

A J B HUDSON MEMORIAL CHARITY

Registered Charity Number 227925

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENT

YEAR ENDED 5 APRIL 2021

Reference and Administrative Information

Trustees

The Colonel of The Mercian Regiment (ex-officio) represented by Colonel Harry John Lowles C.B.E., formerly of The Worcestershire Regiment*

Charles Alexander Burnell Hudson

Colonel John Hamlyn Bryant, formerly of The Worcestershire Regiment

Captain David James Bezzant, formerly of The Worcestershire Regiment

Adam Elliot Knowles

David Charles Waldron, County Chairman, Worcestershire Royal British Legion*

Gabriel Charles More Hudson

Treasurer

Neil Smith

Secretary

Dr Amanda Tanfield

Chaplain

The Reverend Canon Roger Spiller

Principal Office

Wyke Manor, Main Street, Wick, Pershore, Worcestershire, WR10 3NZ

Charity Number: 227925

Accountants

Folkes Worton, 15-17 Church Street, Stourbridge, West Midlands, DY8 1LU

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

Investment Managers*

M&G Charities, PO Box 9038 Chelmsford, CM99 2XF

CCLA Investment Management Ltd, COIF Charity Funds, 85 Queen Victoria Street, London, EC4V 4ET

* Status changed in-year by Constitution Resolution adopted 6 October 2020 (see paragraphs 3 & 13.)

Report of the Trustees for the Year Ended 5 April 2021

1. The Trustees present their annual report and financial statement for the Trust for the year ended 5 April 2021. The financial statements have been prepared in accordance with the Trust's governing document, the Charities Act 2011 and the Charities Statement of Recommended Practice (FRS 102).

Structure, Governance and Management

2. The Trust is a registered charity, registered with the Charity Commission on 4 November 1965 under registered charity number 227925, and is constituted by Schemes of the Charity Commission dated 15 April 1958, 25 August 1965, 11 March 1997 and 12 September 2001, and the Resolution adopted on 6 October 2020.

3. Up until 6 October 2020, the composition of the Trustee Board was as set out in the Scheme of the Charity Commission dated 11 March 1997. This provided for a minimum of eight Trustees, made up of one ex-officio Trustee, two nominated Trustees and five co-opted Trustees. Co-opted Trustees served a term of five years and nominated Trustees served a term of four years. Under the amending Resolution adopted on 6 October 2020 (see paragraph 13), the Trust will have a minimum of five and a maximum of eight Trustees (currently there are seven). The categories of ex-officio and nominated Trustees were abolished. Existing Trustees were reappointed for periods of three, four or five years; future Trustees will be appointed for five years.

4. At the regular Trustees' meetings, the Trustees agree the broad strategy and areas of activities for the Trust, including consideration of investment, reserves and risk management policies and performance. The Trustees meet twice a year and as/when required. The day-to-day administration is delegated to the Secretary.

5. New Trustees are appointed by the existing Trustees. The Trust complies with the ICSA guidance note *Charity Trustee Recruitment*. Trustee recruitment takes into account experience, empathy and knowledge of the Trust as well as the need to maintain the skills and composition of the Trustee Board. The Trustees actively seek those with a knowledge of the local regiments and/or service.

6. On appointment, Trustees sign a declaration of acceptance and of willingness to act in the trusts of the Charity, in accordance with the Trust's governing document. The induction process follows the ICSA good practice guide, with the induction programme for a newly-appointed trustee being led by the Secretary, to include a meeting with the Chairman and Secretary on the powers and responsibilities of the Trustee board and the Trust's assets, investments, policies and activities. The welcome pack includes, amongst other information and guidance, a brief history of the Trust, Trustee board composition and recent board minutes, the last three years' annual reports and accounts, a copy of the Trust governing document, and a copy of the Charity Commission guidance booklet, *The essential trustee: what you need to know, what you need to do*. Trustees and officers are also required to sign the Trust's Code of Conduct and Data Protection Policy.

