

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
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Total grants awarded	1,092,384
Awarded grants unclaimed or cancelled	(151,990)
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Net grants awarded (note 7 to the financial statements)	940,394
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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
	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:

	2020			
	Activities undertaken directly £	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
	194,914	1,158,048	414,230	1,767,192

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
		233,183	144,531
	Depreciation (note 12)	50,383	50,383
	Impairment (note 12)	152,600	-
		436,166	194,914
		Note 5	

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	-	-	-	-
At 30 September 2021	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
At 30 September 2021	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
	<hr/> 68,189,749	<hr/> 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
	<hr/> 3,669,538	<hr/> 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
	<hr/> 75,257,061	<hr/> 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
	<hr/> 40,075,803	<hr/> 36,719,011
Cash held for re-investment	1,851,258	687,351
	<hr/> 75,257,061	<hr/> 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
		<hr/>	<hr/>
		167,407	144,658
		<hr/> <hr/>	<hr/> <hr/>
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
		<hr/>	<hr/>
		499,058	1,183,480
		<hr/> <hr/>	<hr/> <hr/>
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
		<hr/>	<hr/>
		1,514,724	1,324,202
		<hr/> <hr/>	<hr/> <hr/>
	Creditors due after one year	2021 £	2020 £
	Retentions	4,196	-
	Charitable grants payable	194,339	320,976
		<hr/>	<hr/>
		198,535	320,976
		<hr/> <hr/>	<hr/> <hr/>

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
							<u>40,213,077</u>	<u>36,828,648</u>
	Financial liabilities measured at amortised cost						<u>1,537,319</u>	<u>1,557,116</u>
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	<u>68,108,293</u>	<u>3,344,428</u>	<u>3,109,000</u>	<u>288,774</u>	<u>74,850,495</u>		
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	<u>58,393,786</u>	<u>2,720,973</u>	<u>2,912,000</u>	<u>288,774</u>	<u>64,315,533</u>		

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>