019, with many action points already addressed. This review is in the process of being refreshed following the publication of the revised Charity Governance Code late in 2020. The work will continue during the next financial year. Last year, Trustees focused on diversity, inclusion, stakeholder communication and an in-depth review of the Scheme (the Trust's governing document), which was updated to give grant making greater prominence as a core purpose alongside the provision of Almshouses. The terms of reference of the Board and Committees were all reviewed and updated over the year in line with the revised Scheme to ensure governance remains fit for purpose in rapidly changing times.

Trustees and staff strive to be exemplars of equality, diversity, and inclusion (EDI); as such, staff and trustees have commenced an in-house EDI learning programme, the initial phase delivered by Diverse Minds. In order to improve stakeholder communication and awareness, the firm, Liquid, was appointed (following successful tender) to work with the Trust to develop a marketing and communication strategy.

The improvements to governance aim to support future planning and enhance charitable benefit at a time of predicted increasing need and hardship. They will support development of recommendations from the Social Needs Review of Sutton Coldfield, conducted on behalf of the Trust by the University of Birmingham (the contract novated from University of Birmingham to University of Nottingham on 1 December 2021). This will create a basis for major strategic decision-making over the decade ahead.

Trustees and staff have begun to consider the Trust's role in environmental, social and economic sustainability. This is in the context of developing the Trust's long-term strategic plan, delivering its core purposes and ongoing local support and influence.

Fundraising

The Trust does not undertake any fundraising activities in its own right or through third parties and is not registered with The Fundraising Regulator.

Review of activities and achievements

The Trust has had a successful year despite the continued disruption caused by COVID-19 and the extended winter lockdown where those in the greatest need of its services have been hardest hit. The range of grant applications received over the year reflected the gravity of need yet also provides some optimism for the future, as demonstrated by the consideration in those applications to community recovery, sustainability and future resilience.

Thanks are due to all the Trust's staff, who responded deftly to local needs and crises. They administered our property portfolio, advanced digital communication and worked closely with Trustees to shape more effective governance arrangements, from improved board reporting to revised terms of reference of Committees. This was in addition to the transformation and planning required to maintain charity business and to keep staff and Almshouse residents safe during the ongoing pandemic.

The Lingard House Almshouse residents have welcomed the opening up of social areas, albeit at safe distance. The Trust held Tea Parties to commemorate the 75th Anniversary of the Almshouse Association. For so many, this followed a long and detrimental period of isolation. Thanks are due to all staff involved in creating a safe, supported and pleasant living environment for our residents during this difficult time, and particularly, our wardens, gardener and residents themselves for maintaining a crucial sense of community in adversity.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Review of activities and achievements (continued)

The Trust's Almshouse Committee maintains a policy of continuous improvement. A rolling 5-year preventative maintenance programme ensures that the residents benefit from essential on-going maintenance and regular improvements to their homes. Over the next 3-4 years, the programme includes over £1,000,000 for Almshouse refurbishments (funded from a combination of designated reserves and operational cash flow) to upgrade and maintain excellent standards of high-quality homes for our residents.

During the year, the Trust continued to make grants for community purposes, individual, educational and personal needs, and for school clothing. Trustees awarded £1,092,384 in grants (2020: £1,209,714).

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	£
Relief of those in need	131,679
Advancement of education	364,893
Advancement of religion	77,364
Advancement of health or the saving of lives	265,798
Advancement of citizenship or community development	64,010
Advancement of the arts, culture, heritage and science	770
Advancement of amateur sport	129,870
Advancement of environmental protection or improvement	58,000
Total grants awarded	1,092,384
Awarded grants unclaimed or cancelled	(151,990)
Net grants awarded (note 7 to the financial statements)	940,394

In the past year, the Trust supported a range of projects, including the School Home Learning Project which provided 281 home learning devices for schoolchildren from over 24 schools as well as additional mentoring to support their mental health. Mobility-and-eco-friendly boardwalks were funded by the Trust in local woodland so more people can enjoy open spaces. The Trust made a grant for a hospice home-respite scheme which supports carers of loved ones with life-limiting illness. Over the past year, almost 50% more local families in poverty have had grants to buy school uniforms; and apprenticeships continue to be available to young people who have experienced a difficult start in life.

Trustees are resolved to sustain and, if possible, extend grant making to individuals and organisations within the former Borough of Sutton Coldfield. Benefits that may be available to the public from the Trust appear in the local media from time to time and efforts are made to contact those who might be hard to reach or those who, despite the Trust's best efforts, may remain unaware of its existence and the assistance it might be able to offer them.

Two Trustees resigned during the year. Carole Hancox stepped down after fifteen years on the Board including the roles of Chair of the Board of Trustees and Chair of the Almshouse Committee. Christine Brown who was instrumental in supporting the tender process for developing the Trust's Marketing and Communications strategy also stepped down. The Trust would like to thank both Carole and Christine for all their support. The Trust welcomes Armajit Singh who joined as Trustee in August 2021, as Carole's successor, bringing housing expertise to the Board.

Following fifteen years' exemplary service as the Trust's Financial Controller, the Trustees wish Alison Trenfield a happy retirement and welcome her successor, Rob Semple.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Monitoring achievement

Payment of grants is carefully managed and the Trust operates a robust formal monitoring process. Dependent on the value of the award, this is achieved by completion of a Monitoring form at the conclusion of the project, with interim reports if necessary. These reports are made available to the Trustees quarterly for scrutiny. Trust officers also evaluate impact through meetings, telephone discussions and visits to grant beneficiaries. The Trust also maintains close informal contact with organisations to ensure that the anticipated benefits from the grant have been achieved.

