

# The Michael Blanning Trust

## UNAUDITED FINANCIAL STATEMENTS

For the year ended

29 January 2021

# **The Michael Blanning Trust**

## **Report and Accounts**

### Contents

	<u>Page</u>
Information	1
Trustees' Report	2 – 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Accounts	7 – 10

# **The Michael Blanning Trust**

## INFORMATION

### TRUSTEES

K. R. James Esq.  
A. C. M. Oulsnam Esq.  
M. Booth Esq.  
J. Hughes Esq. (appointed 1 February 2020)  
D. Jutton Esq.  
R. Kennedy Esq.  
J. D. Loudon Esq.  
J. Moore Esq.

### SOLICITORS

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

### INDEPENDENT EXAMINERS

PPW Limited  
Clarendon House  
14 St Andrews Street  
Droitwich  
WR9 8DY

### CHARITY REGISTRATION NUMBER

266691

# Trustees' Report

## Of The Michael Blanning Trust

The Trustees present their report and unaudited financial statements of the charity for the year ended 29 January 2021. The Trustees have adopted the provisions of 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 (FRS102) (effective January 2015).

### GOVERNING BODY

The Trust is a registered charity, number 266691. The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The deed was dated 13 November 1973 with an initial fund of £5,000. A property disposal, stock market investments and a legacy from Mrs. Florence Blanning have increased the value of the Trust as shown in the annexed accounts.

### OBJECTS OF THE CHARITY

The objects of the charity are to use the funds and the income of the Trust for the exclusive charitable provision of housing (whether with or without associated amenities) for the aged and the relief and assistance of the aged.

### RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES

Trustees are recruited from all sectors of the business community, based on a skills-based needs assessment relevant to the charity. Appointment as a Trustee follows informal meetings with the current Trustees. All Trustees are also board members of the Michael Blanning Trust Housing Association Ltd.

### REVIEW OF ACTIVITIES

The existing developments which the Trust has supported with the Michael Blanning Trust Housing Association Ltd. are flourishing. The Trust has also supported the Housing Association with the purchase of freehold land at 216-220 Wake Green Road, Moseley. The land is now being developed as housing under Extra Care provisions and, in support of this, the Trust advanced a further loan during the year of £450,000 on the same terms as existing loans.

### ACHIEVEMENTS AND PERFORMANCE

The performance of the charity is set out in the attached financial statements. The objects of the charity have been achieved in accumulating a further surplus to reserves which will ultimately be invested in housing for the elderly as part of the ongoing strategy of the charity.

### RISK MANAGEMENT

The Trustees have examined the major strategic, business and operational risks that the charity faces. The Finance and Risk Management sub-committee of the Michael Blanning Trust Housing Association Ltd. regularly review and report upon such risks and suggest and implement improvements.

### RESERVES POLICY

The policy of the charity is to maintain sufficient reserves at a level to fund the ongoing management expenses. Any surplus reserves will be accumulated to invest in improving the existing housing for the elderly, or in new developments, through the Michael Blanning Trust Housing Association Ltd.

# Trustees' Report

Of The Michael Blanning Trust

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements the Trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles that are reasonable and prudent;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable the Trustees to ensure that the financial statements comply with the provisions of 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of Trustees on 15 June 2021 and signed on its behalf by :



Keith R. James  
Chairman of the board of the Trustees



# Independent Examiner's Report

To the Trustees  
Of The Michael Blanning Trust

We report on the Statement of Accounts of the Trust for the year ended 29 January 2021 which are set out on pages 5 to 9.

## Respective Responsibilities of Trustees and Examiner

The Charity's trustees are responsible for the preparation of the accounts. The Charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is required.

It is our responsibility to :

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

## Basis of the Independent Examiner's 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 the trustees concerning any 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 statement below.

## Independent Examiner's Statement

In connection with our examination, no material matters have 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 130 of the Charities Act
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Clarendon House  
14 St. Andrews Street  
Droitwich  
Worcs.  
WR9 8DY

*PPW Limited*

**PPW Limited**  
Chartered Accountants

# The Michael Blanning Trust

Statement of Financial Activities  
For the year ended 29 January 2021

	Notes	2021 £	2020 £
<b>Incoming resources</b>			
Loan interest		60,896	60,896
		<hr/>	<hr/>
<b>Total Incoming Resources</b>		60,896	60,896
<b>Resources Expended</b>			
Management and administration of the charity	2	11,600	8,160
Extraordinary item	3	-	(19,618)
		<hr/>	<hr/>
Net Movement in Funds		49,296	72,354
Balance brought forward		5,265,300	5,192,946
		<hr/>	<hr/>
Balance carried forward		5,314,596	5,265,300
		<hr/> <hr/>	<hr/> <hr/>

