

A J B HUDSON MEMORIAL CHARITY

Registered Charity Number 227925

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENT

YEAR ENDED 5 APRIL 2022

Reference and Administrative Information

Charity Number: 227925

Trustees

Charles Alexander Burnell Hudson

Colonel Harry John Lowles C.B.E., formerly of The Worcestershire Regiment

Colonel John Hamlyn Bryant, formerly of The Worcestershire Regiment

Captain David James Bezzant, formerly of The Worcestershire Regiment

Adam Elliot Knowles

David Charles Waldron, 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

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

Report of the Trustees for the Year Ended 5 April 2022

1. The Trustees present their annual report and financial statement for the Trust for the year ended 5 April 2022. 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 Resolutions adopted on 6 October 2020 and 6 April 2021.

3. Under the Resolution adopted on 6 October 2020, the Trust will have a minimum of five and a maximum of eight Trustees (currently there are seven). 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 Covid-19 pandemic continued to affect operations, necessitating the use of videoconferencing to conduct the Trustee meetings in April 2021 and October 2021. In the previous year, as reported, the Trustees met by videoconference under the Charity Commission Covid-19 dispensation, as there was no provision for virtual meetings in the Trust's constitution. Trustees adopted a Resolution on 6 April 2021, amending the constitution to give the Board the permanent option of conducting business electronically, including meetings by videoconference.

13. Last year, the Trust reported a major rethink of its investment strategy, switching funds from poorly-performing unit trusts to a new investment property. The new property has been rented out at full market rate since February 2021 and is, as expected, generating more than double the income received from the old unit trusts. Trustees overhauled the Trust's Investment Policy to reflect this change and, in the Resolution adopted on 6 April 2021, adopted new provisions on the cash reserve, in place of the outdated and incompatible requirement for an Extraordinary Repair Fund invested in unit trusts.

14. The Trust owns a block of garages, one of which is not required by the beneficiary tenants and is now rented out commercially, generating income of £936/year. The Trust approved a grant to one of the beneficiary tenants for the construction of a garage on his property. Once completed, this will allow him to vacate a second garage in the block, which can then also be rented out for £936/year.

15. 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. With inflation running high, rents for these seven properties are currently set at around three-quarters below market rates.

Financial Review

16. The Trust's work is entirely reliant on rental income from the seven beneficiary properties plus one investment property, which is let at full market rate. The Trust's gross income for the year amounted to £35,277 and expenditure to £19,720. 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 £11,426
- CAF Bank – CafCash Account £1,000

Reserves Policy

17. As noted in paragraph 13, the Reserves Policy has been updated as part of the overhaul of Investment Policy and under the Resolution adopted on 6 April 2021. The Trust maintains revenue reserves for the purpose of meeting short term operating requirements and to fund larger projects, such as property improvements, in the longer term. The Trust's revenue reserves are currently held in investment property and in cash. As part of its revenue reserves, the Trust maintains a cash reserve at the level required to meet planned and unforeseen maintenance and other operating expenses of its estate, and to cover any periods of reduced rental income. The Trust will endeavour to maintain a cash reserve equivalent to at least 10% of rental income (calculated at full market rates) plus three months to cover rental void periods. Cash reserve funds are held in the Trust's bank accounts for instant access. The Trust is free to move any funds above the required cash reserve level into permitted investments. The Trust's only current investment is its single investment property.

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 2022

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 2022

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A.J.B. HUDSON MEMORIAL TRUST

ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 5 APRIL 2022

We report on the accounts for the period ended 5 April 2022 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