COVID-19 lockdowns restricted visits by the Trust. However, with use of video meetings, effective monitoring was undertaken.

Financial review

The year under review has remained challenging in light of COVID-19. Total income was £1,755,814 (2020: £1,912,742) and after allowing for operating and governance costs amounting to £1,296,294 (2020: £780,959), the Trust awarded grant funding of £940,394 net of cancelled grants (2020: £1,158,048). Net outgoing resources were £480,874 (2020: £26,265).

The Trust faced a number of specific issues over the past year. On top of reduced dividend income, it agreed rent concessions to certain tenants to support them with COVID-19 pressures. It had two vacant commercial properties for much of the year, with the associated loss of rental income and additional expenses (including dilapidations costs). The Trust also made an impairment charge on its existing Almshouse kitchen and bathroom assets, as these are due to be replaced over the next 2 years.

The Trust's work is dependent on income and investment returns from its endowment. The past year saw a significant increase in investment asset values and the Trust reported a gain on investment assets of £11,015,836 (2020: £2,212,653), which in turn gave rise to an overall net increase in the total funds of the Trust of £10,534,962 (2020: £2,186,388). At 30 September 2021, total Trust Funds amounted to £74,850,495 (2020: £64,315,533).

Continuing with careful financial management and disciplines, combined with appropriate support from the Trust's advisors, the Trust is confident of fulfilling its dual obligations of the provision of Almshouses and community grant giving.

Investment policy and performance

The Trust's assets are invested in property, UK and overseas equities, government stocks, unit trusts and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. The Trust's investment objectives are to generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms.

Both the Finance Committee and the Board of Trustees receive quarterly reports from the investment managers, considering the Trust's income requirements, the risk profile and property managers' views of market prospects in the medium term. This strategy is set within an overall policy which states that the Endowment Fund is to be invested long term to maximise income to meet current and future charitable objectives whilst seeking preservation of capital in real terms. The restricted and unrestricted funds may be invested in any type of investment except direct investments in tobacco.

The major part of the Trust's investment portfolio has been managed over the last nine years by Rathbone Investment Management limited. A smaller portfolio (the Charitable Funds) was previously invested in the M&G Multi-Asset Fund which was switched in April 2021 to the CCLA COIF Charities Investment Fund. During the last twelve months, global investment markets have dramatically improved as the global economy has started to recover from the COVID-19 pandemic. The Trustees are supported by Stanhope Consulting, the appointed investment advisers, in their assessment and monitoring of the investment managers. According to Stanhope's calculations, the total investment portfolio generated returns of 18.6% over the year to 30th September 2021, comfortably outperforming the CPI +4% long term objective return of 7.3%.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Investment policy and performance (continued)

The main Rathbones portfolio generated a return of 17.2% (net of fees) in the year to 30th September compared to the CPI +4% benchmark of 7.3% (2020: 0.5% negative vs 4.1%). Meanwhile, the Charitable Funds portfolio generated a return of 8.2% (net of fees) in the six months since the purchase of the CCLA COIF Charities Investment Fund compared to a benchmark return of 8.0%. The Trustees consider that the performance of Rathbones has been good, given the volatility of investment markets caused by the pandemic. Furthermore, the level of dividend income has been sufficient to support the Trust's charitable activities and grant giving.

Reserves policy and going concern

The Endowment Fund represents capital funds which the Trustees have no power to convert into income. At 30 September 2021, this fund amounted to £68,108,293 (2020: £58,393,786). The income generated from this fund is utilised to further the Trust's charitable objectives and is included as unrestricted income.

The Trustees periodically review the level of reserves retained in unrestricted funds. The Trustees retain these reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital and revenue nature, which may not otherwise be covered by incoming resources. During the year, Trustees have reviewed the level of these reserves and consider that they should not, other than in exceptional circumstances, drop below £750,000 (2020: £750,000), which would be regarded as a contingency reserve.

The Trustees are mindful that investment income, which is the Trust's main source of income, is susceptible to variation through market changes. Trustees therefore consider it appropriate to hold free funds to meet both the Trust's commitment to outstanding grants, which can be over £1,000,000 at any one time and to cover its obligations to support the Almshouses, administration and governance costs. In addition, Trustees hold free funds in anticipation of significant special projects for the benefit of the public.

The Charitable Fund at 30 September 2021 amounted to £3,344,428 (2020: £2,720,973), which the Trustees believe is sufficient given the Trust's foreseeable commitments.

The Extraordinary Repair Fund, being transfers from the Charitable Fund, represents amounts retained to cover any major repairs, improvement or rebuilding of Almshouses or other properties within the next 25 years (particularly environmental / energy saving measures). Based on the Planned Maintenance programme, the Trustees determined that the Almshouses have a remaining life of at least 20 years, subject to regular and routine maintenance being undertaken, with some components potentially lasting considerably longer. At 30 September 2021, the Extraordinary Repair Fund amounted to £3,109,000 (2020: £2,912,000) which the Trustees consider to be appropriate. This fund has increased during the year by £197,000 (2020: £197,000), in preparation for future Almshouse expenditure as well as continued and expanding improvements to other property investments. The Extraordinary Repair Fund is a designated fund.