7. All Trustees give of their time freely and no Trustee remuneration was paid during the year. Details of Trustee expenses and related party transactions would be disclosed in the accounts. There were none to be disclosed in this financial year. Trustees are required to disclose all relevant interests and register them with the Secretary and, in accordance with the Trust's policy, to withdraw from decisions where a conflict of interest arises.

Objectives and Activities for the Public Benefit

8. The Trust was established through the Will of the late Caroline Elizabeth Hudson of Wyke Manor, Wick, near Pershore, Worcestershire, in memory of her son, Lieutenant Alban John Benedict Hudson, who died in action during the first World War.

9. The object of the Trust is the assistance of disabled ex-service personnel of the Armed Forces of the Crown and ex-service personnel who are in need. The Trust does not actively fundraise and seeks to continue the charitable work desired by the Settlor through the careful stewardship of its existing resources, the income to be applied for the relief of ex-service personnel of the Armed Forces of the Crown who are disabled and/or in need (preference being given to ex-members of The Worcestershire Regiment and descendant Regiments, currently The Worcestershire and Sherwood Foresters Regiment and The Mercian Regiment).

10. The charity achieves its object through the provision of affordable Trust housing, situated in Wick. As well as paying for the upkeep and repair of the Trust's properties, Trust income may be applied for the upkeep and repair of the chapel at Wyke Manor (consecrated in Lieutenant A J B Hudson's memory) and the performance of divine service therein, so long as services remain open to Trust residents and staff.

11. The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and when considering their approach to applications from prospective tenants of the Trust properties.

Achievements and Performance

12. The year has been dominated by the ongoing Covid-19 pandemic. The beginning of lockdown necessitated the cancellation of the April 2020 meeting of the Board of Trustees. Essential business was completed by email. The Trustees met by videoconference in October 2020. Although there is no provision for virtual meetings in the Trust's constitution, which predates the widespread availability of IT, this is allowed under Charity Commission Covid-19 guidance. Trustees are in the process of considering a constitutional amendment to give the Board the permanent option of conducting business electronically.

13. Last year, the Trust reported that it was pursuing an amendment of its governing document to give it more flexibility on the Trustee Board size and composition. It was proving impossible to find a second nominated Royal British Legion representative, and similar problems were anticipated in finding a new ex-service member of The Worcestershire Regiment (which has been subject to two mergers since the Trust was founded) to act as the ex-officio representative, both of which were constitutional requirements. Trustees therefore adopted a Resolution on 6 October 2020 to abolish the categories of ex-officio and nominated Trustee and set the Board size at 5-8 Trustees. The Board will, if possible, include an ex-service member from Worcestershire; a representative nominated by the Worcestershire County Committee of the Royal British Legion; and a member of the Hudson (Settlor's) family.

14. The Resolution adopted by Trustees on 6 October 2020 also amended the constitutional provisions governing financial investments, which were archaically worded, hard for the layperson to interpret, and in parts obsolete. Investment powers are now simply aligned with the latest government legislation, currently the Trustee Act 2000.

15. Financial turmoil associated with the Covid-19 pandemic brought to a head Trustees' long-standing dissatisfaction with the performance of the Trust's unit trust investments, managed by M&G Charities and CCLA Investment Management Ltd., in comparison with expected returns on investment property. In September 2020, an ideal investment property in Wick village came onto the market. At their 6 October 2020 Board meeting, Trustees formally decided to liquidate the unit trust portfolio and use the proceeds to purchase this property. The purchase completed in February 2021 and tenants were found the same month. The projected annual rental income is more than double that received from the unit trusts.

16. There has been no turn-over of Trust beneficiary tenancies over the past year, with all seven Trust beneficiary properties being let for the full period. A number of routine maintenance and refurbishment tasks have been completed. Rents for these seven properties are currently set at some two-thirds below market rates.

