

# **Sutton Coldfield Charitable Trust**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**for the year ended**

**30 September 2020**

**Charity No. 218627**

# Sutton Coldfield Charitable Trust

## TRUSTEES AND PRINCIPAL ADVISORS

### Constitution

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners dated 19 June 2001 (registered number 218627) ("the Scheme").

The Trust is a registered charity and complies with the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the 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 published on 16 July 2014.

### Trustees

The Trustees who served during the year were:

Board of Trustees	Grants Committee	Property Management Committee	Almshouse Committee	Finance & Investment Committee	Nominated By: * Birmingham City Council ** Royal Sutton Coldfield Town Council
Andrew Burley (chairman)	*(Chairman)	*(Chairman)	*	*	
Keith Dudley (vice-chairman)	*	*	*	*	
Neil Andrews		*		*(Chairman)	
Christine Brown	*	*			
Malcolm Cornish	*		*		*
Councillor Diane Donaldson		*	*		*
Carole Hancox	*		*(Chairman)		
Ranjan Hoath	*				
Laurie-Anne Kennedy (resigned 22 January 2020)	*		*		
Inge Kettner (re-appointed 5 August 2020)	*	*		*	
Jayne Luckett (appointed 13 May 2020)	*		*		
Dr Stephen Martin	*	*			
Andrew Morris (re-appointed 11 February 2020)		*		*	
Councillor Jane Mosson (appointed 23 June 2020)					*
Dr Francis Murray			*	*	
William John Routh	*			*	
Sanjay Sharma (re-appointed 11 February 2020) (resigned 23 June 2020)				*	*
Hon Ald Margaret Waddington MBE JP (retired 16 May 2020)	*		*		*
Councillor Simon Ward (appointed 10 June 2020)				*	**

### Principal officers

Tina Swani MBA FCIM (Chief Executive from 13 August 2020)  
 Ernest Murray FCIBS (Chief Executive to 12 August 2020)  
 Alison Trenfield ACMA CGMA (Financial Controller)  
 Pamela Johnston MBE JP (Almshouse Manager)  
 David Cole (Grants Manager)  
 Helen Kimmet (Administration Manager)

# Sutton Coldfield Charitable Trust

## TRUSTEES AND PRINCIPAL ADVISORS (continued)

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### **Registered address**

Lingard House  
Fox Hollies Road  
Sutton Coldfield  
West Midlands  
B76 2RJ  
Telephone number: 0121 351 2262

### **Advisors**

#### *Auditor*

RSM UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

#### *Bankers*

HSBC Bank plc  
67 The Parade  
Sutton Coldfield  
West Midlands  
B72 1PD

#### *Investment Managers*

Rathbone Investment Management Limited  
8 Finsbury Circus  
London  
EC2M 7AZ

M&G Securities Limited  
10 Fenchurch Avenue  
London  
EC3M 5AG

#### *Investment Consultants*

Stanhope Consulting LLP  
35 Portman Square  
London  
W1H 6LR

#### *Insurance Brokers*

Endsleigh Insurance (Brokers) Ltd  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4UE

#### *Property Managers*

Johnson Fellows LLP  
Charter House  
163 Newhall Street  
Birmingham  
B3 1SW

EOS Surveyors Ltd  
Arion Business Centre  
Harriet House  
118A High Street  
Birmingham  
B23 6BG

Nick Russell Associates  
Lavender Cottage  
Lucton  
Leominster  
Herefordshire  
HR6 9PH

#### *Solicitors*

Gowling WLG (UK) LLP  
Two Snowhill  
Birmingham  
B4 6WR

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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The Trustees present their annual report and audited financial statements for the year ended 30 September 2020.

### **History of the Trust**

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

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

### **Mission Statement**

Sutton Coldfield Charitable Trust aims to alleviate hardship and improve the quality of life for residents of the Royal Town of Sutton Coldfield through the provision of housing for older people of limited means and by making awards to meet needs of individuals and community organisations.