The Cyclical Maintenance Fund, being transfers from the Charitable Fund, represents amounts retained to cover ordinary repair and maintenance of the Almshouses or other properties within the next 2 years. At 30 September 2021, the Cyclical Maintenance Fund amounted to £ 288,774 (2020: £288,774). The Cyclical Maintenance Fund is a designated fund.

The Trustees have developed a rolling five-year financial plan. As part of the exercise, the Trustees review the reserves to ensure appropriate amounts are set aside. Based on this work, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Future plans and objectives

The Social Needs Review of Sutton Coldfield will guide the Trust's long-term strategic decisions and plans. The Trust recognises that the outcome of the Review will be of interest to the wider community and statutory agencies, and plans to hold dissemination events from Spring 2022. The Trust will strengthen its impact and understanding of what local people want and need through improved marketing and communications and by championing equality, diversity and inclusion in the most helpful and effective way.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

for the year ended 30 September 2021

Future plans and objectives (continued)

Income for grants and Almshouses is generated from the Trust's portfolio of assets and investments, including commercial properties and agricultural land. Over 83 acres of this land falls within the Langley Sustainable Urban Extension area, allocated for the development of around 5,000 homes, with land sales anticipated to progress over the next 5-10 years. The anticipated financial returns from land sales over the next decade will require major decisions to be made well ahead of that time. Therefore, the progression of a clear long-term vision and direction will be a particular focus for the year ahead.

The Trustees have approved a budget for the current financial year, 2021/22, and plan to award grants at a similar level to previous years going forward.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm, so far as each is aware, that there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all the steps that he/she ought to have taken as Trustee to make himself/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

Auditor

Sayer Vincent LLP was appointed as the Trust's auditor during the year and has indicated its willingness to continue in that capacity.

On behalf of the board

Andrew Burley
Chair

9 February 2022

Sutton Coldfield Charitable Trust

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF 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).

The 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 Trust's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST

Opinion

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *FRS 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 charity's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Sutton Coldfield Charitable Trust'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.

Other information

The other information comprises the information included in the trustees' 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.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST (continued)

Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The 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 statement of trustees' responsibilities set out in the trustees' report, the trustees 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 Trust'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance Committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Sutton Coldfield Charitable Trust

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST (continued)

Capability of the audit in detecting irregularities (continued)

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Date: 21 February 2022

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Sutton Coldfield Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2021

	Notes	Unrestricted funds 2021 £	Endowment fund 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
<i>Investments:</i>					
Income from investment properties	2	506,472	-	506,472	520,361
Income from investments	3	1,022,747	-	1,022,747	1,183,309
Short term deposit interest		47	-	47	6,548
		1,529,266	-	1,529,266	1,710,218
Charitable activities	4	226,548	-	226,548	202,524
Total income		1,755,814	-	1,755,814	1,912,742
Expenditure					
<i>Expenditure on raising funds:</i>					
Investment property expenses	2	352,134	-	352,134	67,238
Investment management costs		19,217	141,889	161,106	104,577
Total cost of raising funds		371,351	141,889	513,240	171,815
<i>Expenditure on charitable activities:</i>					
Cost of running Almshouses	5	614,466	6,105	620,571	403,300
Grant funding					
Community purposes	5	979,592	-	979,592	1,257,395
Individual educational and personal	5	20,109	-	20,109	38,896
School clothing	5	103,176	-	103,176	67,601
Total charitable activities		1,717,343	6,105	1,723,448	1,767,192
Total expenditure		2,088,694	147,994	2,236,688	1,939,007
Net expenditure before gains or losses on investments		(332,880)	(147,994)	(480,874)	(26,265)
Gains on investment assets	13	1,153,335	9,862,501	11,015,836	2,212,653
Net income and net movement in funds		820,455	9,714,507	10,534,962	2,186,388
Fund balances brought forward at 1 October	18	5,921,747	58,393,786	64,315,533	62,129,145
Fund balances carried forward at 30 September	18	6,742,202	68,108,293	74,850,495	64,315,533

The incoming resources, resources expended and resulting net movement in funds arise from the Trust's continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year or preceding year.

Sutton Coldfield Charitable Trust

BALANCE SHEET

30 September 2021

Charity Registration No. 218627

	Notes	2021 £	£	2020 £	£
Fixed assets:					
Tangible assets	12	640,228		843,211	
Investment properties	13	33,330,000		26,383,000	
Listed and other investments	13	41,927,061		37,406,362	
<i>Total fixed assets</i>			75,897,289		64,632,573
Current assets:					
Debtors	14	167,407		144,658	
Cash at bank and in hand	15	499,058		1,183,480	
<i>Total current assets</i>		666,465		1,328,138	
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,514,724)		(1,324,202)	
<i>Net current (liabilities) /assets</i>			(848,259)		3,936
<i>Total assets less current liabilities</i>			75,049,030		64,636,509
Creditors: Amounts falling due after more than one year	16	(198,535)		(320,976)	
Total net assets			74,850,495		64,315,533
The funds of the Trust:					
Endowment fund	18	68,108,293		58,393,786	
Unrestricted funds:					
Charitable fund	18	3,344,428		2,720,973	
Extraordinary repair fund	18	3,109,000		2,912,000	
Cyclical maintenance fund	18	288,774		288,774	
<i>Total unrestricted funds</i>			6,742,202		5,921,747
TOTAL TRUST FUNDS	18		74,850,495		64,315,533

