

Charity number: 219031
HCA registration number: A2993

HARBORNE PARISH LANDS CHARITY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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HARBORNE PARISH LANDS CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2023

Reference and Administration Information

Charity Name	Harborne Parish Lands Charity
Charity Registration Number	219031
HCA Registration Number	A2993
Principal Office	Hollingworth House 109 Court Oak Road Harborne Birmingham B17 9AA

Board of Trustees

The sole Trustee is the Harborne and Smethwick Charitable Trust (Registered Company Number 11217433 and Charity Number 1177527).

The Trustees and Directors of the Harborne and Smethwick Charitable Trust at the date this report was approved are:

Cllr A Bostan (Resigned 5th October 2023)
Mrs B Chetiyawardana
Mr G Hewitt BA (Hons)
Mr D Jeffery (Chairman)
Mrs P Leadbeter
Mrs R Silber
Mr V Silvester MBE
Mr N Thompson
Mr F Wayt
Mr G A B Taylor (appointed 23rd November 2023)

Chief Executive Mr S J Simpson BA (Hons)

External Auditors **Crowe LLP**
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers **National Westminster Bank plc**
4th Floor
2 St Philip's Place
Birmingham
B3 2RB

HARBORNE PARISH LANDS CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (continued) FOR THE YEAR ENDED 30 JUNE 2022

Solicitors

Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

Tyndallwoods
29 Woodbourne Road
Edgbaston
B17 8BY

Higgs and Sons
3 Waterfront Business Park
Brierley Hill
West Midlands
DY5 1LX

Surveyors

Commercial Portfolio:
Cottons Chartered Surveyors
Cavendish House
359/361 Hagley Road
Edgbaston
B17 8DL

Residential Portfolio:
Robert Powell Chartered Surveyors
7 Church Road
Edgbaston
Birmingham
B15 3SH

Investment advisors

Evelyn Partners
14th Floor
103 Colmore Row,
Birmingham,
BN3 3AG

Internal auditors

Validera
Unit 3 Crompton Court
Attwood Road
Burntwood
Staffordshire
WS7 3GG

HARBORNE PARISH LANDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

2. Foreword by David Jeffery Chair of the Board of Trustees

As I write this report in late November 2023, I reflect on 2022/3 as a period of immense political chaos plus the legacy problems of the pandemic in the UK affecting the Charity, not to mention in the world. The Charity has survived, and our investments have increased in the light of the recent re-valuation of the property portfolio and only a 1.9% reduction in the value of the investment portfolio. In the light of what has been the financial turmoil and cost of living crisis we were fortunate in being able to continue with a full round of grant making and looking after our Almshouse residents. All of this is dealt with in detail later in the Reports from Chairs of the 4 committees – Finance, Charitable Activities, Property and Almshouse.

The Report's format has changed from previous years. The Board and CEO agreed that from this year there should be reports compiled by the individual committee's Chair rather than an overall report from the CEO. There is therefore no report from the CEO but instead a fully detailed account of the relevant matters.

I feel that I should commence my report with some comment about the role of the CEO, Steven Simpson. His leadership, knowledge of the Charity sector, contacts and ability to foresee problems are a huge asset. He & I meet at least once a week and I receive a full update about issues arising with residents, staff, and the general business of the Charity. I am constantly amazed at the incompetence, arrogance and generally unhelpful attitudes displayed by the various agencies and organisations that he and the staff must deal with. An inordinate amount of his and the staff's time is spent in dealing with issues that various agencies or commercial organisations create through general incompetence and unhelpful attitudes. One of the main causes of this problem is one that pervades many aspects of modern life - an inability to find anyone who is prepared to deal with an issue without buck passing.

Who would have believed the lengths we had to go to simply to transfer £250,000 from our account at the Nat-West to the COIF investment fund – apparently, we needed to send a fax – we haven't a machine anymore – nor had the bank – in the event we were forced to deal with the transfer in a series of single smaller transactions rather than being able to transfer the lot at once!!

Steven's role requires a strategic approach and the constant calls on his time generated by comparatively minor, but urgent problems has led the board to approve a restructure of the staff and to divide the administrative staff into two teams – Operations – Carolyn Arnold has been appointed to head this team and Central Services – a head will be recruited to this team shortly. The discussions that gave rise to this change occurred during 22/23.

Notable issues during this year dealt with in greater detail later:

- Incorporation – despite the process appearing to be a simple one when we first embarked upon it nearly 10 years ago, we have still not dotted all of the i's and crossed all of the t's. The current situation is set out in the Finance Committee report, and we are now trustees and directors of The Harborne & Smethwick Charitable Trust Ltd., which company acts as the sole trustee of the Harborne Parish Lands Charity.
- We were able to help our residents through the energy crisis by giving each of them a £50 grant every month from November 2022 to March 2023. This was much appreciated by them.
- Making grants to individuals has caused us concern over the last few years and has been reflected in the Charitable Activities Committee's report. Money from the individual grant budget this year remained unspent and was transferred to the organisational grant budget. We know that there is need in our community area but find it increasingly difficult to get our message across as more and more organisations that previously referred people to us no longer exist.
- The year saw our 2 newly appointed property management companies take over and we were pleased that our property portfolio is now being properly managed.

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- 2 residential properties that had been regulated tenancies became vacant in the last 18 months were gradually improved during the year and are either complete or about to be so. They will now be let at a market rent considerably increasing the rental income.
- Although our investment portfolio, inevitably, given the turmoil of the period, saw a small drop in value we have been able to place some funds on deposit – eventually! – and take advantage of the rise in interest rates.
- Our Almshouse stock has been improved as we have been able to recommence the various upgrades that had been delayed by the consequences of the pandemic. Occupancy rates have been high with a swift turnaround of voids. Resident surveys have shown high levels of satisfaction that reflect what I would expect and hope for – our residents are well housed and supported.
- Birmingham's attempts to deal with rogue landlords in the late Summer and Autumn of 2022 petered out without causing us a lot of extra work – we weren't expecting to be treated as "rogue" but were concerned about additional bureaucracy arising from the checks that were likely to take place.
- We lost one trustee who has resigned during the reporting period but had, in fact, not been seen for some time. Generally, trustee attendance at Board Meetings and the regular sub-committees is good. However, the odd absence has caused problems during the period due to carrying 3 then 4 vacancies. I am pleased that we are about to welcome 3 new trustees.

This report is my opportunity to personally thank the Charity's staff for their hard work during the year. We are blessed with staff at all levels who are committed, loyal and well-qualified. I know them all and see them as a team who work well together under Steven's leadership.

Finally, I would like to thank my fellow trustees for all of their time, commitment and efforts for the Charity. Particular thanks to the 4 committee Chairs – Rachel Silber, Frank Wayt, Vic Sylvester & Nigel Thompson.

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TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

1.0 Objectives and Activities

The origins of the charity are so ancient as to be obscured by the mists of time, but it was mentioned in a document dated 1640 and may date from a bequest by Mrs Elizabeth Cowper (alias Piddock) in 1576. Today the charity owns various investments together with five almshouse properties which were part funded by the then Housing Corporation. The area of benefit is the Ancient Parish of Harborne, now in the County of West Midlands and the beneficiaries are the almspeople and those in need within the parish.

1.1 Objectives

The Harborne Parish Lands Charity has two primary objectives:

- To relieve need through the provision of almshouses to people who cannot meet their own housing need in the ancient parish; and
- To relieve need through the provision of grants to individuals and organisations that support those in need.

The area of benefit consists of the 12 parishes, which together make up the Ancient Parish of Harborne. These are:

- St Boniface Quinton Road West (Birmingham)
- St Faith and St Laurence (Harborne)
- St John (Harborne)
- St Peter (Harborne)
- St Albans (Smethwick)
- St Chad (Smethwick)
- St Mary (Smethwick)
- St Matthew (Smethwick)
- St Michael and All Angels (Smethwick)
- St Stephens (Smethwick)
- St Paul (Smethwick)
- Old Church (Smethwick)

This geographical area comprises most of Harborne and some of Quinton in the City of Birmingham as well as most of Smethwick and a small part of Bearwood in Sandwell Metropolitan Borough Council.

1.2 Activities and Structure

To achieve these objectives the charity employs a team of 11 people. The Trustees have appointed a Chief Executive to run the charity. They in turn are supported by a Head of Operations who is responsible for the delivering the charity's day-to-day charitable activity and a Head of Central Services (To be appointed) who manages the charity's back of support.

The charity's delivers support to those in need through three approaches:

- 1) The provision of high quality sheltered almshouse accommodation
- 2) A programme of grants to organisations
- 3) A programme of grants to individuals

Almshouses

The charity operates 99 almshouses in five schemes to provide accommodation to those who cannot meet their own housing needs. Each almshouse is a self-contained one bedroom (or in one case two bedroom) flat or cottage in a sheltered housing scheme. All schemes have communal controlled entrances to ensure our residents feel safe and secure and pull cord systems to help with moments of crisis.