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

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

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policies. They consider the information which is contained in this report, about the Trust's objectives, activities and achievements in the many areas of interest that it supports, demonstrates the benefit to its beneficiaries and, through them, to the public, that arise from those activities.

### **Structure, Governance and Management**

Information relating to reference and administrative matters are set out on pages 1 and 2.

The Board of Trustees governs the Trust and meets at least four times a year to oversee operational activities and to receive reports from Investment Managers, the Financial Controller and the Chief Executive. Up to three of the Trustees are nominated by Birmingham City Council and one Trustee is nominated by Royal Sutton Coldfield Town Council, all of whom serve for a maximum of three four-year terms. The remainder are co-opted and serve for a maximum of three five-year terms. Re-appointment of the co-opted Trustees is considered by the Board of Trustees immediately prior to the end of their respective terms.

The Trustees ensure that the skills and composition of the Board of Trustees, together with related succession planning, are kept under frequent review. New trustees are recruited from the local area for their skills and experience, knowledge of, and empathy with, the Trust. On appointment, new trustees sign a Trustee Declaration Statement, committing them to giving of their time and experience and are led through an induction process by the Chief Executive. This covers investments, details of the Almshouses and how they are managed, the grant making process, powers and responsibilities of

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### **Structure, Governance and Management (continued)**

the trustee board and the sub-committees. They are provided with a copy of the Trust's policies and procedures, the most recent Trustees' Report and Financial Statements, a copy of; 'The Scheme', the governing trust deed and copies of the following Charity Commission publications: *The Essential Trustee*; and *Charity Trustee – what's involved?*

Trustees are encouraged to attend training courses and seminars in order to facilitate their continuous professional development, particularly in subjects relating to governance, finance and other matters affecting charities.

All Trustees give their time freely and no trustee remuneration was paid in the year. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Trust's policy, withdraw from decisions where conflicts of interest arise.

On the rare occasions when Trustees had any connection with individuals or organisations which received or were awarded grants or contracts in the year, they took no part in any decision making.

The Trust is a member of the Almshouse Association, WM Funders Network and subscribes to Charity Finance and Governance publications providing helpful information on good practice and changes in the law affecting charities.

The Trustees have taken out trustee indemnity insurance at a cost of £896 (2019: £791) as permitted by the Charity Commission.

A Strategy Planning Group advises upon and monitors implementation of the wider strategic objectives which the Board of Trustees has approved. Reporting to the Board of Trustees, this Group comprises six Trustees and meets several times a year to ensure that good progress is being made with agreed plans.

A Strategy Implementation Plan focuses on principal areas such as the use of potential additional investment income and has led to the appointment of Birmingham University to undertake a Social Needs Review in the local community, the results from which are expected in late 2021. Other measures include considering changes to the Trust's grant making policy, ways in which the Board of Trustees might address regular self-assessment and, more generally, ensure that good governance is practised consistently throughout the organisation. An extensive review of governance and compliance has been undertaken and many of the relevant action points have been addressed by the Board of Trustees. The review will continue in the coming year by giving further consideration to diversity issues and stakeholder communication and finalising a review of the Trust Scheme.

A review of the performance of the Board, which was undertaken by an outside facilitator in 2019, found that, overall, the Board and its Committees were effective in the operational oversight of the Trust. Many areas of good practice were identified as well as a willingness to improve further. There were, however, certain areas that were identified for improvement which the Trust is currently considering as part of its continuous improvement programme. Of particular importance is to transition to a more strategic and forward-looking approach so that the Trust can respond strategically to the outcomes of the Social Needs Review referred to above.

The following committees have been established by the Trust:

#### *Almshouse Committee*

This Committee meets at least four times a year to consider matters relating to the welfare of residents and the upkeep, maintenance and improvement of the Almshouses and grounds.

#### *Grants Committee*

This Committee meets at least eight times a year to consider applications, make awards up to £45,000 and make recommendations to the Board of Trustees for amounts over £45,000.

#### *Property Management Committee*

This Committee meets at least four times a year and considers reports from the Property Managers.