The financial statements were approved by the Trustees on 9 February 2022 and were signed on their behalf by:

Andrew Burley
Chair

Keith Dudley
Vice Chair

Sutton Coldfield Charitable Trust

STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

Charity Registration No. 218627

	Note	2021 £	2020 £
<i>Cash flows from operating activities:</i>			
Net cash used in operating activities	20	(1,621,547)	(1,337,494)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		1,529,267	1,710,218
Accumulation income		(94,162)	(202,139)
Interest retained for future investment		-	-
Proceeds from sale of investment property		15,250	15,000
Funds transferred (to)/ from investments		(513,230)	-
Net cash provided by investing activities		937,125	1,523,079
Change in cash and cash equivalents in the year		(684,422)	185,585
Cash and cash equivalent brought forward		1,183,480	997,895
Cash and cash equivalent carried forward		499,058	1,183,480

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners ("the Scheme") (revised and updated 25 February 2021). The financial statements are drawn up in accordance with the accounting policies detailed below and in compliance with the relevant sections of the Charities Act 2011.

The financial statements have been prepared under the historical cost accounting rules as amended for the revaluation of investment assets and 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 (FRS102).

The Trust constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The Trustees have prepared budgets and forecasts and considered the period of a minimum of 12 months from the date of approval of these financial statements in making its assessment that the going concern basis remains an appropriate basis of preparation of the financial statements.

Mindful of the net current liability position recorded on the balance sheet, the Trustees note that, after considering the level of cash reserves and unrestricted investments held in Fixed Assets and the capacity of the Trust to flex its activities if income levels fall significantly, there are no material uncertainties to the availability of sufficient unrestricted resources available to meet the Trust's commitments.

FUNDS STRUCTURE

The Trust has a permanent endowment. This provides for the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. They are retained to the extent that they are considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital nature and revenue costs, which may not be covered by incoming resources. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of this designated fund is regularly reviewed by the Trustees and amounts are transferred to meet expenditure which may be required in the future.

Further details of each fund are disclosed in notes 18 and 19.

STATEMENT OF FINANCIAL ACTIVITIES

The incoming resources and resources expended by the Trust are detailed below, together with the respective accounting treatments:

INCOME

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

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Income from investment properties

Income includes property income receivable less provision where the eventual receipt of income is considered doubtful.

Income from other investments

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio.

Other investment income is accounted for on an accruals basis.

Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

Income from charitable activities

Incoming resources from charitable activities relates to funds received in respect of Almshouse Weekly Maintenance Charges and any donations received by the Trust.

EXPENDITURE

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Grant funding

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Conditional grants

Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled.

Contingent grants

A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

EXPENDITURE ON RAISING FUNDS

The costs of generating funds consist of investment management fees and property expenses, allocated in proportion to funds invested.

Allocation of governance and support costs

Support costs are allocated first between "Charitable Activities" and "Governance" using a combination of staff time and activity cost drivers.

Governance costs comprise all expenditure involving the public accountability of the Trust and its compliance with regulation and good practice. These include costs related to statutory audit and legal fees.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Allocation of governance and support costs (continued)

Governance and support costs relating to charitable activities are then apportioned between Almshouses and grant funding using a combination of allocation, staff time and activity cost drivers (see note 8 for details).

FIXED ASSETS

Almshouses are stated at cost. However, the construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information.

Security and other equipment are stated at cost although office equipment and IT are normally written off in the year of acquisition. A re-inspection carried out in June 2018 determined that the Almshouses had a minimum remaining life of at least 20 years, subject to regular and routine maintenance being undertaken. The depreciation policy was amended accordingly so that assets are depreciated over their estimated useful life, as follows:

Almshouses	20 years - straight line on net book value at 30 June 2018
Security and other equipment	5 years - straight line

Almshouses improvements policy

Where capital additions to the Almshouses are made, they are depreciated over the shorter of the remaining useful life of the property to which they relate and the life of the individual building component on a straight-line basis. Where necessary, the Trust makes an impairment charge for assets when they are (a) due for replacement within the planning period and (b) there is clear Trustee approval to the replacement programme.

FIXED ASSETS – VALUATION OF INVESTMENTS

Investments are included in the balance sheet at their fair values at 30 September which are determined as follows:

- (i) Freehold properties are independently valued every five years on the basis of open market value for existing use. The latest external valuation was undertaken at 30 September 2021. Intermediate annual valuations are carried out and incorporated on the basis of an external desktop review.
- (ii) UK listed securities are quoted at the recognised Stock Exchange bid price ruling at the year end. Accrued interest is included in the value of fixed interest securities.
- (iii) Unit trust and managed fund investments are stated at the average value quoted by the investment managers at the year end.

All movements in value arising from investment changes or revaluation are recognised in the Statement of Financial Activities.

REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value or purchase cost if purchased during the year. Realised and unrealised investment gains are not separated in the Statement of Financial Activities.

PENSIONS

Contributions are paid into Personal Pension Plans operated by Aviva. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

TAXATION

The Trust is exempt from taxation on its income and gains where they are applied for charitable purposes.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Trust makes estimates and assumptions concerning the future. The resulting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees do not consider there to be any 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.