The almshouses are the responsibility of the Head of Operations, who is supported by a Policy and Information Officer and Senior Building Manager. Each scheme then has a Building Manager who is responsible for providing the intensive housing management service at that scheme. The charity also employs a Support Officer to help

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our almshouse residents live independently for longer and would normally employ an Activity Co-ordinator to provide a programme of stimulating activities and trips that increase our residents' quality of life. Two of the larger schemes also have a cleaner who supports the Building Managers to keep these schemes clean, tidy and safe.

Grants to Organisations

The charity supports people in need in the ancient parish by providing a programme of grants to organisations. The charity sets an annual grant strategy by reviewing the needs in the ancient parish through primary data where available and through local economic and social plans. Organisations are then invited to apply for grants in one of 4 or 5 target areas such as child poverty, debt management, food and household goods distribution, older people living in social isolation or younger people at risk of becoming NEET (Not in Employment, Education or Training). Grant applications are assessed in four rounds each year and applying organisations are asked to detail the group they wish to work with, the outcomes they are expecting to achieve and why this is to the benefit of the public as a whole. After twelve months (or sooner if the project is shorter) the charity conducts a post grant monitoring exercise to ensure the money was spent on the stated purpose and the expected results were achieved. The charity aims to use grant funding to organisations to address long term structural issue that cause or result from poverty in the ancient parish of Harborne.

Grants to Individuals

Finally, the charity runs an individual grants programme for those in immediate poverty and crisis. Referrals for this service predominantly come through third party agencies engaged with individuals such as health workers, family support workers and housing officers. Individual grants will not normally exceed £800 per household and could be for a diverse range of items that relieve need and cannot be easily funded elsewhere. Examples include the purchase of white goods or essential furniture.

The grants programmes are the responsibility of the Head of Operations. The charity employs a Grants Officer to manage and monitor grants to organisations and deliver our individual grants programme. The charity aims to use its individual grant programme to address far more acute and immediate, individualised effects of poverty.

These operations are supported by a central services team consisting of an Office Administrator and Finance Officer who report to the Head of finance. These staff keep the charity's offices operating ensuring that all of the unseen, vital actions required to support the delivery of the charity's charitable activity are completed such as ordering stationary, answering the telephones and making payments.

The organisation's key management personnel are:

Steven Simpson, Chief Executive

Steven joined the charity in January 2014 having previously worked in senior national roles with Remploy Ltd and the Jericho Foundation. Steven is responsible for working with the board to set the strategic direction of the charity and ensuring the charity meets its objectives. Steven has an honours degree in history and is a member of the Chartered Institute of Housing. As Chief Executive Steven is responsible for working with the board to set the strategic direction of the charity, realising this strategy as an operational plan and then ensuring its delivery. Steven is also responsible for liaising with the charity's investment management partners to deliver maximum returns from the charity's investment portfolio.

Carolyn Arnold, Head of Operations

Carolyn joined the charity in 2007 and has served in a number of roles before being appointed Housing Manager in 2016 and later Head of operations in 2023. Carolyn is a member of the Chartered Institute of Housing and holds a certificate in Housing management. Carolyn is responsible for delivering the charity's charitable activities. Carolyn manages the almshouses and grants teams.

Gillian Rigby, Information and Policy Officer

Gill joined the charity in 2013. Gill has over 20 years of housing management experience and holds degrees in Political Science and Housing Management. Gill is also a member of the Chartered Institute of Housing. Gill

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manages the charity's data, translates government policy and guidance in practical activities and writes the charity's policies and procedures.

Tony Whitehouse, Senior Building Manager

Tony has over 30 years of building trade experience included over 20 years spent maintaining HPLC properties on behalf of one of the charity's contractors. Having joined the charity in 2012 Tony was awarded the position of Senior Building Manager in 2016. Tony is responsible for the technical aspect of managing the charity's housing stock including planned maintenance and project management of major refurbishment

Nick Wallace, Head of Finance

Nick joined the charity in May 2017 after the retirement of the charity's previous Finance Manager Alan Porter. Nick has over 17 years of experience working with charities across the West Midlands and is also the Finance Manager for the Birmingham based Jericho Foundation. Nick is responsible for preparing financial reports, helping the Chief Executive, Senior Management Team and Trustees to analyse those reports, preparing annual budgets, drafting financial rules and regulations and formulating financial policies

These Key Management Personnel form a Senior Management Team (SMT) that leads the charity through thematic responsibility for the charity's objectives and support operations. They meet weekly to monitor financial and non-financial performance, legislative changes, policy direction, staff development, strategy, health and safety, ICT, data management and any other burning issues.

1.3 Governance

Governing Documents

Under a scheme of the Charity Commissioners dated 16 November 1990 "The Harborne Parish Lands Charity" and "Grice Memorial Homes" are administered and managed as one charity under the name of "The Harborne Parish Lands Charity", subject to, and in accordance with, the Schemes dated 21 May 1979 and 9 October 1986. The charity registration number is 219031 and the HCA registration number is A2993.

In June 2019 and a new charity was incorporated as, the Harborne and Smethwick Charitable Trust (registration No. 1177527) which became the sole Trustee of Harborne Parish Lands Charity.

Trustees

The charity's corporate Trustee is the Harborne and Smethwick Charitable Trust (No. 1177527) Harborne and Smethwick Charitable Trust has 12 Trustee positions, two of whom are nominated by Sandwell MBC and two by the City of Birmingham under imported nomination rights from the Harborne Parish Lands Charity. Nominative Trustees serve for a term of four years. The remaining eight Trustees are co-opted onto the board and serve for a five-year term. Co-opted Trustees must know the area of benefit through residence, employment, or another special knowledge.

The Trustees have formed four committees to govern each aspect of the charity's activity. The Almshouse Committee is formed of the almoners (Trustees who are appointed to be advocates for the beneficiaries at each of our almshouse schemes) who monitor our almshouse performance as well as reviewing and approving new applicants for housing. The Property Committee monitors the activities of the charity's appointed property management firms and makes decisions about the strategic management of our investment property portfolio. The Finance and Audit Committee monitor the charity's management accounts, the performance of the charity's investment manager, our internal arrangements for value for money, weekly maintenance charges and ensure that the charity's resources are managed wisely. The Charitable Activity Committee reviews the annual grants strategy, individual grant approvals and reviews post grant-monitoring reports. Each committee meets four times each year and the full Board of Trustees meet five times a year to review the work of the committees and make any non-devolved decisions.

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Induction Arrangements

The Chief Executive and Chairperson outline the responsibilities of Trustees to all new applicants at a one-to-one interview. During this interview they assess an applicant's eligibility to serve as a Trustee using the charity's internal declaration form and the Charity Commission's guidance on eligibility to serve. Once eligibility has been confirmed the Trustees vote at the next board meeting as to whether to accept or decline the nomination or submission. Once accepted the Trustee is presented with a copy of the charity's policies and procedures, important contact information, the charity's business plan, schedule of meetings and the Charity Commission's document CC3 the essential Trustee. They are notified of the next full board meeting and invited to attend. After their attendance at the next board meeting Trustees are offered a one to one session with either the chairman or the Chief Executive to discuss any questions they may have and to tour one or more of the charity's almshouses. Trustees are encouraged to think about which sub-committees they may wish to join the following February.

Pay and Remuneration.

Trustees of the Harborne Parish Lands Charity are not paid however they may claim expenses. The charity has a documented policy for the claiming of Trustee's expenses detailing what may be claimed and what evidence is required to substantiate a claim.

The Trustees review pay and conditions annually at the February meeting of the Finance and Audit Committee who then make recommendations to the full board regarding cost of living increases, pension contributions and additional benefits. The annual review of pay and conditions is applied equally to all staff and is implemented the following April. In 2023 the Trustees awarded a 8% cost of living increase to the basic pay of all staff. All staff are paid more than the national living wage as defined by the Living Wage Foundation.

The charity has a documented pay scale. The pay scale details eight key bands; trainee, staff, officer, senior officer, manager, head of department and executive. These bands correspond to the level of management responsibility and accountability each post holds. Each band has a pay level set in relation to the other bands.

Within each band there are four increments. Normally, all new staff are appointed on the lowest increment and progression to the next increment takes place at the discretion of the Trustees in reward for a member of staff either significantly increasing their skills level, or undertaking additional responsibilities that are still commensurate with their banding.

All eligible staff are enrolled in an auto enrolment compliant pension scheme and the charity contributes 5% of staff earnings to these schemes. The charity also matches staff contributions up to a further 5%.

The charity offers a number of additional benefits to all staff including participation in a cycle2work scheme, a salary-sacrifice car scheme, BHSF healthcare cash back scheme, and a death in service insurance scheme. In 2022 the charity introduced critical illness cover for all staff who have served continuously with the charity for three months or more.

Staff expenses are paid in arrears and on the production of evidence of expenditure. The charity has a policy for the payment of staff expenses.

Only one member of staff has a remuneration package that exceeds £60,000 and the total amount of money spent on senior staff in the year is £197,764 (£184,867 in 2021/22).