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### **Structure, Governance and Management (continued)**

#### *Finance and Investment Committee*

This Committee meets at least four times a year to consider reports from the Investment Managers, Investment Consultants and Auditors, oversee the financial stability of the Trust, including management of its financial assets, long term funds and scrutiny of its operating funds, revenues and expenses. There is also a Risk Management sub-committee which considers risk management and a Remuneration sub-committee which advises on staff remuneration, each making recommendations to the Board of Trustees.

#### **Grant Making Policy**

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

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

#### **Grant Application Process**

The Trust welcomes initial contact from individuals and organisations interested in making applications. Officers will always advise on the best way to prepare a grant request and to ensure that applicants are aware of the necessary information required by the Trustees.

To make a grant application:

- Contact the Trust, either by letter, using the registered address on page 2, by the website enquiry form, or by telephone on 0121 351 2262.
- Outline your needs and request a copy of the Trust's guidelines for applicants.
- If appropriate, seek a meeting with a member of staff in making your application.
- Ensure that all relevant documents, including estimates and accounts, reach the Trust by the requested dates.

#### **Risk Management**

The Trustees are committed to the identification, assessment and management of the major risks to which the Trust may be exposed. They regard this as a continuous obligation involving all Trustees and employees.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee, which meets twice a year, and the Board of Trustees, to ensure that the risk management process is operating satisfactorily. The risks are recorded and assessed in terms of impact and probability and a traffic light system is employed to highlight areas of particular concern. The Trustees consider the loss of capital on the permanent endowment to constitute the Trust's highest risk. This risk is mitigated by using specialist investment managers and having a diversified portfolio of investments. Investment consultants have also been appointed to supervise the performance of the fund manager. The risk register also identified potential risks relating to the pandemic resulting in agreed mitigating actions being taken to assess safety measures in the workplace, improved

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### Risk Management (continued)

broadband capacity and technology to support home working together with a more responsive telecommunication system.

The Trustees adopt a flexible approach, responding to newly identified areas of risk as well as evaluating progress in mitigating risks previously identified.

### Pay and Remuneration of Key Management Personnel

The pay and remuneration of key management personnel have been set by means of salary scales based on pay market data published in the Xpert HR Voluntary Sector Annual Salary Survey. In 2015 a remuneration sub-committee was established to carry out an appraisal and determine pay with reference to the Xpert HR Voluntary Sector Annual Salary Survey for 2014. For the period from October 2015 to September 2020, general market increases were applied up to a protected maximum salary, as advised to staff in 2014 or subsequently. In addition, the base salary was increased by the increase in CPI as at the end of September each year. A new scheme is to be agreed and implemented from 1 October 2020.

### Review of activities and achievements

The Trust has had a successful year. Despite the very considerable disruption to its day to day operations caused by the Covid-19 pandemic, the Trust has continued to provide benefits for Sutton Coldfield's elderly people as well as in terms of its grant making for the benefit of the Town's residents. Thanks are due to the Trust's staff who, through their hard work and commitment, have succeeded in keeping the Trust operating smoothly without disruption to those it seeks to help.

After an exemplary 12 years of service, the Trust's Chief Executive, Ernie Murray, retired in August 2020. Ernie is succeeded by Tina Swani who brings a wealth of experience following nineteen years as Chief Executive of Birmingham St Mary's Hospice together with her involvement in housing and Almshouse charities.

Following extensive maintenance and improvement plans completed over recent years to upgrade the facilities and care provided for the residents of the Almshouses, the Trust's Almshouse Committee maintains a policy of continuous improvement. A rolling 5-year preventative maintenance programme ensures that the residents benefit from essential on-going maintenance and regular improvements to their homes.

During the year, the Trust has continued to make grants for community purposes, individual, educational and personal needs, and for school clothing. Trustees awarded £1,209,714 in grants (2019: £1,143,543).