The Trust carries its investment properties at fair value, with changes in fair value being recognised through the Statement of Financial Activities. The Trust engages independent valuation specialists to determine fair value of these properties each year. Some of the key assumptions used to determine the fair value of these assets are based on the valuers' knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Freehold Almshouses will be fully depreciated in 2038. Over this period, considerable investment will be required and a potential re-build in 2038 is proposed (subject to review and consideration by Trustees). To ensure reserves are available for future investment in Almshouses, the Trust is accumulating an estimated level of funds in the Extraordinary Repair Fund.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Rental and other debtors

Rental and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of rental debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the rental debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Financial assets (continued)

Investments

Investments are equity investments over which the Trust has no significant influence, joint control or control and are initially measured at transaction price.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

1 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2020 £	Endowment fund 2020 £	Total funds 2020 £
Income from:			
<i>Investments:</i>			
Income from investment properties	520,361	-	520,361
Income from investments	1,183,309	-	1,183,309
Short term deposit interest	6,548	-	6,548
	1,710,218	-	1,710,218
Charitable activities	202,524	-	202,524
Total income	1,912,742	-	1,912,742
Expenditure			
<i>Expenditure on raising funds:</i>			
Investment property expenses	67,238	-	67,238
Investment management costs	(867)	105,444	104,577
Total cost of raising funds	66,371	105,444	171,815
<i>Expenditure on charitable activities:</i>			
Cost of running Almshouses	397,195	6,105	403,300
Grant funding			
Community purposes	1,257,395	-	1,257,395
Individual educational and personal	38,896	-	38,896
School clothing	67,601	-	67,601
Total charitable activities	1,761,087	6,105	1,767,192
Total expenditure	1,827,458	111,549	1,939,007
Net income/(expenditure) before gains or losses on investments	85,284	(111,549)	(26,265)
(Losses)/Gains on investment assets	(614,257)	2,826,910	2,212,653
Net (expenditure)/income and net movement in funds	(528,973)	2,715,361	2,186,388
Trust fund balances brought forward at 1 October	6,450,720	55,678,425	62,129,145
Fund balances carried forward at 30 September	5,921,747	58,393,786	64,315,533

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

2	INCOME FROM INVESTMENT PROPERTIES	2021	2020
		£	£
	Rents and property income receivable	506,472	520,361
	Less:		
	Agents' commission and Expenses	12,483	12,182
	Property expenses*	317,767	42,409
	Valuation fee	15,000	6,500
	VAT irrecoverable	6,884	6,147
		(352,134)	(67,238)
	Net income from investment properties	154,338	453,123

* Property Expenses include dilapidations works and additional security and maintenance costs. associated with empty commercial properties

3	INCOME FROM INVESTMENTS	2021	2020
		£	£
	Dividends and fixed interest income receivable	1,022,747	1,183,309

4	INCOME FROM CHARITABLE ACTIVITIES	2021	2020
		£	£
	Almshouse Weekly Maintenance Charges	214,098	202,524
	Donations*	12,450	-
	Dividends and fixed interest income receivable	226,548	202,524

* These comprise two restricted donations which were fully expended in the year in accordance with the donors' wishes (to support recreation facilities and disadvantaged children).

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

5a ANALYSIS OF CHARITABLE EXPENDITURE (2021)

The Trust undertook direct charitable activities in the provision of Almshouses and awarded grants to individuals and institutions in furtherance of its charitable activities.

	2021			2020
	Activities undertaken directly £	Grant funded activity £	Support costs £	Total £
Almshouses	436,166	-	184,405	620,571
Grants:				
Grants for community purposes to institutions		868,934	110,658	979,592
Special grant for community purposes to institutions		-	-	-
Individual grants for personal and educational needs		(2,240)	22,349	20,109
School clothing grants to individuals		73,700	29,476	103,176
	-	940,394	162,483	1,102,877
	436,166	940,394	346,888	1,723,448
	Note 6	Note 7	Note 8	Statement of financial activities

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

5b ANALYSIS OF CHARITABLE EXPENDITURE (2020)

Comparative figures for the prior year are as follows:

	Activities undertaken directly £	2020 Grant funded activity £	Support costs £	Total £
Almshouses	194,914	-	208,386	403,300
Grants:				
Grants for community purposes to institutions	-	769,551	141,621	911,172
Special grant for community purposes to institutions	-	339,636	6,587	346,223
Individual grants for personal and educational needs	-	5,961	32,935	38,896
School clothing grants to individuals	-	42,900	24,701	67,601
	-	1,158,048	205,844	1,363,892
	<u>194,914</u>	<u>1,158,048</u>	<u>414,230</u>	<u>1,767,192</u>

6	COST OF RUNNING ALMSHOUSES	2021 £	2020 £
	Staff costs	57,707	55,157
	Rates, water and insurance	20,011	23,743
	Heat and light	9,557	10,762
	Maintenance of lawns and gardens	8,936	6,800
	Repairs	105,644	29,776
	Sundries	13,272	13,748
	VAT irrecoverable	18,056	4,545
		<u>233,183</u>	<u>144,531</u>
	Depreciation (note 12)	50,383	50,383
	Impairment (note 12)	152,600	-
		<u>436,166</u>	<u>194,914</u>
		<u>Note 5</u>	