Financial Review

17. The Trust's work is entirely reliant on rental income and, until October 2020, investment return from its unit trust portfolio. As reported in paragraph 15, the Trust reinvested its unit trust portfolio into an investment property. The Trust's gross income for the year amounted to £28,626 and expenditure to £10,435. Liquidation of the unit trust portfolio produced a gain of £52,951. Details are shown in the accounts for the year. The balances in the Trust's CAF bank accounts at the year-end were as follows:

- CAF Bank – Gold Account £6,645
- CAF Bank – CafCash Account £1,000

Reserves Policy

18. The Trustees maintain an Extraordinary Repairs Fund, as authorised by the Scheme dated 11 March 1997. The Trustees maintain revenue reserves at a level which allows the Trust to meet short term operating requirements (planned and unforeseen maintenance and other operating expenses of its estate) and to cover any periods of reduced rental income, and to fund larger projects, such as property improvements, in the longer term. Trustees are currently working on amending the Trust's reserves policy and constitutional provisions in line with the investment decisions reported in paragraph 15.

Approved by the Trustees and signed on their behalf by:



Charles Alexander Burnell Hudson

Chair of Trustees

A.J.B. HUDSON MEMORIAL TRUST

REGISTERED NUMBER: 227925

STATEMENTS OF ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

Folkes Worton LLP
15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

A.J.B. HUDSON MEMORIAL TRUST

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FOR THE YEAR ENDED 5 APRIL 2021

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A.J.B. HUDSON MEMORIAL TRUST

ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 5 APRIL 2021

We report on the accounts for the period ended 5 April 2021 set out on pages 2 to 5.

Respective responsibilities of trustees and accountants

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year (under Section 144 (2) of the Charities Act 2011) and that an independent examination is required.

It is our responsibility to:

- examine the accounts under Section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145 (5)(b) of the 2011 Act); and
- state whether particular matters have come to our attention.

Basis of our report

Our examination was carried out in accordance with the General Directions given by The Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Reporting accountants' statement

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act;
 - and
 - to prepare accounts in accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) in which, in our opinion, attention should be drawn in order to enable proper understanding of the accounts to be reached.

Folkes Worton LLP
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Folkes Worton LLP
Chartered Accountants

15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

5 October 2021

A.J.B. HUDSON MEMORIAL TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021**

	Notes	Unrestricted income funds £	Restricted income funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
INCOME						
Rents received (beneficiaries)		23,847	-	-	23,847	23,489
Rents received (investment)		1,670	-	-	1,670	-
Garage rental		468	-	-	468	-
Dividend income from unit trusts		2,615	-	-	2,615	4,280
CAF & COIF interest		26	-	-	26	65
TOTAL INCOME		28,626	-	-	28,626	27,834
CHARITY EXPENDITURE						
Salary and expenses of secretary	1	1,700	-	-	1,700	1,700
Audit and accountancy charges		696	-	-	696	672
Professional fees		1,457	-	-	1,457	-
Letting fees		615	-	-	615	-
Insurance		2,362	-	-	2,362	2,260
Repairs and maintenance of Trust House		3,136	-	-	3,136	8,202
Bank charges		69	-	-	69	60
Chaplain's expenses		400	-	-	400	400
TOTAL EXPENDITURE		10,435	-	-	10,435	13,294
NET INCOME/(EXPENDITURE)		18,191	-	-	18,191	14,540
Net gains/(losses) on investments	3	52,951	-	-	52,951	-
NET MOVEMENT IN FUNDS		71,142	-	-	71,142	14,540
RECONCILIATION OF FUNDS						
Total funds brought forward		221,771			221,771	207,231
TOTAL FUNDS CARRIED FORWARD		292,913	-	-	292,913	221,771