Participation in Wider Networks

The charity is engaged in a variety of networks and subscribes to a number of services and publications to support both strategic and operational decision-making.

Trustees have access to Personnel, Governance, Third Sector and Charity Finance magazines subscriptions while, HABM and Association of Charitable Foundations (ACF) publications are available at our Hollingworth

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House offices. The Senior Management Team have access to Tips and Advice Personnel, Tips and Advice Health and Safety and Tips and Advice Environment.

To ensure up to date Human Resource (HR) and Health and Safety (H&S) advice the charity contracts Citation Ltd. to provide health and safety, audits, reports, advice and protection. This year's site inspections were completed on the 12th and 13th of September. Assessors were once again impressed with the charity's attitude to health and safety advising only that window restrictors should be fitted to windows of 1st floor flats.

To ensure connectivity with best practices across the grant giving sector the charity is a member of the West Midlands Funders Network (WMFN) and the Association of Charitable Foundations (ACF).

WMFN is an organisation established to provide an exchange of intelligence, information and best practice across all funding organisations in the West Midlands. In 2022/23 staff from the charity attended sessions on:

- Embedding equality and diversity in your organisation
- What we have learnt from the pandemic: strategies for keeping the best working changes from the Covid-19 crisis
- Dealing with Permacrises: what good grant making should look like in an age of change (Chaired by the charity's chief executive)
- A number of regular 'catch up' sessions where grant makers share their current status and issues

These meetings also provide excellent opportunities for networking.

ACF is a national umbrella body for trusts and foundations that donate money, goods or services. ACF publish a series of magazines and online bulletins that highlight trends and best practice within the sector.

To ensure connections to best practice across the housing sector, the charity is a member of the National Housing Federation (NHF) and at a more local level, the Birmingham Social Housing Partnership (BSHP) and the West Midlands Small Housing Associations Benchmarking Group (WMSHABG) which is run by Acuity.

NHF is a membership organisation that represents the views of its members to government to help shape policy while also sharing best practice across its members to increase the quality of housing services in the UK. The charity has adopted the NHF code of conduct and using the NHF's guide to service charges to prepare the annual increase to the almshouse residents service charges.

BSHP is an organisation that acts as an umbrella for all registered social landlords in Birmingham that aims to work together to influence housing policy in the city. BSHP is Birmingham City Council's preferred conduit for the release of information.

WMSHABG comprises 14 local providers with less than 1000 units of social housing and works together to compare performance data, share intelligence regarding contractors, sector trends and market conditions, reporting and where possible jointly procure goods or services. The charity chairs and hosts the Sandwell Council Social Landlords Liaison Group. This group comprises all interested social landlords with housing stock in Sandwell and is the primary forum to receive updates on both performance and future changes from the Council.

The charity is also a member of the Almshouse Association and is registered with the Regulator for Social Housing. All of the charity's housing stock is registered as supported exempt accommodation with Birmingham City Council or Sandwell Metropolitan Borough Council depending on its geographical location.

Risk

The charity takes an active approach to managing risk. Key risks are identified, rated and mitigation strategies devised using the charity's risk register. The Trustees review the risk register twice a year. Financial risks are stress tested to understand what level of financial management is required, what impact the risk will have and how severe the situation would have to become before the risk could no longer be managed.

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On the risk register the likelihood of all risks is rated using a simple numeric scale where 1 is unlikely and 3 is probable. The impact of all risks is then assessed; again, using a numeric scale where 1 is low impact and 3 is high impact. Each number is multiplied by the other to give a risk rating score between 1 and 9, where 1 is a risk of low priority and 9 is a fundamental risk. All risks scoring 6 or more are reported below.

In the 2022/23 financial year, the primary risks to the charity have been:

- Changes in rent regulations and the welfare benefits system
- Drafting errors and mistakes in historic leases causing financial loss or disadvantage;
- Loss of key members of staff;
- Loss of commercial rent through property voids;
- Incurring substantial non-budgeted expenditure;
- Failure to update operating systems, key systems and hardware;
- Lack of attendance at Trustee meetings;
- Serious damage to property;
- Ongoing uncertainty resulting from the United Kingdom's decision to leave the European Union; and

These risks were represented on the risk register as follows:

Risk	Current Control	New Mitigating Actions	Accountable
Changes to the benefits system impact WMC collection	Liaison with Housing Benefit sections. Networking and keeping abreast of developments. Make use of specialist advice where required. Information and Policy Officer to track policy changes in policy at local and national level. Finance team to undertake stress testing to assess the charity's critical decision points.	None – Risk unchanged since last year	Chief Executive & Housing Manager
Drafting errors and mistakes in historic leases that could cause financial loss or disadvantage to the charity	New risk	Review of leases to be carried out by the charity's commercial property managers Legal advice taken on all issues identified All parties notified of issues (where not disadvantageous to do so) and leases affected either renegotiated/re-drafted, bought back or financial impact quantified and planned for.	Chief Executive, Property Committee and Managing agents

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Long term loss of key members of staff	<p>Good terms and conditions which are regularly reviewed along with salaries. Use Citation to ensure good practice in employment matters.</p> <p>Use of agency staff to cover gaps and ensure continuity of service.</p> <p>Development the Senior Management Team.</p> <p>Use of appraisals to anticipate problems.</p> <p>Develop succession strategy and people plans as part of the 2017 -22 business plan.</p> <p>Increased number of social events and events that reward success. Greater communication between Trustees and all staff at post board meeting lunches etc.</p> <p>Increased number of social events and events that reward success. Greater communication between Trustees and all staff at post board meeting lunches etc.</p> <p>Regular reviews of pay and conditions to ensure a reasonable and competitive response to the cost of living crisis.</p>	Restructure of the management team to provide quicker, more devolved and more robust decision making across the organisation and provide promotion opportunities for existing staff	Chief Executive
Loss of commercial rent through property voids	<p>Expert management of stock. Regular monitoring and reporting.</p> <p>Using investment of receipts from sales to diversify portfolio.</p> <p>Appoint dual agents on properties that do not let quickly.</p> <p>Increased monitoring of costs and income at individual property levels to ensure underperforming stock is identified and removed.</p>	None – Risk unchanged since last year	Property Committee
Incurring substantial non-budgeted expenditure	<p>Completing regular stock condition surveys to assess and plan repairs and improvements to the charity's estate.</p> <p>Complete and work to a comprehensive business plan to predict income and expenditure requirements years in advance.</p> <p>Earmark funds for ERF/CMF as a restricted reserve to cash back long-term capital projects.</p> <p>Monitor COVID-19 specific expenditure and report to the Trustees at each board meeting.</p>	<p>Monitor cost of long duration capital projects closely to ensure completion within original estimates.</p> <p>Review all CMF/ERF commitments during the budget process to ensure estimates are accurate and incorporate likely cost uplifts.</p>	Housing Manager and Chief Executive

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Failure to comply with guidance on reserves	Robust budgeting and cash flow monitoring.	Invest excess surplus in easy access investment products to avoid retaining too much cash and the capital erosion this could cause	Finance manager and Chief Executive
Failure to update operating systems, key systems and hardware (BIOS/Firmware)	Reconfigured server policies and permissions structures. Purchase and install new servers with new and more modern operating systems that will stay in support longer.	None – Risk unchanged since last year	Chief Executive
Lack of attendance at meetings	Attendance monitoring reporting. Careful planning of meeting calendar to avoid known conflicts.	None – Risk unchanged since last year	All Trustees
Serious Damage to Property	Insured risk, limits reviewed. Regular property inspections. Review insurance arrangement after at renewal point.	None – Risk unchanged since last year	Chief Executive and Finance Manager
Disruption caused by the United Kingdom's exit from the European Union	Assume longer lead times with all imported components. Manage Resident expectation regarding repair times reducing essential repairs to infrastructure components like lifts and warden call systems from 6 hours to 4 weeks.	None – Risk unchanged since last year	Chief Executive and SMT
The ongoing Global COVID-19 Pandemic negatively impacting, staff wellbeing, resident wellbeing, rental income, almshouses income, investment income and overall viability simultaneously.	Develop a comprehensive, scalable pandemic risk assessment and action plan. Scale pandemic action plan to match the circumstances going forward Maintain PPE stocks	None – Risk unchanged since last year	Housing Manager and Chief Executive

In 2022/23 the charity has downgraded many of the risks that have previously scored above 6 on the register. This is in part due to the abatement of the pandemic although, COVID-19 is still very much with the charity and given the nature of the charity's almshouses client group the specific risks to them remain high.

The charity's only new risk relates to several errors that have been identified in the charity's historic leases. These issues are currently being evaluated and resolved through a combination of the charity's solicitors, commercial property management agents and the Trustees of the property committee and while we expect legal costs to increase we do not anticipate material loss because of the issues.

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Code of governance

The charity uses the National Housing Federation's Code of Governance. The charity also measures itself every two years against the Charity Commission Good Governance Code.