10 October 2022

A.J.B. HUDSON MEMORIAL TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	Unrestricted income funds £	Restricted income funds £	Endowment funds £	Total funds 2022 £	Total funds 2021 £
INCOME						
Rents received (beneficiaries)		24,841	-	-	24,841	23,847
Rents received (investment)		9,498	-	-	9,498	1,670
Garage rental		936	-	-	936	468
Dividend income from unit trusts		-	-	-	-	2,615
CAF & COIF interest		2	-	-	2	26
TOTAL INCOME		35,277	-	-	35,277	28,626
CHARITY EXPENDITURE						
Salary and expenses of Secretary	1	1,700	-	-	1,700	1,700
Audit and accountancy charges		720	-	-	720	696
Professional fees		-	-	-	-	1,457
Letting fees		-	-	-	-	615
Insurance		2,663	-	-	2,663	2,362
Repairs and maintenance of Trust House		14,140	-	-	14,140	3,136
Bank charges		97	-	-	97	69
Chaplain's expenses		400	-	-	400	400
TOTAL EXPENDITURE		19,720	-	-	19,720	10,435
NET INCOME/(EXPENDITURE)		15,557	-	-	15,557	18,191
Net gains/(losses) on investments		-	-	-	-	52,951
NET MOVEMENT IN FUNDS		15,557	-	-	15,557	71,142
RECONCILIATION OF FUNDS						
Total funds brought forward		292,913	-	-	292,913	221,771
TOTAL FUNDS CARRIED FORWARD		308,470	-	-	308,470	292,913

A.J.B. HUDSON MEMORIAL TRUST

BALANCE SHEET
AS AT 5 APRIL 2022

	Notes	£	2022	£	£	2021	£
FIXED ASSETS							
Tangible assets	2			296,321			296,321
				<u>296,321</u>			<u>296,321</u>
CURRENT ASSETS							
Debtors	3		4,850			4,160	
Cash at bank	4		12,426			7,645	
			<u>17,276</u>			<u>11,805</u>	
CREDITORS							
Amounts falling due within one year	5		5,127			7,213	
Long term	6		-			8,000	
			<u>5,127</u>			<u>15,213</u>	
NET CURRENT ASSETS				12,149			(3,408)
NET ASSETS				<u>308,470</u>			<u>292,913</u>
CAPITAL AND RESERVES							
Capital account	7			124,111			124,111
Extraordinary repairs fund	7			-			2,314
Revenue reserves	7			184,359			166,488
TOTAL FUNDS				<u>308,470</u>			<u>292,913</u>

4 OCTOBER

The financial statements on pages 2 to 3 were approved by the trustees on ~~xx~~ 2022 and signed on their behalf by:


.....
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 2022

1 CHARITY EXPENDITURE ANALYSIS

	2022	2021
	£	£
Salary and expenses of Secretary	<u>1,700</u>	<u>1,700</u>

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 2021	296,320	65	296,385
Additions	-	-	-
At 5 April 2022	<u>296,320</u>	<u>65</u>	<u>296,385</u>
DEPRECIATION			
At 6 April 2021	-	64	64
Charge for year	-	-	-
At 5 April 2022	<u>-</u>	<u>64</u>	<u>64</u>
NET BOOK VALUE			
At 6 April 2021	<u>296,320</u>	<u>1</u>	<u>296,321</u>
At 5 April 2022	<u>296,320</u>	<u>1</u>	<u>296,321</u>
	Market value at 05/04/2022		Market value at 05/04/2021
	<u>2,820,000</u>		<u>2,690,000</u>

A.J.B. HUDSON MEMORIAL TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2022

3 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Prepaid insurance	3,074	2,384
Deposit Protection Scheme	1,776	1,776
	<u>4,850</u>	<u>4,160</u>

4 CASH AT BANK

	2022	2021
	£	£
CAF Charity Services Account	1,000	1,000
CAF Gold Account	11,426	6,645
	<u>12,426</u>	<u>7,645</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accrued maintenance	1,227	2,401
Accrued accountancy fee	720	696
Prepaid garage rental income	1,404	2,340
Tenant Deposits	1,776	1,776
	<u>5,127</u>	<u>7,213</u>

6 CREDITORS: LONG TERM

	2022	2021
	£	£
Loan	-	8,000
	<u>-</u>	<u>8,000</u>

The Chairman loaned £12,000 interest free for property purchase in October 2020; remaining £8,000 repaid this FY.

7 CAPITAL AND RESERVES

	Capital account £	Extraordinary repairs fund £	Revenue reserves £	Total £
At 6 April 2021	124,111	2,314	166,488	292,913
Surplus/(deficit) for the year	-		15,557	15,557
Funds transferred		(2,314)	2,314	
At 5 April 2022	<u>124,111</u>	<u>-</u>	<u>184,359</u>	<u>308,470</u>

The Extraordinary Repairs Fund was closed under the constitutional amendment adopted 6 April 2021 and the funds transferred to revenue reserves.