A full list of grants made by the Trust is included in its Annual Review, available on the Trust's website [www.suttoncoldfieldcharitabletrust.com](http://www.suttoncoldfieldcharitabletrust.com) or from the registered address on page 2. A summary of the grants awarded by the Trust for community and individual purposes during the year can be found below:

	£
Relief of those in need	524,837
Advancement of education	146,045
Advancement of religion	45,000
Advancement of health or the saving of lives	101,070
Advancement of citizenship or community development	181,382
Advancement of the arts, culture, heritage and science	27,500
Advancement of amateur sport	174,300
Advancement of environmental protection or improvement	9,580
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Total grants awarded	1,209,714
Awarded grants not yet claimed or cancelled	(51,666)
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Net grants awarded (note 6 to the financial statements)	1,158,048
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# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### Review of activities and achievements (continued)

Trustees are resolved to sustain and, if possible, extend grant making to individuals and organisations within the former Borough of Sutton Coldfield. Benefits that may be available to the public from the Trust appear in the local media from time to time and efforts are made to contact those who might be hard to reach or those who, despite the Trust's best efforts, may remain unaware of its existence and the assistance it might be able to offer them.

The Trustees also remain determined to take a pro-active stance in identifying and promoting special projects for the benefit of the public, when funding permits. During the year, the Trustees committed to funding a further three-year Apprenticeship Scheme, managed by the Jericho Foundation, for up to 34 residents of the Royal Town of Sutton Coldfield. Providing support for Apprentices from the Royal Town of Sutton Coldfield is something that the Trust has been doing since the start of the 18<sup>th</sup> Century and the Trustees are very pleased that, with the excellent support of the Jericho Foundation, they are able to maintain this tradition.

Additionally, during the current Covid-19 pandemic, in collaboration with Royal Sutton Coldfield Town Council and Age Concern Birmingham, an agreement was formed creating a Sutton Coldfield Together website to support voluntary, community and faith organisations across Sutton Coldfield to ensure that local residents in need were able to access support and information during this ongoing difficult period. The Trust also provided access to emergency grants for urgent need during the pandemic.

In addition, awards will continue to be made to support other local people who are most in need and to improve the infrastructure of many of the clubs, societies and other organisations that benefit the community.

### Monitoring Achievement

Payment of grants is always carefully managed and the Trust operates a monitoring process to find out how much difference awards have made to recipients and follow-up visits are undertaken. In addition, the Trustees carry out an annual programme of visits to some grant recipients, enabling them to meet the people behind the various organisations in the community and to see, first-hand, the benefits which have been gained as a result of the awards which had been made. A full programme of visits took place during the financial year, in October 2019. However, restrictions imposed by the Covid-19 pandemic, prevented the planned visits for October 2020 from taking place.

### Financial review

The year under review has been challenging. Total income was £1,912,742 (2019: £2,109,657) and after allowing for operating and governance costs amounting to £780,959 (2019: £831,362), the Trust awarded grant funding of £1,158,048 (2019: £1,114,653). Net outgoing resources were £26,265 (2019: £163,642 incoming).

Despite the decline in investment income, due to falling dividend yields as a result of the Covid-19 pandemic, the Trust has fulfilled its objective to fully support charitable giving.

The Trust's work is dependent on income and investment returns from its endowment. An improvement in investment property values, through greater certainty surrounding the potential sale of a plot of agricultural land, is the principal reason for the Trust reporting a gain on investment assets of £2,212,653 (2019: £176,684 loss), which in turn has given rise to an overall net increase in the total funds of the Trust of £2,186,388 (2019: £13,042 net decrease). At 30 September 2020, total Trust Funds amounted to £64,315,535 (2019: £62,129,147).

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

### Investment policy and performance

The Trust's assets are invested in property, UK and overseas equities, government stocks, unit trusts and cash deposits to generate income to meet current and future charitable objectives whilst seeking to manage investment risk. Investment advisors are instructed to invest in a portfolio which will

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### Investment policy and performance (continued)

generate an acceptable level of income to facilitate grant giving and maintenance of the Almshouses, whilst also seeking to preserve capital values in real terms.