The charity is registered with the Fundraising Regulator however, the charity did not undertake any fundraising activities in 2022/2023 either directly or through a 3rd party organisation. The charity did not employ any professional fundraisers and the charity has not received any complaints about its fundraising activities. In this context the charity has not needed to take any action to protect vulnerable people however should fundraising become a priority in the future the charity will ensure it has robust methods for protecting vulnerable people within the context of fundraising.

Internal control

The Trustees have overall responsibility for the charity's systems of internal control and the Finance and Audit Committee review the effectiveness of these systems annually through the charity's finance and audit committee. The charity's internal control systems are detailed in the charity's financial rules and regulations and consist of:

- A clearly defined structure which delegates authority, responsibility and accountability for financial activity including responsibility for internal control.
- A clear and effective process for budgeting and reporting, budgets and performance against them, are monitored through both the finance and audit committee and the full board of trustees' meetings.
- Investment evaluation process with clear performance benchmarks and indicators.
- Regular risk review processes that detail the area of risk and the steps the charity and its Trustees have taken to mitigate those risks.

The charity's appointed internal auditor, Validera, audits aspects of the charity's internal controls annually. This year Validera completed an audit of the charity's investment management processes. The report asserted that the charity's procedures provided adequate assurance but recommended:

- The charity revisit and refresh its Statement of Investment principles
- Enhance the reporting from the charity's property agents

Public Benefit

The Trustees of the Harborne Parish Lands Charity ensures that all decisions are made in accordance with the charity's purpose, are for public benefit (with the exception of individual grant approvals), take into consideration the Charity Commission's guidance on public benefit and are in accordance with the Charity Commission's general framework for Trustee decision making.

The charity makes decisions in ways that manage risks or harm to the charity and its beneficiaries consistent with the purpose of the charity and makes decisions to ensure that, outside of the individual grant programme, no personal benefit is more than incidental.

The obvious exception is the charity's individual grant programme of £41,864 which provided relief to people in poverty and crisis in the ancient parish of Harborne and the £25,000 spend on the winter hardship grant programme. Decisions made by the Trustees regarding the individual grant programme are still consistent with the charity's purpose but only satisfy the 'benefit' aspect of the public benefit requirement as detailed in Charity Commission guidance.

HARBORNE PARISH LANDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

2.0 Achievements, Performance and Plans for the Future

2.1 A Report from the Almshouses Committee

Achievements and Performance

The Almshouse Committee continue to provide good quality accommodation to 118 beneficiaries in the five schemes that we have:

Harborne House, Harborne
Dore House, Harborne
Firs Close, Smethwick
Harborne Cottages, Smethwick
Larksfield, Smethwick

In the last year we have let 14 flats to new applicants and still have 34 people on the waiting list. The average length of time from the application being approved to an offer being made is 156 days or 22 weeks (the same as last year). From the time a void becomes available we endeavor to have it let within 21 working days, the re-let time is at present is 19.8 days.

Current arrears are 0.0% on annual charges against a target figure of 2.5%. Void losses and bad debts is 1.53%% against a target of less than 4% (0.49% last year... this is likely because 3 of the voids were filled with internal transfers which gives us double the void weeks for each new resident coming in.

During the last financial year, the charity has spent £156,208 improving the almshouses.

Firs Close -

Replacing cladding and making the lift shaft water tight.

Dore House -

Cleaning and minor repairs to the drains

Harborne House -

Cleaning and minor repairs to the drains
Installing new security gates
Replacing the floor in the two laundry rooms.
Fitted new carpet in the main lounge

Dore House -

Replaced two sheds

Plans for the future

The Almshouse Committee continue to make improvements to the various schemes in Harborne and Smethwick and have the following plans for the future:

Recruit Activity Coordinator and Housing Officer.

Harborne House -

Resurface the car park (delayed in 2022/23)
Refurbish 4 Shower Rooms
Converting the Communal bathroom into a multifunction space.

Harborne Cottages -

Replacing hips, ridges and eaves on the roofs
Converting some of the gardens into a Wild Flower Garden
External Decorating

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Firs Close -

- Replacing hips and ridges on the Roof
- Replacing the windows
- Assessing options for replacing the platform lift.
- Replacing the floor in the laundry room.

Dore House -

- Upgrading the CCTV cameras
- Repairs and renewal of stone work

Victor Silvester MBE
Chair of Almshouse Committee

2.2 A Report from the Charitable Activity Committee

Achievements and Performance

In 2022/23 the charity committed £300,676 to 4,538 beneficiaries. Grants totalling £230,657 were made to organisations split across the following grant priorities:

- £83,225 was spent on 7 grants supporting services for older people
- £58,161 was spent on 5 grants supporting debt and money management services
- £60,186 was spent on 4 grants supporting food and household goods distribution services
- £29,080 was spent on 3 grants supporting provision for 16-24 year old NEET (Not in Education, Employment or Training) provision or provision for those at risk of becoming NEET

£41,864 was spent on the charity's individual grant programme:

- £16,803 supported 83 beneficiaries with 27 grants in Birmingham; and
- £28,222 supported 122 beneficiaries with 42 grants in Smethwick.

Because of the exception impact of the cost of living crisis on the charity's almshouses residents the trustee designed a winter hardship grant for the residents of the charity's almshouses. This grant comprised of 5 payments of £50 each month between November 2022 and March 2023. £25,000 was spent on the winter hardship grant programme:

- £9,600 supported 38 individuals with 36 grants in Birmingham
- £15,400 supported 65 individuals with 59 grants in Smethwick

The four largest grants made by the charity in 2022/23 accounted for £90,064 (32%) of the charity's grant spend and 952 (21%) of the beneficiaries reached. These grants are detailed below:

Focus Birmingham

Focus Birmingham requested the grant to continue the work of the Community Worker who covers the HPLC area. This worker carries out home assessments within 72 hours of a referral to establish what help can be offered, such as benefits assistance or enrolment onto an eye contact information course. The Community Worker also runs weekly social groups in Harborne for the visually impaired (and those with dual sensory loss, where hearing is an issue too), who attend coffee mornings and enjoy a variety of activities such as singing, quizzes, gentle exercise, as well as the opportunity for people with similar conditions to socialise together.

Women Acting In Today's Society (WAITS)

WAITS used the grant to deliver a financial health programme for women who are living at their refuge in the Ancient Parish of Harborne. They also delivered a financial health programme for women who are survivors of or at risk of domestic abuse. They report that the primary reason the women they work with stay in abusive relationships, is that they rely on their partners for financial support. Controlling money in a relationship is a

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form of abuse and these women often feel trapped in a relationship as they fear leaving will make them homeless and destitute with no means of supporting their children. They also report the pandemic has made the situation even harder as COVID-19 lockdowns led to an alarming increase in domestic abuse.

Asian Family Counselling Service (AFCS)

AFCS applied for a contribution towards the costs of providing family, couple and individual counselling in the HPLC catchment area. AFCS employ Asian counsellors who understand the cultural and religious beliefs of service users, speak a number of community languages, and share a common ground. AFCS state that the most common reason for counselling is anxiety/depression/panic attacks often linked to the stress of poorly managed finances, ultimately having a negative impact on their service users' relationships. Their usual referrals are made through GP surgeries, CAMHS and health care agencies. They also directly outreach to local libraries, community centres and faith-based support networks.

Smethwick Church Action Network (Smethwick CAN)

Smethwick CAN requested a grant to help support the costs of a part-time Food Action Worker and Food Action Co-ordinator. These two part-time staff worked towards tackling the issues surrounding food poverty and the impact this has on peoples' lives (such as low self-esteem, social isolation) rather than just distributing food packs. They further developed foodbank logistics, fundraising and partnerships, and the Smethwick CAN Foodstore (a self-esteem step away from the foodbank), where service users coming out of absolute poverty are invited to pay a nominal cost for the food they take, and shop for their specific food needs, as opposed to simply taking a food parcel. Food Action Worker also managed the Smethwick CAN Grow community allotment scheme, encouraging service users to grow their own food, boosting health, wellbeing and social inclusion in the process.

Future Plans

In 2023/24 the charity plans to:

- Spend £215,000 on grants to organisations
- Spend £55,000 on grants to individuals
- Increase the community involvement in the preparation of the grant strategy
- Develop a robust process to address the issue of increasing numbers of self-referrals

Rachel Silber

Chair of the Charitable Activity Committee

2.3 A Report from the Property Committee

Achievements and Performance

2022/23 has been a busy year for the property committee.

The earlier part of the year was dominated with embedding the change in managing agents and reconciling the outgoing agents closing data with the position the new agents inherited. This was a difficult time and revealed a number of unaddressed maintenance issues within the charity's residential estate that our residential agents have worked to correct. It is pleasing to see that property maintenance costs have now reduced significantly indicating our estate has been brought back into top condition.

