

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.
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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 Langley 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
Fixed assets:			
Tangible assets	12	1,046	640
Investment properties	13	25,586	33,330
Listed and other investments	13	36,676	41,927
Total fixed assets		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
Total current assets		1,623	666
Liabilities:			
Creditors: Amounts falling due within one year	16	(1,436)	(1,515)
Net current assets /(liabilities)		187	(849)
Total assets less current liabilities		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	-
Total unrestricted funds		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
	<hr/>	<hr/>	<hr/>
	1,529	-	1,529
	<hr/>	<hr/>	<hr/>
Charitable activities	227	-	227
	<hr/>	<hr/>	<hr/>
Total income	1,756	-	1,756
	<hr/>	<hr/>	<hr/>
Expenditure			
<i>Expenditure on raising funds:</i>			
Investment property expenses	352	-	352
Investment management costs	19	142	161
	<hr/>	<hr/>	<hr/>
Total cost of raising funds	371	142	513
	<hr/>	<hr/>	<hr/>
<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
	<hr/>	<hr/>	<hr/>
Total charitable activities	1,521	203	1,724
	<hr/>	<hr/>	<hr/>
Total expenditure	1,892	345	2,237
	<hr/>	<hr/>	<hr/>
Net expenditure)before gains or losses on investments	(136)	(345)	(481)
	<hr/>	<hr/>	<hr/>
Gains on investment assets	1,153	9,863	11,016
	<hr/>	<hr/>	<hr/>
Net income and net movement in funds	1,017	9,518	10,535
	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>
	10	9
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	311	270
	<hr/>	<hr/>

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)

TRANSACTION TYPE		BENEFICIARY	RELATED PARTY	RELATIONSHIP TO:	
				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>
Creditors due after one year	2022 £000	2021 £000
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	1,395	1,537

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.

	Restricted Endowment Fund £000	Unrestricted Charitable Fund £000	Total £000
Impact on income and expenditure			
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:

Expiry date:	2022 £000	2021 £000
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)