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

The major part of the Trust's equity investments has been managed over the last 8 years by Rathbone Investment Management Limited. During the last 12 months, many global investment markets have been negatively impacted in reaction to the spread of Coronavirus across the developed world. The Trustees, supported by Stanhope Consulting LLP (appointed to review and advise on the investment manager's performance) consider that, although the investment portfolio has shown a decline in capital value, nevertheless the performance of Rathbones has been satisfactory, given the volatility of investment markets caused by the pandemic. Furthermore, the level of dividend income is sufficient to support the Trust's charitable activities and grant giving. Before Investment Management Fees the 12 month return to 30 September 2020 was 0.8% negative (2019: 4.0% positive) against a benchmark of 4.2% (CPI + 4%) (2019: 5.7% (2019: CPI + 4%)).

### Reserves policy

The Endowment Fund represents capital funds which the Trustees have no power to convert into income. At 30 September 2020, this fund amounted to £58,393,786 (2019: £55,678,425). The income generated from this fund is utilised to further the Trust's charitable objectives and is included as unrestricted income.

The Trustees periodically review the level of reserves retained in unrestricted funds. The Trustees retain these reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital and revenue nature, which may not otherwise be covered by incoming resources. During the year, Trustees have reviewed the level of these reserves and consider that they should not, other than in exceptional circumstances, drop below £750,000 (2019: £750,000), which would be regarded as a contingency reserve.

The Trustees are mindful that investment income, which is the Trust's main source of income, is susceptible to variation through market changes. Trustees therefore consider it appropriate to hold free funds to meet both the Trust's commitment to outstanding grants, which can be over £1m at any one time and to cover its obligations to support the Almshouses, administration and governance costs. In addition, Trustees hold free funds in anticipation of significant special projects for the benefit of the public.

The Charitable Fund at 30 September 2020 amounted to £2,720,975 (2019: £3,508,648), which the Trustees believe is sufficient given the Trust's foreseeable commitments.

The Extraordinary Repair Fund, being transfers from the Charitable Fund, represents amounts retained to cover any major repairs, improvement or rebuilding of Almshouses or other properties within the next 25 years. During the year ending 30 September 2019, a re-inspection of the Almshouses determined that these properties have a minimum remaining life of at least 20 years, subject to regular and routine maintenance being undertaken. A calculation of the total fund required by 2038 potentially to rebuild the Almshouses has been prepared together with the level of annual transfers needed. At 30 September 2020, the Extraordinary Repair Fund amounted to £2,912,000 (2019: £2,715,000) which the Trustees consider to be appropriate. This fund has increased during the year by £197,000 (2019: £190,000), in preparation for a potential rebuild of some or all of the Almshouses and continued and expanding improvements to other property investments. The Extraordinary Repair Fund is a designated fund.

The Cyclical Maintenance Fund, being transfers from the Charitable Fund, represents amounts retained to cover ordinary repair and maintenance of the Almshouses or other properties within the

# Sutton Coldfield Charitable Trust

## TRUSTEES' REPORT (continued)

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### Reserves policy (continued)

next 2 years. At 30 September 2020, the Cyclical Maintenance Fund amounted to £288,774 (2019: £227,074). The Cyclical Maintenance Fund is a designated fund.

The Trustees have developed a rolling five-year financial plan. As part of the exercise, the Trustees review the reserves to ensure appropriate amounts are set aside.

### Future plans and objectives

The Trustees have approved a budget for the current financial year, 2020/21, and plan to award grants at a similar level as in previous years.

Mindful of the impact on children's education during the Covid-19 pandemic, the Trustees have undertaken a survey of Primary Schools in the area of benefit, which has identified that there is an urgent need for IT equipment to support children with home learning. In recognition of this requirement, the Trustees have agreed a scheme of emergency grant funding in 2020/21 for Primary Schools in Sutton Coldfield to purchase essential home learning equipment.

The impact of the pandemic on our Almshouse residents is also a great concern. Whilst all residents have supported all measures to keep themselves and each other safe, social isolation is bound to impact upon their wellbeing. Wardens have maintained constant communication and started on-line activities for those residents who have devices. The improvements made to the Trust's internet and broadband for home working are also likely to benefit the Almshouse residents in supporting them to become more socially connected.