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

7	GRANTS	2021		2020	
		Number of grants	£	Number of grants	£
	Grants for community purposes to institutions	53	1,007,686	68	1,150,252
	Grants to individuals for personal and educational needs	12	10,998	20	16,562
	School clothing grants to individuals	737	73,700	429	42,900
	Total grants awarded	802	1,092,384	517	1,209,714
	Awarded grants unclaimed or cancelled	-	(151,990)	-	(51,666)
	Net grants awarded	802	940,394	517	1,158,048

Note 5

Grants for community purposes comprise:

	Number of grants	£	Number of grants	£
Grants awarded:				
Greater than £1,000	33	995,397	46	1,139,106
£1,000 or less	20	12,289	22	11,146
	53	1,007,686	68	1,150,252

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

8a ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (2021)

A breakdown of governance and support costs for 2021 is shown below, together with the way in which these have been allocated between charitable and governance activities:

	Total allocated £	Charitable activities £	Governance £	Basis of allocation
Staff costs	212,065	113,537	98,529	Staff time
IT and advertising	63,754	36,174	27,580	Activity
Office costs	23,317	14,624	8,693	Staff time
Sundry and irrecoverable VAT	30,527	19,146	11,381	Staff time
Auditor's remuneration (note 11)	15,225	-	15,225	
Legal fees	1,774	-	1,774	
Costs of meetings	226	-	226	
	<u>346,888</u>	<u>183,481</u>	<u>163,408</u>	

Note 5

8b ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (2020)

Comparative figures for the prior year are as follows:

	Total allocated £	Charitable activities £	Governance £	Basis of allocation
Staff costs	215,574	133,958	81,616	Staff time
IT and advertising	28,612	19,075	9,537	Activity
Office costs	19,929	12,384	7,545	Staff time
Sundry and irrecoverable VAT	117,203	72,829	44,374	Staff time
Auditor's remuneration (note 11)	25,650	-	25,650	
Legal fees	3,021	-	3,021	
Costs of meetings	4,241	-	4,241	
	<u>414,230</u>	<u>238,246</u>	<u>175,984</u>	

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

8 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

The total governance and support costs attributable to charitable activities is then apportioned between Almshouses (specific) and grant funding (pro rata to staff time) as shown in the table below:

	2021 £	2020 £
Almshouses	184,405	208,386
Grants:		
Grants for community purposes to institutions	110,658	141,621
Special grant for community purposes to institutions	-	6,587
Individual grants for personal needs	22,349	32,935
School clothing grants to individuals	29,476	24,701
	162,483	205,844
Total	346,888	414,230

Note 5

9 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The average number of staff employed during the year was as follows:

	Number of employees 2021	2020
Almshouses staff	3	3
Office staff	6	6
	9	9

The total emoluments of these persons were as follows:

	2021 £	2020 £
Wages and salaries	227,665	233,314
Social security costs	16,427	16,274
Pension costs	26,608	21,143
	270,700	270,731

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

9 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL (continued)

The Trust considers its key management personnel comprise the Chief Executive and the Financial Controller. The total employment benefits including employer National Insurance and pension contributions of the key management personnel were £99,597 (2020: £103,558). There were no employees who earned more than £60,000 in the year (2020: None).

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

10 RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £Nil). Expenses paid to the Trustees in the year totalled £Nil (2020: £80 - travel expenses for 1 trustee).

Trustee indemnity insurance, to protect the Trust from loss and indemnify the Trustees and Officers against the consequences of any neglect or default on their part, is taken out by the Trust.

During the financial year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved and played no part in the payment process of grants:

Transaction type	Amount £	Beneficiary	Related parties	Relationship with:	
				the Trust	Beneficiary
Grant approved & Paid	45,000	Deanery CE Primary School	Jayne Luckett	Trustee	Headteacher
Grant approved	32,670	Sutton Coldfield Town Football Club	Malcolm Cornish	Trustee	Chairman of organisation that rents space
Grant approved	43,500	Holy Trinity Parish Church	John Routh	Trustee	Professional Connection
Grant approved	45,000	Wylde Green Primary School	Jayne Luckett & Keith Dudley	Trustees	Professional connection
Grant approved & part paid	12,000	Sutton Coldfield Community Games	Malcolm Cornish	Trustee	Supporter
Grant approved & part paid	92,298	St Giles Hospice	Dr Francis Murray	Trustee	Family member connection
Grant approved & paid	15,000	Heart Care Sutton Coldfield	Carole Hancox	Trustee (until April 2021)	Family member connection
Grant approved & paid	630	Glovers Trust Almshouses	Pam Johnston MBE JP	Staff	Trustee
Grant approved	45,000	Whitehouse Common Primary School	Jayne Luckett	Trustee	Professional connection
Grant approved & part paid	9,946	Salus Fatigue Foundation	Inge Kettner	Trustee	Trustee
Grant part paid	147	CPR Counts	Dr Steve Martin	Trustee	A friend of the founder
Purchase payments	37,210	Electronic Business Systems Ltd	Alison Trenfield	Employee (until May 2021)	Acquaintance of business owner

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

11 NET INCOME/ EXPENDITURE FOR THE YEAR

This is stated after charging/ (crediting):