A.J.B. HUDSON MEMORIAL TRUST

BALANCE SHEET
AS AT 5 APRIL 2021

	Notes	£	2021	£	£	2020	£
FIXED ASSETS							
Tangible assets	2			296,321		66,321	
Investments at historical cost	3			-		105,597	
				<u>296,321</u>		<u>171,918</u>	
CURRENT ASSETS							
Debtors	4	4,160			2,630		
Cash at bank	5	7,645			50,500		
				<u>11,805</u>		<u>53,130</u>	
CREDITORS							
Amounts falling due within one year	6	7,213			3,277		
Long term	7	8,000					
				<u>15,213</u>		<u>3,277</u>	
NET CURRENT ASSETS							
				(3,408)		49,853	
NET ASSETS							
				<u>292,913</u>		<u>221,771</u>	
CAPITAL AND RESERVES							
Capital account	8		124,111			124,111	
Extraordinary repairs fund	8		2,314			2,254	
Revenue reserves	8		166,488			95,406	
TOTAL FUNDS				<u>292,913</u>		<u>221,771</u>	

The financial statements on pages 2 to 3 were approved by the trustees on 5 October 2021 and signed on their behalf by:



C A B Hudson
Signed on 07/10/21 @ 14:00

.....
Mr C.A.B. Hudson (Chairman)

The notes on pages 4 to 5 form part of these financial statements.

A.J.B. HUDSON MEMORIAL TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2021****1 CHARITY EXPENDITURE ANALYSIS**

	2021 £	2020 £
Salary and expenses of Secretary	1,700	1,700

The Trust Secretary (since April 2017) is the Chair's sister-in-law.

2 TANGIBLE FIXED ASSETS

	Houses, land and cottages at Wick £	Chapel Furniture & Investments £	Total £
COST			
At 6 April 2020	66,320	65	66,385
Additions	230,000	-	230,000
At 5 April 2021	296,320	65	296,385
DEPRECIATION			
At 6 April 2020	-	64	64
Charge for year	-	-	-
At 5 April 2021	-	64	64
NET BOOK VALUE			
At 6 April 2020	66,320	1	66,321
At 5 April 2021	296,320	1	296,321
	Market value at 05/04/2021	Market value at 05/04/2020	
	2,690,000	1,419,766	

A new property was purchased in February 2021. N.B. Previous year property valuations used insurance rebuild estimates. This year's figure is a full market valuation; the rebuild estimate for comparison is £1,643,071

3 INTANGIBLE FIXED ASSETS

	Cost at 06/04/2020 £	Additions/ disposals £	Profit / loss on sale £	Cost at 05/04/2021 £	Market value at 05/04/2021 £	Market value at 06/04/2020 £
Variable Income Investments						
COIF Charities Investment Fund Income Shares (4,465)	48,743	(76,683)	27,940	-	-	64,156
COIF Annual Investment Accumulation Shares (272)	21,217	(53,205)	31,988	-	-	43,835
Charifund - Equities Investment Fund (2,381)	35,637	(28,660)	(6,977)	-	-	27,328
TOTAL INVESTMENTS	105,597	(158,548)	52,951	-	-	135,319

All Unit Trusts were sold in October 2020 and the proceeds reinvested in property.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2021**

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Prepaid insurance	2,384	2,110
Deposit Protection Scheme	1,776	520
	<u>4,160</u>	<u>2,630</u>

5 CASH AT BANK

	2021	2020
	£	£
CAF Charity Services Account	1,000	1,000
COIF Charities Account	-	67
CAF Gold Account	6,645	49,433
	<u>7,645</u>	<u>50,500</u>

The COIF Charities Account was closed in October 2020.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accrued maintenance/other	2,401	2,085
Accrued accountancy fee	696	672
Prepaid garage rental income	2,340	-
Tenant Deposits	1,776	520
	<u>7,213</u>	<u>3,277</u>

7 CREDITORS: LONG TERM

	2021	2020
	£	£
Loan	8,000	-
	<u>8,000</u>	<u>-</u>

The Chairman loaned £12,000 interest free for property purchase in October 2020 (£4,000 since repaid).

8 CAPITAL AND RESERVES

	Capital account	Extraordinary repairs fund	Revenue reserves	Total
	£	£	£	£
At 6 April 2020	124,111	2,254	95,406	221,771
Surplus/(deficit) for the year	-	-	71,142	71,142
Annual contribution	-	60	(60)	-
At 5 April 2021	<u>124,111</u>	<u>2,314</u>	<u>166,488</u>	<u>292,913</u>