As the Social Needs Review focus group sessions had to be deferred from 2020 to 2021, a timetable has been agreed to start disseminating the Review outcomes at intervals, over the year, by short reports and webinars, in order to maintain a momentum of engagement with Sutton Coldfield residents and decision makers. It is intended to commence the development of a Marketing & Communication strategy in March 2021 to support this process alongside the development of a long-term strategic direction for the Trust.

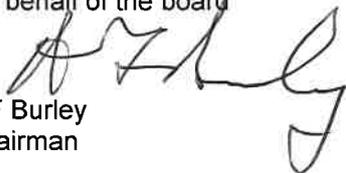
### Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm, so far as each is aware, that there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all the steps that he/she ought to have taken as Trustee to make himself/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

### Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board

  
A F Burley  
Chairman

10 February 2021

# Sutton Coldfield Charitable Trust

## TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 and 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 Trust and of the incoming resources and application of resources for that period. In preparing financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and provisions of the Trust's Scheme. They are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# Sutton Coldfield Charitable Trust

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST

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### **Opinion**

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'charity') for the year ended 30 September 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustee's Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# Sutton Coldfield Charitable Trust

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SUTTON COLDFIELD CHARITABLE TRUST (continued)

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; 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 Statement of Trustees' responsibilities set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

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

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.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

10 February 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Sutton Coldfield Charitable Trust

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2020

	Notes	Unrestricted funds 2020 £	Endowment fund 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income and endowments</b>					
<i>Investments:</i>					
Income from investment properties	2	520,361	-	520,361	526,069
Income from investments	3	1,183,309	-	1,183,309	1,378,495
Short term deposit interest		6,548	-	6,548	9,887
		<u>1,710,218</u>	<u>-</u>	<u>1,710,218</u>	<u>1,914,451</u>
Charitable activities		202,524	-	202,524	195,206
		<u>1,912,742</u>	<u>-</u>	<u>1,912,742</u>	<u>2,109,657</u>
<b>Expenditure</b>					
<i>Expenditure on raising funds:</i>					
Investment property expenses	2	67,238	-	67,238	91,085
Investment management costs		(867)	105,444	104,577	155,460
		<u>66,371</u>	<u>105,444</u>	<u>171,815</u>	<u>246,545</u>
<i>Expenditure on charitable activities:</i>					
Cost of running Almshouses	4	397,195	6,105	403,300	416,874
Grant funding					
Community purposes	4	1,257,395	-	1,257,395	1,180,536
Individual educational and personal	4	38,896	-	38,896	50,707
School clothing	4	67,601	-	67,601	51,353
		<u>1,761,087</u>	<u>6,105</u>	<u>1,767,192</u>	<u>1,699,470</u>
Total charitable activities		1,761,087	6,105	1,767,192	1,699,470
		<u>1,827,458</u>	<u>111,549</u>	<u>1,939,007</u>	<u>1,946,015</u>
Net income/(expenditure) before gains or losses on investments		85,284	(111,549)	(26,265)	163,642
(Losses)/Gains on investment assets	12	(614,257)	2,826,910	2,212,653	(176,684)
Net (expenditure)/income and net movement in funds		<u>(528,973)</u>	<u>2,715,361</u>	<u>2,186,388</u>	<u>(13,042)</u>
Trust fund balances brought forward at 1 October	17	6,450,722	55,678,425	62,129,147	62,142,189
Fund balances carried forward at 30 September	17	<u>5,921,749</u>	<u>58,393,786</u>	<u>64,315,535</u>	<u>62,129,147</u>

The incoming resources, resources expended and resulting net movement in funds arise from the Trust's continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year or preceding year.