	2021 £	2020 £
Depreciation	50,382	50,383
Impairment	152,600	-
Operating lease rentals receivable:		
Property	506,472	520,361
Auditor's remuneration (excluding VAT)		
Audit	13,738	10,792
Other services	1,487	14,858

12 TANGIBLE FIXED ASSETS

	Freehold Almshouses £	Freehold Almshouses improvement £	Security/ safety equipment £	Total £
Cost:				
At 1 October 2020	496,333	1,900,984	101,182	2,498,499
Additions	-	-	-	-
	496,333	1,900,984	101,182	2,498,499
Depreciation:				
At 1 October 2020	388,238	1,179,436	87,614	1,655,288
Impairment Charge	-	152,600	-	152,600
Charge for year	6,105	40,661	3,617	50,383
	394,343	1,372,697	91,231	1,858,271
Net book value:				
At 30 September 2021	101,990	528,287	9,951	640,228
At 30 September 2020	108,095	721,548	13,568	843,211

The freehold Almshouses comprise seven blocks on the Trust's main site in Walmley. The cost of constructing the most modern block (containing 8 units, completed in 1995) is included within the balance sheet. The construction cost of the older blocks which were completed between 1896 and 1974 (containing 38 units) are not included within the balance sheet due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2021 and would therefore have £Nil (2020: £Nil) impact on the balance sheet. However, the cost of subsequent improvement and renovation works is included.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

12 TANGIBLE FIXED ASSETS (continued)

The impairment charge of £152,600 (2020 : £nil) is in respect of kitchens and bathrooms which were previously being depreciated until 2038, but are now scheduled for replacement over the next two years.

13 INVESTMENTS (HELD AS FIXED ASSETS)

Investments (held as fixed assets) comprise the following:

	2021 £	2020 £
Investments in Endowment Fund		
Investment properties	33,330,000	26,383,000
Government stocks	5,433,519	5,362,133
Listed companies		
Ordinary stocks and shares	9,171,884	7,154,336
Unit trusts	18,403,095	18,875,515
Cash held for re-investment	1,851,251	687,336
	68,189,749	58,462,320
Investments in Charitable Fund		
Unit trusts	2,121,338	1,862,300
COIF Charities Investment Fund Accumulation Units	1,548,193	263,953
Cash held for re-investment	7	15
	3,669,538	2,126,268
Investments in the Cyclical Maintenance Fund		
COIF Charities Investment Fund Accumulation Units	288,774	288,774
Investments in Extraordinary Repair Fund		
COIF Charities Investment Fund Accumulation Units	3,109,000	2,912,000
	75,257,061	63,789,362
Analysed as:		
Investment properties at fair value	33,330,000	26,383,000
Listed and other investments at fair value:		
UK	23,963,945	20,639,579
Other	16,111,858	16,079,432
	40,075,803	36,719,011
Cash held for re-investment	1,851,258	687,351
	75,257,061	63,789,362

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

13 INVESTMENTS (HELD AS FIXED ASSETS) (continued)

Cash held for re-investment is held for short term as a matter of timing difference whilst funds are re-invested.

Movement in fixed asset investments (2021)

				2021	2020
	Freehold investment properties £	Listed and other investments £	Cash held for re- investment £	Total £	Total £
Market value at 1 October	26,383,000	36,719,011	687,351	63,789,362	61,521,900
Add: Additions at cost	1,814,591	8,699,345	1,163,907	11,677,843	11,773,733
Less: Disposal proceeds (net)	(15,250)	(11,210,730)	-	(11,225,980)	(11,718,924)
Net gains for year	5,147,659	5,868,177	-	11,015,836	2,212,653
Market value at 30 September	33,330,000	40,075,803	1,851,258	75,257,061	63,789,362

Movement in fixed asset investments (2020)

Comparative figures for the prior year are as follows:

			2020	
	Freehold investment properties £	Listed and other investments £	Cash held for re- investment £	Total £
Market value at 1 October	22,345,000	35,658,288	3,518,612	61,521,900
Add: Additions at cost	-	11,773,733	-	11,773,733
Less: Disposal proceeds (net)	(15,000)	(8,872,663)	(2,831,261)	(11,718,924)
Net (losses)/gains for year	4,053,000	(1,840,347)	-	2,212,653
Market value at 30 September	26,383,000	36,719,011	687,351	63,789,362

The properties are independently valued every five years on the basis of open market value. In the year, Johnson Fellows and Nick Russell Associates undertook a full revaluation of the Trust's properties as at 30 September 2021. This was due to be undertaken as at 30 September 2020 but, due to the difficulties faced by COVID-19 safeguarding measures and also the uncertainty of market valuations, the Trustees elected to defer the full review until 2021.