Alongside the change in managing agents the charity also requested a review of live leases by the charity's new commercial agent. This review identified a number of historic issues that our agent has investigated, analysed and proposed strategies to resolve. Where necessary the trustees sought and received outside legal advice. The charity's property investments generated £543,443 of income; an increase of 2.7% on the previous year's figure of £529,058. Unfortunately, costs have also increased significantly to £331,852; an increase of £126,996 over last year. This increase in cost was planned and budgeted and is due to the complete refurbishment of the two of the charity's residential properties, one which was completed in year while the other nears completion as we write this report. When refurbished the rental income generated by these properties will increase significantly with the property completed so far increasing from £525 per month to £1550 per month.

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The charity has revalued its investment properties in 2022/23 and is pleased to report that the portfolio has increased in value from £10,182,500 at 30th June 2019 to £11,618,000 at 30th June 2023. An increase of £1,195,500 and even allowing for properties purchased between the two valuations the charity has still experienced an increase of 16.7% in the portfolio overall. Average yields are 3.5% for residential properties and 6.1% for commercial properties.

Future Plans

In 2023/24 the charity intends to purchase one or two additional residential properties in the Harborne area for c. £300,000 - £350,000 each.

The charity also plans to finish the refurbishment of the one remaining property currently void in the charity's investment property portfolio. After the refurbishment we expect the monthly rental figure to achieve or exceed the £1550 comparable properties within the estate have achieved. The trustees anticipate that as time passes other long-term tenancies within the charity's estate may end. Where this happens, the charity will initiate the same assessment and refurbishment process on these properties to ensure the estate is kept in good order and maximum rental performance is achieved.

The charity will resolve the last remaining historic lease issues and the charity will ensure that all documentation is back under its direct control either in the charity's solicitors Tyndallwood's secure document storage or where not of such high value or 'live' historic files will be moved to other secure long-term storage solutions.

The charity will also invest in its Hollingworth House headquarters upgrading the electrical system and installing LED lighting throughout.

Nigel Thompson
Chair of the Property Committee

2.4 A Report from the Finance and Audit Committee

Achievements and Performance

2022/23 has been a busy year for the finance and audit committee as it helps to steer the charity through still challenging economic times.

The committee has reviewed the statement of investment principles and amended them to better reflect the new risk framework adopted by the charity's investment management agent Evelyn Partners.

In February the committee reviewed the WMC rates paid by almshouses residents and the proposed increase prepared by the charity management team. The committee instigated a policy that capped all resident's utility charge increase to a maximum of £8.00 per week and also voluntarily capped Management and Maintenance charge increases at the government imposed limit for social housing (as an almshouse the charity was exempt but felt increasing beyond that level could adversely affect the charity's residents)

The committee has received an internal audit report from the charity's internal audit firm Validera which examined investment management at the charity. The report gave the charity an adequate assurance rating and recommended receiving a narrative report in addition to the quantitative data from the property managers as well as minor changes to the reporting schedules (vacant property lists etc.) The committee will work with the Property Committee and the charity's management team to implement the finding of the report in the future.

The committee has also considered the treatment of the charity's cash reserves noting that while until recently managing short term cash investment accounts would likely cost more than it would yield, increasing interest rates have made short term cash investments more attractive. As a result, the committee has overseen the

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move of £250,000 into the charity's COIF investment account and the withdrawal of £150,000 from the charity's cash reserve that was used to purchase a mixture of different types of bonds; an area in which the charity's investment portfolio has traditionally been underweight.

The committee has scrutinised the activities of the charity's investment managers including receiving 4 written quarterly reports and meeting with the investment managers twice in February and September to discuss performance and strategy.

On 30th June 2023 the charity's investment portfolio was worth £5,168,656 a reduction of £102,079 from its June 2022 value of £5,270,735.

As at 30th June the portfolio was invested as follows:

UK Equities	26.9%
Overseas Equities	45.1%
North America	14.9%
Europe (Excluding the U.K.)	7.4%
Japan	3.1%
Pacific Basin (Excluding Japan)	7.7%
Emerging Markets	2.1%
Global	9.9%
Bonds	11.7%
UK Government	0.0%
UK Index Linked	1.2%
UK Corporate	2.0%
Overseas	8.4%
Alternative Assets	9.7%
UK Property	6.1%
Cash	0.5%

In 2022/23 the portfolio generated £159,140 a yield of 3.1%.

Performance against benchmark has been disappointing with annualised performance failing to match benchmark at intervals of 3 months (-0.5% against a benchmark of 0.1%), 6 months (1.2% against a benchmark of 3.1%), 1 year (1.6% against a benchmark of 4.0%) and 3 years (4.0% against a benchmark of 4.7%) although the charity notes that performance is much improved when considering 5 year timescales (4.0% against a benchmark of 3.5%) and since the portfolio's inception (8.1% against a benchmark figure of 7.8%)

This underperformance against benchmarks has been driven mostly by the larger than average amount of property and infrastructure holdings in the charity's portfolio. Nearly 10% of the charity's portfolio is held in property and infrastructure funds and at present many of these are trading at a substantial discount of between 13 and 30%. In part these discounts are being driven by increased competition from bonds which have recently started to offer investors and even lower risk alternative to property funds for those with income demands but a lower appetite for risk than equities present. The trustees still believe that holding these funds is the right long-term strategy noting that there are not any structural issues with these funds (rents are rising faster than anticipated and commercial void rates are staying low) and the trustees anticipate better long term returns from property funds as well as high levels of income when compared to bonds.

The Trustees have appointed Evelyn Partners to manage the charity's investment portfolio and have set the firm the following objectives:

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- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and enhancement of the investment funds over the long term.
- To obtain a reasonable balance between capital growth and income so that the Charity can meet future as well as current needs.
- To maintain a medium risk profile.

The Trustees' policy is to invest in an appropriate mix of real assets i.e. equities, fixed interest securities, alternative assets and monetary assets. Trustees recognise that the returns on equities, while expected to be greater over the longer term than those of fixed interest and monetary assets, are likely to be more volatile. Investment in a mix of asset classes should nevertheless provide the levels of return required for the Trust to achieve its objectives, whilst mitigating volatility.

Future Plans

In 2023/24 the committee is looking forward to receiving internal audit reports on information governance and the ICT structure of the charity. These reports will be extremely timely and will allow external scrutiny of the charity's ICT upgrade plans. The committee will also oversee the appointment of a replacement IT contractor once the charity's long serving IT provider retires.

The committee will continue to monitor the performance of the charity investment managers and will receive reports and strategy updates in September 2023 and February 2024. The charity will seek to move additional funds into bonds though the investment managers should conditions be conducive.

In February 2024 the charity will review the weekly maintenance charge proposal to ensure the charity is balancing the financial capabilities of the residents against the long-term financial viability of the charity.

The committee will also look to move more of the charity's cash reserve into easy access investment accounts to maximise the return of this money.

The committee will work with charity's staff team and legal professions to finally complete the process of incorporation ensuring that the charity's registration with the Regulator for Social Housing is novated to the new corporate trustees, TUPE transfers are made for exiting staff and finally requested a deed of united direction from the Charity Commission.

Finally, the charity will upgrade its online banking systems to better meet its day to day needs and avoid issue that have recently presented themselves regarding online payment limits.

Frank Wayt
Chair of the Finance and Audit Committee

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3.0 Financial Review

3.1 Financial Position

The Charity's Income Income received 2022-23

Financial Investment Income	£163,636
Income from Investment Properties	£543,443
Housing Activities	£956,529
Other	£361

£1,663,969

The Charity's Expenditure How the income was spent in 2022-23

Grants	£355,446
Housing Activities	£1,045,227
Governance	£68,355
Investment property management	£331,851
Financial investment management	£30,306

£1,831,185

Balance Sheet

The value of assets (less liabilities) of the charity is shown below

	£
Housing Properties	3,660,038
Land, fixtures & fittings	648,469
Investments (stocks and shares)	5,168,656
Investment properties	11,143,000

Subtotal 20,620,163

Current assets less liabilities	1,942,464
Creditors (due over more than one year)	(64,719)

Net Assets 22,497,908

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3.2 Commentary on the Accounts

2023 has been a challenging year for the charity. The cost of living crisis and investments in the charity's property portfolio have increased the charity's costs while the opportunities to increase the charity's income have been more limited.

Total income has increased by 6% from £1,568,349 in 2021/22 to £1,663,969 in 2022/23. Income growth has not kept pace with inflation over the same time frame (7.9%) and has been considerably outstripped by expenditure costs which have risen 21% from £1,510,657 to £1,831,185.

This increase in expenditure includes £247,432 spent refurbishing void units in the charity's property investment portfolio. These one-off costs will not be repeated in future years and on this basis the charity had budgeted a reduction in funds in 2022/23; the financial results are not unexpected and are indicative of significant investment in the charity's investment properties to secure higher levels of future income.

The charity's energy costs have also risen significantly in 2022/23 with gas prices increasing from c.7p/KWh to c.9p/KWh and electricity prices rising from c.16p/KWh to c.23p/KWh as contracts originally negotiated in 2016 finally come to an end. Staff and central costs have increased as well but only in-line with inflation and have, in real terms, remained broadly static at £387,503 an increase of 4%.