# Sutton Coldfield Charitable Trust

BALANCE SHEET  
30 September 2020

Charity Registration No. 218627

	Notes	2020 £	£	2019 £	£
<b>Fixed assets:</b>					
Tangible assets	11	843,211		893,594	
Investments	12	63,789,362		61,521,900	
<i>Total fixed assets</i>			<b>64,632,573</b>		62,415,494
<b>Current assets:</b>					
Debtors	13	144,659		122,875	
Cash at bank and in hand	14	1,183,481		997,895	
<i>Total current assets</i>		<b>1,328,140</b>		1,120,770	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	15	(1,324,202)		(1,309,047)	
<i>Net current assets/(liabilities)</i>			<b>3,938</b>		(188,277)
<i>Total assets less current liabilities</i>			<b>64,636,511</b>		62,227,217
Creditors: Amounts falling due after more than one year	15		(320,976)		(98,070)
<b>Total net assets</b>			<b>64,315,535</b>		62,129,147
<b>The funds of the Trust:</b>					
Endowment fund	17	58,393,786		55,678,425	
Unrestricted funds:					
Charitable fund	17	2,720,975		3,508,648	
Extraordinary repair fund	17	2,912,000		2,715,000	
Cyclical maintenance fund	17	288,774		227,074	
<i>Total unrestricted funds</i>			<b>5,921,749</b>		6,450,722
<b>TOTAL TRUST FUNDS</b>	17		<b>64,315,535</b>		62,129,147

The financial statements on pages 12 to 33 were approved by the Trustees on 10 February 2021 and were signed on their behalf by:

A F Burley  
Chairman

K M Dudley  
Vice Chairman

# Sutton Coldfield Charitable Trust

## STATEMENT OF CASH FLOWS

For the year ended 30 September 2020

Charity Registration No. 218627

	<i>Note</i>	<b>2020</b> £	2019 £
<i>Cash flows from operating activities:</i>			
<b>Net cash used in operating activities</b>	19	<b>(1,337,494)</b>	(1,634,370)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		<b>1,710,218</b>	1,914,451
Accumulation income		<b>(202,139)</b>	(188,673)
Interest retained for future investment		-	823
Proceeds from sale of investment property		<b>15,000</b>	39,100
Purchase of fixed assets		-	(18,087)
<b>Net cash provided by investing activities</b>		<b>1,523,079</b>	1,747,614
<b>Change in cash and cash equivalents in the year</b>		<b>185,586</b>	<b>113,244</b>
Cash and cash equivalent brought forward		997,895	884,651
<b>Cash and cash equivalent carried forward</b>		<b>1,183,481</b>	<b>997,895</b>

# Sutton Coldfield Charitable Trust

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

Sutton Coldfield Charitable Trust ("the Trust") is regulated by a Scheme of the Charity Commissioners ("the Scheme") dated 19 June 2001. The financial statements are drawn up in accordance with the accounting policies detailed below and in compliance with the relevant sections of the Charities Act 2011.

The financial statements have been prepared under the historical cost accounting rules as amended for the revaluation of investment assets and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Trust constitutes a public benefit entity as defined by FRS 102.

### GOING CONCERN

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

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

### FUNDS STRUCTURE

The Trust has a permanent endowment. This provides for the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted.

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

The Trust is required in accordance with the Scheme to maintain a fund for the extraordinary repair, improvement or re-building of the Almshouses and other property belonging to the Trust. The level of the fund is regularly reviewed by the Trustees and amounts are transferred to meet expenditure which may be required in the future.

Further details of each fund are disclosed in notes 17 and 18.

### STATEMENT OF FINANCIAL ACTIVITIES

The incoming resources and resources expended by the Trust are detailed below, together with the respective accounting treatments:

### INCOME

All incoming resources are recognised once the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

# Sutton Coldfield Charitable Trust

## ACCOUNTING POLICIES (continued)

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### **Income from investment properties**

Incoming resources include property income receivable less provision where the eventual receipt of income is considered doubtful.

### **Income from other investments**

Dividends from quoted investments are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the Trust's investment advisor of the dividend yield of the investment portfolio.

Other investment income is accounted for on an accruals basis.

Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

### **Income from charitable activities**

Incoming resources from charitable activities relates to housing benefit received from the local authority.