Included within investments are two properties with a market value of £10,000 (2020: £10,000) which are let on long leases for a peppercorn rent in furtherance of charitable objectives.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

14	DEBTORS	2021	2020
		£	£
	Rentals receivable	81,943	48,311
	Interest and dividends receivable	54,981	60,975
	Prepayments and accrued income	30,133	35,022
	Other debtors	350	350
		167,407	144,658
15	BANK BALANCES AND SHORT-TERM DEPOSITS	2021	2020
		£	£
	Short-term deposits	208,070	431,964
	Current accounts	290,310	751,265
	Petty cash	678	251
		499,058	1,183,480
16	ANALYSIS OF CURRENT LIABILITIES AND LONG-TERM CREDITORS	2021	2020
		£	£
	Creditors under one year		
	Charitable grants payable	1,030,398	924,541
	Rental income invoiced and payable in advance	159,931	110,478
	Accruals	216,799	126,976
	Taxation and social security	16,009	85,306
	Other creditors	91,587	76,901
		1,514,724	1,324,202
	Creditors due after one year	2021	2020
		£	£
	Retentions	4,196	-
	Charitable grants payable	194,339	320,976
		198,535	320,976

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

17	FINANCIAL INSTRUMENTS					2021 £	2020 £
	Financial assets:						
	Fixed Asset Investments at fair value					40,075,802	36,719,011
	Debt instruments measured at amortised cost					137,274	109,637
						40,213,077	36,828,648
	Financial liabilities measured at amortised cost					1,537,319	1,557,116
18a	FUNDS (2021)	Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Cyclical Maintenance Fund		Total
		£	£	£	£		£
	Balance at 1 October 2020	58,393,786	2,720,973	2,912,000	288,774		64,315,533
	Income	-	1,755,814	-	-		1,755,814
	Expenditure	(147,994)	(2,088,694)	-	-		(2,236,688)
	Gains on investments	9,862,501	1,153,335	-	-		11,015,836
	Transfers	-	(197,000)	197,000	-		-
	Balance at 30 September 2021	68,108,293	3,344,428	3,109,000	288,774		74,850,495
18b	FUNDS (2020)	Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Cyclical Maintenance Fund		Total
		£	£	£	£		£
	Balance at 1 October 2019	55,678,425	3,508,646	2,715,000	227,074		62,129,145
	Income	-	1,912,742	-	-		1,912,742
	Expenditure	(111,549)	(1,806,158)	-	(21,300)		(1,939,007)
	Gains on investments	2,826,910	(614,257)	-	-		2,212,653
	Transfers	-	(280,000)	197,000	83,000		-
	Balance at 30 September 2020	58,393,786	2,720,973	2,912,000	288,774		64,315,533

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. Investment management charges relating to the Endowment Fund have been charged against the Endowment Fund.

The Trustees have designated an Extraordinary Repair Fund to cover any major repairs, improvement or rebuilding of Almshouses or other properties which may be required. During the year, £197,000 (2020: £197,000) was transferred from the Charitable Fund.

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

18 FUNDS (continued)

The Trustees have designated a Cyclical Maintenance Fund to cover ordinary repair and maintenance of the Almshouses or other properties. During the year, £nil was charged to the fund as expenditure (2020: £21,300) and £nil was transferred from the Charitable Fund (2020: £83,000).

19a ANALYSIS OF NET ASSETS BETWEEN FUNDS (2021)

	Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Cyclical Maintenance Fund	Total
	£	£	£	£	£
Tangible assets	101,990	538,238	-	-	640,228
Investments	68,189,749	3,669,538	3,109,000	288,774	75,257,061
Current assets	(147,049)	813,514	-	-	666,465
Current liabilities	(36,397)	(1,478,327)	-	-	(1,514,724)
Long term liabilities	-	(198,535)	-	-	(198,535)
Total net assets	68,108,293	3,344,428	3,109,000	288,774	74,850,495

19b ANALYSIS OF NET ASSETS BETWEEN FUNDS (2020)

Comparative figures for the prior year are as follows:

	Endowment Fund	Unrestricted Charitable Fund	Designated Extraordinary Repair Fund	Designated Cyclical Maintenance Fund	Total
	£	£	£	£	£
Tangible assets	108,095	735,116	-	-	843,211
Investments	58,462,320	2,126,268	2,912,000	288,774	63,789,362
Current assets	(139,639)	1,467,777	-	-	1,328,138
Current liabilities	(36,990)	(1,287,212)	-	-	(1,324,202)
Long term liabilities	-	(320,976)	-	-	(320,976)
Total net assets	58,393,786	2,720,973	2,912,000	288,774	64,315,533

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2021

20 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income (per SOFA)	10,534,962	2,186,388
Adjustments for:		
Depreciation and impairment charges	202,982	50,383
Investment managers' fees	140,279	131,754
(Gains) on investments	(11,015,836)	(2,212,653)
Dividends, interest and rents from investments	(1,529,267)	(1,710,218)
(Increase) in debtors	(22,748)	(21,784)
Increase in creditors (excluding investment managers' fee)	68,081	238,636
 Net cash used in operating activities	 <u><u>(1,621,547)</u></u>	 <u><u>(1,337,494)</u></u>

21 CAPITAL COMMITMENTS

	2021 £	2020 £
Authorised and contracted for but not provided for in the financial statements.	16,608	-

The commitment for capital projects of £16,608 at 30 September 2021 is for contract administration fees (including irrecoverable VAT) in respect of the 2021/22 Almshouse window, bathroom and kitchen replacement programme.

22 OPERATING LEASES

At 30 September 2021 the future minimum lease payments due to the Trust under non-cancellable operating leases are as follows:

	2021 £	2020 £
Expiry date:		
Due within 1 year:		
Land and buildings	<u>693,667</u>	<u>497,535</u>
Between 2 and 5 years:		
Land and buildings	<u>1,580,906</u>	<u>1,561,509</u>
More than 5 years:		
Land and buildings	<u><u>1,320,744</u></u>	<u><u>1,605,326</u></u>