In year, the charity has reduced its financial position by £167,216.

While the immediate problems and demands of 2023 have affected the charity's in year operating position the revaluation of the charity's property portfolio has increased its value by £929,417.

Investment performance has continued to present challenges with the portfolio value reducing by £102,078 however it should be noted that in spite of these unreleased losses income from the portfolio has held up well at £163,636.

3.3 Reserves

It is the charity's policy to hold 6 months' operating expenditure (£915,592) and 12 months' maintenance expenditure (£221,806) in reserve in the form of cash. As of 30 June 2023 the charity was holding £2,145,864 in cash and a total of £7,314,520 in either cash or easily liquidated investments.

The charity holds £221,806 of this cash and £221,806 of these easily liquidated investments as a designated planned maintenance fund.

While the charity's reserves policy and planned maintenance funds only calls for £1,128,398 of cash and a further £221,806 of easily liquidated investments the Trustees are currently holding more in anticipation of:

- Purchasing additional residential properties as detailed in the report from the property committee (£600,000)
- Future refurbishment of returned long term residential leases (£250,000)
- Provision for risks identified on the risk register, specifically welfare reform and historic lease errors (£200,000)

Taken together these provisions come to £2,178,398 which is closer to the charity's cash reserve. In light of these factors the charity's cash reserve does not seem excessive.

Despite moving cash into short term easy access accounts in 2022/23 during 2023/24 the charity will aim to move an additional £500,000 into 30-day notice accounts to generate returns on what would otherwise be inactive money.

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4.0 Value for Money

Value for Money (VFM) is always at the forefront when managing the delivery of our charitable mission and objectives.

For HPLC VFM is maximising our value to:

- enable our residents to live independently in an environment that improves their health and wellbeing, thus lessening the burden on the NHS by reducing the need for GP and hospital visits and admissions to care homes.
- support our individual grant recipients through provision of necessities such as white goods and baby items.
- assist local organisations in their attempts to improve the health, welfare and employment opportunities of the inhabitants of the ancient parish and help them reach their full potential.

4.1 Arrangements to Ensure VFM

VFM drives our strategic objectives of risk, assets, people and procurement. As such it runs through all aspect of our strategic plans. Progress is rigorously monitored at committee meetings and by the full board on a quarterly basis.

The Finance & Audit Committee scrutinise all aspects of financial performance and ensures we have sound financial rules and regulations. Our returns on investment are benchmarked so that we can be certain that our stocks and shares are appropriate and performing well. Expenditure against budget for all aspects of the charity is checked monthly by the Senior Management Team.

The Property Committee monitors the performance of our non-social housing and investment properties to ensure a healthy balance of income and long-term growth.

The Almshouse Committee monitors void loss, arrears and repairs and maintenance in relation to our five almshouses. We undertook our latest five-year stock condition survey in 2019 and this has formed the basis of our planned maintenance programme over the next few years. We continue to take a balanced view of maintenance, realising the importance of keeping our properties at a high standard, so that they remain desirable and ensure low void rates, without carrying out work before it is necessary.

The almshouse committee also reviews large tendering activities to ensure that contract are competitively tendered and that the charity is getting the best quality for the money it is spending.

In 2023 the charity renewed its electricity contracts. The charity had been in long term contracts since 2016 and had benefitted significantly from the extension clauses built into these contracts. The charity has been able agree a competitive green energy renewal however the rates have increased from 16p/kWh to c. 23p/kWh (Costs are aggregated over day and night units). While this is a substantial increase the charity has used its bulk purchasing power to keep costs well below the current energy price cap prices of 27p/kWh.

The charity is a member of the SPBM Benchmarking Group which assesses our performance against that of similar organisations and enables us to share good practice.

The Charitable Activities Committee oversees our programme of organisational and individual grants to ensure we are adhering to the charity's grants strategy, which outlines our key priorities for the year. These priorities are regularly reviewed and altered over time according to identified patterns of need established from local resources such as ONS data and neighbourhood plans. Any applications made to the charity are assessed against these priorities and only applications that demonstrate an ability to evidence these needs are funded. The committee received reports on the achievements each award made and compare the costs of each intervention against the number of beneficiaries it supported and the impact it achieved.

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TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

4.2 Benchmarking Ranking

The charity has compared its performance against local housing charities that form the SPBM Benchmarking group. The charity has a combination of mandatory metrics from the Regulator for Social Housing (RSH) and others metrics shared across this group to assess its relative performance. The results of this comparison are detailed in the table below showing how this years performance compares to last and giving a short narrative explanation of what the metric means and why the charities performance is what it is. Finally, the charity has included its rank out of the 14 SPBM members:

Metric (As defined by the Regulator for Social Housing)	2019/20	2020/21	2021/22	2022/23	Narrative Explanation	SPBM Rank (Out of 14)
Stock managed	99	99	99	99	The total social housing stock managed by the charity has remained unchanged since 2017/18	↔ N/A
Void losses (%)	0.2	0.38	0.49	1.53%	The percentage of income lost to voids (empty units) has increased. This year the charity had 14 voids; 3 of these were internal transfers. Internal transfers always general increase void weeks because the charity loses void time refurbishing the new property and the old one. Void losses are calculated differently to the void and bad debt metric noted in the report from the Almshouses Committee	↓ 4th
Ave. re-let time of all re-lets (days)	17	22	18	20	Average re-let times have increased. This is likely because of the high number of internal transfers this year. 20 days is still within the trustees target of 21.	↑ 2nd
Rent collected (% of charges due)	100.29	99.37	95.8	98.12%	Rent (WMC) collected continues to be positive and percentage of charges due has increased slightly.	↑ 2nd
Current tenant arrears (%)	1.69	0.37	0.0	0.0%	Current tenant arrears have remained the same. This situation could well change once increased energy prices take effect	↔ 1st
Overall operating margin (%) (RSH 101)	2.89	63.13	-24.05	-10.05%	The charity's overall operating margin has improved. The underlying surplus or deficit of the charity has not fundamentally changed however this year's calculations are reflective of the expenditure maintain the Charity's properties.	↑ 6th

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Metric (As defined by the Regulator for Social Housing)	2019/20	2020/21	2021/22	2022/23	Narrative Explanation	SPBM Rank (Out of 14)
Social housing lettings operating margin (%) (RSH 102)	3.58	0.46	-6.81	-7.89%	The charity's social housing operating margin has decreased. This is reflective of the increased reinvestment in the almshouses and the cost of staff that are not charged to residents such as the support officer.	↑ 6th
EBITDA MRI (as a percentage of interest) (RSH 103)	1.53	146.63%	-41.87%	-19.54%	The charity's EBITDA MRI rating has improved because of the reduction in deficit in this financial year. The charity maintains sufficient liquidity with reserves in excess of £2,000,000	↔ N/A
Gearing (RSH and Scorecard measure) (RSH 203)	-39.16%	-47%	-57.04%	-56.85%	The charity is low geared. The charity is paying off its one small loan slowly and the outstanding balance decreases from year to year. The charity has looked into paying the loan off early but redemption costs make this uneconomical.	↔ N/A
New supply of social housing units delivered as a percentage of total social housing units held (RSH 204)	0	0	0	0	The charity has not developed any new social housing units this year. The charity would like to develop new social housing units but requires greater clarity regarding future welfare reforms before it can commit. The ranking is established on the basis of how recently units were added.	↔ 1st
New Supply delivered (non-social housing units)	N/A	N/A	0	0	New metric. The charity has not delivered any new non-social housing units in 2021/22. The ranking is based on how recently new non-social units were added to our portfolio. Our ranking shows the charity added units most recently out of our peers.	↔ 1st
Reinvestment % (RSH 304)	4.69	0.86	0.98	2.75	Reinvestment increased slightly now that the charity has been able to restart its Almshouse capital programme in full post pandemic	↔ 2nd

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TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

Metric (As defined by the Regulator for Social Housing)	2019/20	2020/21	2021/22	2022/23	Narrative Explanation		SPBM Rank (Out of 14)
Return on Capital Employed (ROCE) % (RSH 401)	0.19%	4.12%	1.72%	-0.74%	The return on capital employed is a negative figure because of the deficit caused by the investment in the Charity's properties.	↑	5th
Headline social housing cost per unit (RSH 501)	£10,146	£9,085	£10,057	£11,440	The total headline cost per social housing unit has increased slightly. This is reflective of the increased amount of capital spend and refurbishments the charity has undertaken. The charity's costs are often higher when compared to other providers because of the additional cost we carry to support and provide activities to our residents. These costs are not passed on to residents and are not HB eligible meaning that the charity's WMC remains competitive with the rest of our sector with an average total weekly charge of £177.64. We might almost describe ourselves as proud to be expensive here as we are utilising the charity's funds to provide an enhanced service that goes above and beyond that of a standard sheltered accommodation provider.	↓	5th

This will be the last year that the charity uses this suite of VfM metrics in this form. In 2023/24 the charity will start using new tenant satisfaction measures as part of the VfM statement however, while comparator data may cease to be available the charity will continue to report on performance against some of these metrics as we think they are relevant in assessing the over performance of the charity.

