

Charity number: 218627

# Sutton Coldfield Charitable Trust

Report and financial statements

For the year ended 30 September 2023

**Sutton Coldfield Charitable Trust**

**Contents**

**For the year ended 30 September 2023**

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

## Sutton Coldfield Charitable Trust

### Reference and administrative information

#### For the year ended 30 September 2023

##### Constitution

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

##### Trustees

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

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

Nominated By:

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

## Sutton Coldfield Charitable Trust

### Reference and administrative information

For the year ended 30 September 2023

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

## Sutton Coldfield Charitable Trust

### Reference and administrative information

For the year ended 30 September 2023

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

## Trustees' annual report

### For the year ended 30 September 2023

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

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

### History of the Trust

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

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

### Vision

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

### Mission statement

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

### Values

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

### What our values mean

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

### **Objectives and activities for the public benefit**

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

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

### **Review of activities and achievements**

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

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

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

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

**1. Almshouses research and assessment of future need**

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

**2. Grants programme expansion**

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

**3. Supporting heritage, green spaces and community**

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

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

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

**5. Continual improvement of assets and their use**

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

## Trustees' annual report

### For the year ended 30 September 2023

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

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

The primary purpose of the Trust is the provision of housing and the wellbeing of the residents in its community. In May 2023 the Bayes Business School published a report showing that living in an Almshouse community can boost longevity by as much as two-and-a-half years<sup>1</sup>, which helps demonstrate the value of the services that the Trust provides. The Trust's Almshouse residents at Lingard House had their first outing since the pandemic in September 2023, to the Black Country Museum and social activities at Lingard House have included a number of events including the celebration of the King's coronation in May.

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

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

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

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

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

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



### **Trustees' annual report**

#### **For the year ended 30 September 2023**

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

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

#### **Grant making policy**

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

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

#### **Grant application process**

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

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

#### **Risk management**

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

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

### Trustees' annual report

#### For the year ended 30 September 2023

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

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

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

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

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

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

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

#### Staff pay and remuneration (including key management personnel)

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

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

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

#### Structure, governance and management

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

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

**Trustees' annual report**

**For the year ended 30 September 2023**

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**The Board of Trustees**

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

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

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

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

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

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

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

**Review of governance and compliance**

Following the publication of the revised Charity Governance Code<sup>2</sup> late in 2020 the Trust has continued to progress the actions it identified as a priority.

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

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

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

**Fundraising**

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

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

**Trustees' annual report**

**For the year ended 30 September 2023**

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**Financial review**

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

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

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

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

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

**Evaluating Impact and Benefits**

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

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

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

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

**Investment policy and performance**

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

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

**Trustees' annual report**

**For the year ended 30 September 2023**

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

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

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

**Reserves policy and going concern**

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

The Trust holds two unrestricted designated reserves as follows:

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

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

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

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

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

**Trustees' annual report**

**For the year ended 30 September 2023**

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**Future plans and objectives**

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

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

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

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

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

**Statement of responsibilities of the trustees**

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

**Auditor**

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

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

Keith Dudley  
Chair

## **Independent auditor's report**

**To the trustees of**

**Sutton Coldfield Charitable Trust**

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### **Opinion**

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 September 2023 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other Information**

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

We have nothing to report in this regard.

## **Independent auditor's report**

### **To the trustees of**

### **Sutton Coldfield Charitable Trust**

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#### **Matters on which we are required to report by exception**

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### **Capability of the audit in detecting irregularities**

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

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



## **Independent auditor's report**

### **To the trustees of**

### **Sutton Coldfield Charitable Trust**

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- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

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

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

**Sutton Coldfield Charitable Trust**

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

**For the year ended 30 September 2023**

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

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

# Sutton Coldfield Charitable Trust

## Balance sheet

As at 30 September 2023

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

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

Keith Dudley  
Chair

Inge Kettner  
Vice Chair

Sutton Coldfield Charitable Trust

Statement of cash flows

For the year ended 30 September 2023

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

**1 Accounting policies**

**a) Statutory information**

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

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

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

**1 Accounting policies (continued)**

**e) Income**

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

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

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

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

**f) Dividends and interest receivable**

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

**g) Fund accounting**

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

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

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

**h) Expenditure and irrecoverable VAT**

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

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

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

**i) Grants payable**

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

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

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

**1 Accounting policies (continued)**

**j) Allocation of governance and support costs**

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

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

**k) Tangible fixed assets**

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

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

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

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

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

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

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

**l) Investment properties**

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

**m) Listed investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

**1 Accounting policies (continued)**

**n) Debtors**

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

**o) Long Term Debtors**

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

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

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

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

**p) Cash at bank and in hand**

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

**q) Creditors and provisions**

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

**r) Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**s) Pensions**

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



## 2a Income from investments (current year)

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

## 2b Income from investments (prior year)

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

All income from investments is unrestricted.

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2023

3a Analysis of expenditure (current year)

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

Sutton Coldfield Charitable Trust

Notes to the financial statements

For the year ended 30 September 2023

3b Analysis of expenditure (prior year)

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

**4 Grant making**

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

**Grants for community purposes comprise:**

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

A full summary of grants made by the Trust is included in its Annual Review, available on the Trust's website [www.suttoncoldfieldcharitabletrust.com](http://www.suttoncoldfieldcharitabletrust.com).

**5 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

**7 Staff numbers**

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

	2023 No.	2022 No.
Almshouses staff	3	3
Office staff	8	7
	<b>11</b>	<b>10</b>

**8 Related party transactions**

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

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

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

**9 Taxation**

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

**10 Tangible fixed assets**

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

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

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

All of the above assets are used for charitable purposes.

**11 Investment properties**

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

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

**12 Listed investments**

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

Investments comprise:

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

**Financial Instruments**

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



**13 Debtors: amounts due in more than one year**

	2023 £'000	2022 £'000
Langley SUE land disposal	8,735	8,735
	<b>8,735</b>	<b>8,735</b>

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

**14 Debtors: amounts due within one year**

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

**15 Creditors: amounts falling due within one year**

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

**16 Creditors: amounts falling due after one year**

	2023 £'000	2022 £'000
Retention payments	19	10
Grants payable	75	139
	<b>94</b>	<b>149</b>

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

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

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

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

## 18a Movements in funds (current year)

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

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

## 18b Movements in funds (prior year)

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

**Purposes of endowment funds**

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

**Purposes of designated funds**

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

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

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

**19 Operating lease commitments receivable as a lessor**

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

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

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

**20 Capital commitments**

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