# The Michael Blanning Trust

## BALANCE SHEET

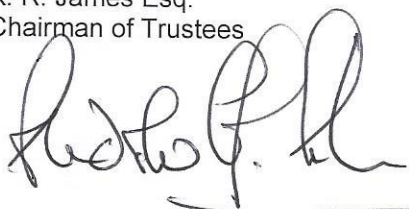
As at 29 January 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Housing Trust loan	4	5,187,016	4,737,016
Debtors	5	35,286	4,838
Cash at bank	6	101,714	529,746
		<hr/>	<hr/>
		5,324,016	5,271,600
CREDITORS: Amounts falling due within one year	7	(9,420)	(6,300)
		<hr/>	<hr/>
Net Current Assets		5,314,596	5,265,300
		<hr/>	<hr/>
Net assets		5,314,596	5,265,300
		<hr/> <hr/>	<hr/> <hr/>
FUNDS			
Unrestricted		5,314,596	5,265,300
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Trustees on 15 June 2021 and signed on its behalf by:



K. R. James Esq.  
Chairman of Trustees



A. C. M. Oulsnam Esq.  
Trustee



# The Michael Blanning Trust

Notes to the accounts

For the year ended 29 January 2021

## 1 ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS102, 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 (effective January 2015)' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102

- the requirements of Section 7 Statement of Cashflows

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis.

### **Taxation**

The charity is exempt from tax on its charitable activities.

### **Fund Accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity; these restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in Note 8 to the accounts.

### **Financial Instruments**

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

# The Michael Blanning Trust

Notes to the accounts

For the year ended 29 January 2021

Continued

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instruments and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade debtors are receivable within one year and therefore do not constitute a financing transaction. They are measured at transaction price although a provision for impairment of trade debtors will be established if there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Trade creditors are payable within one year and therefore do not constitute a financing transaction.

## 2 MANAGEMENT AND ADMINISTRATION

	2021 £	2020 £
Legal and professional fees	10,080	6,600
Independent examiner's fees	1,500	1,500
Bank Charges	20	60
	<u>11,600</u>	<u>8,160</u>

## 3 EXTRAORDINARY ITEM

	2021 £	2020 £
Extraordinary items	-	(19,618)
	<u>-</u>	<u>(19,618)</u>

Extraordinary items represent items that were previously held in creditors. The Trustees now believe that no claim will be made against the monies and so they have been released to the Income Fund.

## 4 HOUSING TRUST LOANS

	2021 £	2020 £
Loan to Michael Blanning Trust Housing Association Ltd.	<u>5,187,016</u>	<u>4,737,016</u>

# The Michael Blanning Trust

Notes to the accounts

For the year ended 29 January 2021

Continued

The loan interest receivable from Michael Blanning Trust Housing Association Ltd. for the year of £60,896 (2020: £60,896) has been calculated at 2.5% on £2,435,820 (2020: £2,435,820) being the loan balance on completed developments. The agreed policy for the Trust is to defer or not charge any interest on loans for the acquisition of land or for developments, until a housing scheme is complete and occupied.

The balance of interest outstanding from Michael Blanning Trust Housing Association Ltd. at 29 January 2021 is £35,286 (2020: £4,838) which is included in debtors in Note 5 below.

The loans are secured by way of legal charges on various properties. There is no fixed repayment date.

The Trust will also defer all loans and mortgages to a second charge in the event that Michel Blanning Trust Housing Association Ltd. seeks finance for new developments to enable such finance to be secured by a first charge or mortgage to development funders.

## 5 DEBTORS

	2021 £	2020 £
Loan interest receivable	35,286	4,838
	<u>35,286</u>	<u>4,838</u>

## 6 CASH AT BANK

	2021 £	2020 £
NatWest plc - current account	101,714	529,746
	<u>101,714</u>	<u>529,746</u>

## 7 CREDITORS

	2021 £	2020 £
Accruals	9,420	6,300
	<u>9,420</u>	<u>6,300</u>

# The Michael Blanning Trust

Notes to the accounts  
For the year ended 29 January 2021  
Continued

## 8 UNRESTRICTED FUNDS

	2021 £	2020 £
Capital funds	3,539,496	3,539,496
Income funds	1,775,100	1,725,804
	<u>5,314,596</u>	<u>5,265,300</u>

## 9 INDEPENDENT EXAMINER'S FEE

The independent examiner's fee was £1,500 inclusive of VAT (2020: £1,500).

## 10 RELATED PARTY TRANSACTIONS

During the year the Trust incurred costs for legal service amounting to £1,800 (2020: £1,200) to Shakespeare Martineau LLP, Solicitors, a firm in which Trustees Mr. K. R. James and Mr. J. Hughes, are consultants.

The Trust over the years has made substantial loans to Michael Blanning Trust Housing Association Ltd., a registered company under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 27848R) whose board members are also Trustees of the Trust. The amount due to the charity at the year end was £5,187,016 (2020: £4,737,016) as described in Note 4 to the accounts, plus accrued interest of £35,286 (2020: £4,838) as stated in Note 5.

The trust is controlled by its Trustees.

## 11 TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration nor any other benefits paid or due for the year (2020: £Nil). The Trustees are considered the key management of the Trust.