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TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that the Trustees are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Crowe UK LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion to reappointing the audits at the meeting of the Trustees.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees and signed on the board's behalf by:


Mr D Jeffery
Chairman
Date: 21 December 2023

HARBORNE PARISH LANDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2023

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 & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:


Mr D Jeffery
Chairman

Date: 21 December 2023

HARBORNE PARISH LANDS CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE PARISH LANDS CHARITY

Opinion

We have audited the financial statements of Harborne Parish Lands Charity (the 'charity') for the year ended 30 June 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 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; and
- 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 United Kingdom, including the Financial Reporting Council'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 the charity'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.

HARBORNE PARISH LANDS CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE PARISH LANDS CHARITY (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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.

HARBORNE PARISH LANDS CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE PARISH LANDS CHARITY (CONTINUED)

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 the Act and relevant regulations made or having effect thereunder.

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 is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing Financial Statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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 for the audit of the financial statements is located 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

HARBORNE PARISH LANDS CHARITY

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARBORNE PARISH LANDS CHARITY
(CONTINUED)**

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 22 December 2023

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

HARBORNE PARISH LANDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

	Note	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Charitable activities	4	956,530	-	956,530	901,029
Investments	5	707,079	-	707,079	667,318
Other income		361	-	361	2
Total income and endowments		1,663,970	-	1,663,970	1,568,349
Expenditure on:					
Raising funds	6	28,325	347,033	375,358	237,188
Charitable activities:	8				
Housing activities		916,077	115,953	1,032,030	962,414
Grants in relief in need		355,446	-	355,446	253,590
Governance costs		68,355	-	68,355	57,463
Total expenditure		1,368,203	462,986	1,831,189	1,510,655
Net income/(expenditure) before net (losses)/gains on investments		295,767	(462,986)	(167,219)	57,694
Net (losses)/gains on investments		(33,339)	891,501	858,162	(434,950)
Net movement in funds		262,428	428,515	690,943	(377,256)
Reconciliation of funds:					
Total funds brought forward		6,242,778	15,564,185	21,806,963	22,184,219
Net movement in funds		262,428	428,515	690,943	(377,256)
Total funds carried forward		6,505,206	15,992,700	22,497,906	21,806,963

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 53 form part of these financial statements.

HARBORNE PARISH LANDS CHARITY

BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	4,308,505	4,343,731
Investment property	13	11,143,001	10,213,584
Investments	14	5,168,657	5,270,735
		<u>20,620,163</u>	<u>19,828,050</u>
Current assets			
Debtors	15	166,156	123,375
Cash at bank and in hand		2,145,863	2,190,960
		<u>2,312,019</u>	<u>2,314,335</u>
Creditors: amounts falling due within one year	16	(369,557)	(269,868)
Net current assets		<u>1,942,462</u>	<u>2,044,467</u>
Total assets less current liabilities		<u>22,562,625</u>	<u>21,872,517</u>
Creditors: amounts falling due after more than one year	17	(64,719)	(65,554)
Net assets excluding pension asset		<u>22,497,906</u>	<u>21,806,963</u>
Total net assets		<u>22,497,906</u>	<u>21,806,963</u>
Charity funds			
Endowment funds	18	15,992,700	15,564,185
Restricted funds	18	-	-
Unrestricted funds	18	6,505,206	6,242,778
Total funds		<u>22,497,906</u>	<u>21,806,963</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr D Jeffery
(Chairman)

Date: 21 December 2023

The notes on pages 35 to 53 form part of these financial statements.

HARBORNE PARISH LANDS CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	(677,498)	(349,329)
Cash flows from investing activities			
Dividends, interests and rents from investments		707,079	667,318
Purchase of tangible fixed assets		(100,524)	(33,253)
Proceeds from sale of investments and investment property		444,506	351,560
Purchase of investments and investment property		(436,719)	(424,847)
Net cash provided by investing activities		614,342	560,778
Cash flows from financing activities			
Repayments of borrowing		(835)	(756)
Net cash used in financing activities		(835)	(756)
Change in cash and cash equivalents in the year		(63,991)	210,693
Cash and cash equivalents at the beginning of the year		2,237,002	2,026,309
Cash and cash equivalents at the end of the year	21	2,173,011	2,237,002

The notes on pages 35 to 53 form part of these financial statements

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

The Harborne Parish Lands Charity is an unincorporated charity registered with the Charity Commission in England and Wales, registration number 219031. Its principal address is 109 Court Oak Road, Harborne, Birmingham, B17 9AA.

The nature of the operations and principal activities are relieving need in the ancient parish of Harborne.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), 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 the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Harborne Parish Lands Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in British Pound Sterling being the functional currency of the Charity and rounded to the nearest £.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing activities represents rental and service charges income receivable in the year net of rent and service charges losses from voids.

Investment income from investment properties is recognised as it falls due. Dividends and interest income is recognised as the Charity's right to receive payment is established.

Rental income from investment properties is recognised on a receivable basis.

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in managing investment assets.

Investment management costs are apportioned between funds based on the percentage of the relevant assets held in the fund.

Charitable activities and governance costs are costs incurred in the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets (including social housing properties) are carried at cost (or deemed cost), net of depreciation and any provision for any impairment. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Housing properties in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Major components of housing properties, such as lifts and warden alarm systems have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives. The useful economic lives of tangible fixed assets are reviewed annually.

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Land	- Not depreciated
Office building	- 20 years
Fixtures and fittings	- 7 years
Computer equipment	- 3 years
Roof structure and covering	- 70 years
Windows and external doors	- 30 years
Heating	- 8 - 15 years
Kitchens	- 20 years
Bathrooms	- 30 years
Mechanical	- 30 years
Electrical	- 40 years
Lifts	- 20 years

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.6 Investment property

All investment properties are included at market value. Any changes in fair value are recognised in the Statement of Financial Activities.

Properties rented to provide social housing are treated as tangible fixed assets and not investment properties.

2.7 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowed funds are those funds which are available for use in accordance with the wishes of the funder or regulatory body. Endowment funds represent gifts where the income may be used for general charitable purposes but the capital must be retained.

Income generated from permanently endowed assets is allocated to unrestricted income. Gains and losses on those assets are attributed to the endowment fund. Where income funds are used to build, extend or improve buildings which are endowed properties or on endowed land, then the enhancement to the asset will be included within the endowment fund.

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. Critical accounting estimates and areas of judgement

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 Charity has made the following estimates and assumptions that have a significant impact on the amounts recognised in the financial statements:

Useful lives of buildings and components - this is assessed based on experience and best practice in the sector. The useful lives are regularly reviewed.

Valuation of investment properties - fair value is assessed based on a combination of professional opinion, market values, actual occupancy and knowledge of the local area.

Critical areas of judgement:

Permanent endowment funds - due to the age of the Charity and changes in modern day regulation, the Trustees are aware that it is difficult to ascertain with certainty the absolute values and components of the permanent endowment funds. They have applied judgement to the split of assets and allocation and apportionment of eligible costs to those funds based on historic evidence and practice.

Valuation of investment properties - the Trustees consider the assessment of the valuation of investment properties to be a key area of judgement, with the factors impacting upon this assessment being outlined above.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Rent charges receivable	561,900	561,900
Service charges receivable	284,499	284,499
Utilities recharges	110,131	110,131
Total 2023	956,530	956,530

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Rent charges receivable	535,618	535,618
Service charges receivable	265,370	265,370
Utilities recharges	100,041	100,041
<i>Total 2022</i>	<u>901,029</u>	<u>901,029</u>

5. Investment income

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Rental income from investment properties	543,443	543,443
Dividends and interest receivable	163,636	163,636
Total 2023	<u>707,079</u>	<u>707,079</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income - local investment properties	529,058	529,058
Income from local listed investments	138,260	138,260
<i>Total 2022</i>	<u>667,318</u>	<u>667,318</u>

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Investment management costs

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Repairs	7,819	252,813	260,632
Insurance	249	8,047	8,296
Legal and property management fees	437	14,118	14,555
Agent's comission	1,848	59,721	61,569
Investment management fee	17,972	12,334	30,306
Total 2023	28,325	347,033	375,358

	<i>Unrestricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
Repairs	4,680	151,336	156,016
Insurance	225	7,265	7,490
Legal and property management fees	451	14,559	15,010
Agent's comission	787	25,451	26,238
Investment management fee	19,174	13,159	32,333
Voids	3	98	101
<i>Total 2022</i>	<i>25,320</i>	<i>211,868</i>	<i>237,188</i>

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Analysis of grants

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Total funds 2023 £
Grants for relief in need	230,259	71,313	301,572

During the year, 164 (2022: 72) grants were awarded to individuals referred to the Charity by agencies in Birmingham and Sandwell.

	<i>Grants to Institutions 2022 £</i>	<i>Grants to Individuals 2022 £</i>	<i>Total funds 2022 £</i>
Grants for relief in need	163,715	41,331	205,046

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Housing activities	984,432	115,953	1,100,385
Grants for relief in need	355,446	-	355,446
Total 2023	1,339,878	115,953	1,455,831

	<i>Unrestricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total 2022 £</i>
Housing activities	895,558	124,317	1,019,875
Grants for relief in need	253,592	-	253,592
	1,149,150	124,317	1,273,467

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

Included within housing activities is governance costs of £44,901 (2022: £57,463). See note 9 for details.

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Housing activities	1,032,030	-	68,355	1,100,385
Grants for relief in need	-	301,572	53,874	355,446
	<u>1,032,030</u>	<u>301,572</u>	<u>122,229</u>	<u>1,455,831</u>

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Housing activities	962,412	-	57,463	1,019,875
Grants for relief in need	-	205,046	48,546	253,592
	<u>962,412</u>	<u>205,046</u>	<u>106,009</u>	<u>1,273,467</u>

Analysis of direct costs

	Housing Activities 2023 £	Total funds 2023 £
Staff costs	311,304	311,304
Operating costs	713,970	713,970
Interest payable	6,756	6,756
	<u>1,032,030</u>	<u>1,032,030</u>

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	302,267	302,267
Operating costs	653,310	653,310
Interest payable	6,835	6,835
	<u>962,412</u>	<u>962,412</u>

Analysis of support costs

	Housing Activities 2023 £	Grants for relief in need 2023 £	Total funds 2023 £
Staff costs	-	48,894	48,894
Premises and office running expenses	-	4,980	4,980
Governance costs	68,355	-	68,355
	<u>68,355</u>	<u>53,874</u>	<u>122,229</u>

	<i>Activities 2022 £</i>	<i>Activity 2 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	-	44,930	44,930
Premises and office running expenses	-	3,616	3,616
Governance costs	57,463	-	57,463
	<u>57,463</u>	<u>48,546</u>	<u>106,009</u>

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Governance costs

	Unrestricted funds 2023 £	Total funds 2023 £
Auditor's remuneration	24,162	24,162
Other costs	14,197	14,197
Premises and office running expenses	2,692	2,692
Wages and salaries	22,496	22,496
National insurance	2,561	2,561
Pension cost	2,248	2,248
	<u>68,356</u>	<u>68,356</u>

Auditor's remuneration contains £3,000 (2022: £2,750) of non-audit fees.

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Auditor's remuneration	19,199	19,199
Other costs	10,286	10,286
Premises and office running expenses	2,655	2,655
Wages and salaries	20,877	20,877
National insurance	2,392	2,392
Pension cost	2,054	2,054
	<u>57,463</u>	<u>57,463</u>

11. Staff costs

	2023 £	2022 £
Wages and salaries	328,749	316,989
Social security costs	27,611	26,332
Other pension costs	31,143	29,199
	<u>387,503</u>	<u>372,520</u>

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Employed wholly on housing activities	5	7
Employed on housing activities, grant making and governance	6	5
	<u>11</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £70,001 - £80,000	1	1

Aggregate remuneration and benefits received by Key Management Personnel (including employer pension contributions, national insurance and benefits) amounted to £197,764 (2022: £184,867). Key Management Personnel comprises the Trustees, Chief Executive, Housing Manager, Senior Buildings Manager and Information and Policy Officer. Trustees received no remuneration or benefits.

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Housing Properties £	Total £
Cost or valuation				
At 1 July 2022	657,493	114,527	6,004,149	6,776,169
Additions	-	49,509	51,015	100,524
At 30 June 2023	657,493	164,036	6,055,164	6,876,693
Depreciation				
At 1 July 2022	47,715	105,549	2,279,174	2,432,438
Charge for the year	6,546	13,250	115,954	135,750
At 30 June 2023	54,261	118,799	2,395,128	2,568,188
Net book value				
At 30 June 2023	603,232	45,237	3,660,036	4,308,505
At 30 June 2022	609,778	8,978	3,724,975	4,343,731

13. Investment property

	Freehold investment property £
Valuation	
At 1 July 2022	10,213,584
Revaluation gain	929,417
At 30 June 2023	11,143,001

Investment property comprise commercial properties and residential properties with fair values of £5.7m and £5.5m respectively on 30 June 2023. The Charity's investment properties were formally valued as at 30 June 2023, commercial properties were valued by Richard D Longden (MRICS) of Cottons Chartered Surveyors and residential properties valued by James Peet (MRICS) of Carters Chartered Surveyors, on an open market value. The Trustees consider the relevant assumptions applied by the surveyors appropriate as at 30 June 2023. The majority of these properties were bequeathed to the Charity many years ago and the historical cost of these properties is not known.

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments

	Listed investments £	Cash held by investment manager £	Total £
Cost or valuation			
At 1 July 2022	5,224,694	46,041	5,270,735
Additions	436,719	(436,719)	-
Disposals	(444,506)	444,506	-
Revaluations	(75,398)	-	(75,398)
Management fees	-	(26,680)	(26,680)
At 30 June 2023	<u>5,141,509</u>	<u>27,148</u>	<u>5,168,657</u>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	18,324	18,615
Rents held by managing agent	100,675	830
Prepayments and accrued income	47,157	103,930
	<u>166,156</u>	<u>123,375</u>

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	560	560
Trade creditors	68,500	40,943
Other taxation and social security	9,231	8,194
Other creditors	7,336	4,341
Accruals and deferred income	132,575	77,173
Grants payable	151,355	138,657
	<u>369,557</u>	<u>269,868</u>

Included within accruals and deferred income is rental income invoiced in advance of £70,883 (2022: £62,211).

17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>64,719</u>	<u>65,554</u>

The above loan included in creditors within and after one year is secured by a charge over Harborne House, one of the Charity's housing properties. The loan is repayable in instalments over a term of 60 years ending on 31 July 2044. The interest accrues at a rate of 10.25%. The loan represents 6.3% (2022: 6.2%) of the book value of the property.

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

18. Statement of funds

Statement of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2023 £
Unrestricted funds					
General Funds	6,242,778	1,663,970	(1,368,203)	(33,339)	6,505,206
Endowment funds					
Endowment Funds	15,564,185	-	(462,986)	891,501	15,992,700
Total of funds	21,806,963	1,663,970	(1,831,189)	858,162	22,497,906

Statement of funds - prior year

	Balance at 1 July 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2022 £
Unrestricted funds					
General Funds	6,106,825	1,568,349	(1,174,470)	(257,926)	6,242,778
Endowment funds					
Endowment Funds	16,077,394	-	(336,185)	(177,024)	15,564,185
Total of funds	22,184,219	1,568,349	(1,510,655)	(434,950)	21,806,963

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	45,235	4,263,270	4,308,505
Fixed asset investments	3,065,014	2,103,643	5,168,657
Investment property	530,000	10,613,001	11,143,001
Current assets	2,312,019	-	2,312,019
Creditors due within one year	(368,997)	(560)	(369,557)
Creditors due in more than one year	12,805	(77,524)	(64,719)
Loan between funds	909,130	(909,130)	-
Total	6,505,206	15,992,700	22,497,906

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,975	4,334,756	4,343,731
Fixed asset investments	3,125,546	2,145,189	5,270,735
Investment property	521,086	9,692,498	10,213,584
Current assets	2,314,335	-	2,314,335
Creditors due within one year	(269,308)	(560)	(269,868)
Creditors due in more than one year	-	(65,554)	(65,554)
Loan between funds	542,144	(542,144)	-
Total	6,242,778	15,564,185	21,806,963

HARBORNE PARISH LANDS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	690,943	(377,256)
Adjustments for:		
Depreciation charges	135,750	140,232
(Gains)/losses on investments	(854,022)	440,559
Dividends, interests and rents from investments	(707,079)	(667,318)
Decrease/(increase) in debtors	(42,781)	95,696
Increase in creditors	99,691	18,758
Net cash used in operating activities	(677,498)	(349,329)

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	2,145,863	2,190,960
Cash held at investment manager	27,148	46,042
Total cash and cash equivalents	2,173,011	2,237,002

22. Analysis of changes in net debt

	At 1 July 2022 £	Cash flows £	At 30 June 2023 £
Cash at bank and in hand	2,190,960	(45,097)	2,145,863
Debt due within 1 year	(560)	-	(560)
Debt due after 1 year	(65,554)	835	(64,719)
	2,124,846	(44,262)	2,080,584

HARBORNE PARISH LANDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

23. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	191,625	161,257

24. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £31,143 (2022: £29,199). Contributions totalling £4,018 (2022: £3,403) were payable to the fund at the balance sheet date and are included within creditors.

25. Related party transactions

None of the Trustees or any persons connected with them received any remuneration during the year (2022: £Nil).

The total amount of expenses reimbursed to Trustees or third parties in relation to Trustees expenses was £Nil during the year (2022: £Nil).

There were no further transactions with related parties during the year (2022: £Nil).