### **EXPENDITURE**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

### **Grant funding**

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

### **Conditional grants**

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

### **Contingent grants**

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

### **EXPENDITURE ON RAISING FUNDS**

The costs of generating funds consist of investment management fees and property expenses, allocated in proportion to funds invested.

### **Allocation of governance and support costs**

Support costs have been allocated first between governance and other support costs.

Governance costs comprise all expenditure involving the public accountability of the Trust and its compliance with regulation and good practice. These include costs related to statutory audit and legal fees together with an allocation of support costs.

# Sutton Coldfield Charitable Trust

## ACCOUNTING POLICIES (continued)

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### **Allocation of governance and support costs (continued)**

Governance and support costs relating to charitable activities have been apportioned between Almshouses and grant funding (see note 7 for details).

### **FIXED ASSETS - ALMSHOUSES**

The Almshouses are stated at cost less amounts received up to 1983 in respect of the basic residual subsidy as provided for in the Housing Finance Act 1972. Security and other equipment are stated at cost. A re-inspection carried out in June 2018 determined that the Almshouses had a minimum remaining life of at least 20 years, subject to regular and routine maintenance being undertaken. The depreciation policy was amended accordingly so that assets are depreciated over their estimated useful life, as follows:

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

### **Almshouses improvements policy**

Freehold Almshouses will be fully depreciated in 2038 when a potential re-build is planned. The depreciation rate to 30 June 2019 was calculated to fully depreciate freehold Almshouses by 2028. Where capital additions to the Almshouses are made, they are depreciated over the remaining useful life of the property to which they relate on a straight-line basis.

### **FIXED ASSETS – VALUATION OF INVESTMENTS**

Investments are included in the balance sheet at their market values at 30 September which are determined as follows:

- (i) Freehold properties are independently valued every five years on the basis of open market value for existing use. The latest external valuation was undertaken at 30 September 2015. A full revaluation of the Trust's properties was due to be undertaken as at 30 September 2020 but, due to the difficulties faced by Coronavirus safeguarding measures and also the uncertainty of market valuations, the Trustees elected to defer the full review until 2021 with a desktop valuation carried out as at 30 September 2020. Intermediate annual valuations are carried out and incorporated on the basis of an external desktop review.
- (ii) UK listed securities are quoted at the recognised Stock Exchange bid price ruling at the year end. Accrued interest is included in the value of fixed interest securities.
- (iii) Unit trust and managed fund investments are stated at the average value quoted by the investment managers at the year end.

All movements in value arising from investment changes or revaluation are recognised in the Statement of Financial Activities.

### **REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value or purchase cost if purchased during the year. Realised and unrealised investment gains are not separated in the Statement of Financial Activities.

### **RECOGNITION OF LIABILITIES**

Liabilities are recognised when either a constructive or legal obligation exists.

### **PENSIONS**

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

# Sutton Coldfield Charitable Trust

## ACCOUNTING POLICIES (continued)

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### TAXATION

The Trust is exempt from taxation on its income and gains where they are applied for charitable purposes.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Trust makes estimates and assumptions concerning the future. The resulting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees do not consider there to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Trust carries its investment properties at fair value, with changes in fair value being recognised through the Statement of Financial Activities. The Trust engages independent valuation specialists to determine fair value of these properties each year. Some of the key assumptions used to determine the fair value of these assets are based on the valuers' knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Freehold Almshouses will be fully depreciated in 2038 when a potential re-build is planned. To ensure reserves are available to meet this timescale, the Trust is accumulating an estimated level of funds in the Extraordinary Repair Fund.

### FINANCIAL INSTRUMENTS

The Trust 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.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust 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.

#### **Financial assets**

##### *Rental and other debtors*

Rental and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of rental debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the rental debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

# Sutton Coldfield Charitable Trust

## ACCOUNTING POLICIES (continued)

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### **Financial assets (continued)**

#### *Investments*

Investments are equity investments over which the Trust has no significant influence, joint control or control and are initially measured at transaction price.

### **Financial liabilities**

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

#### *Trade and other creditors*

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

#### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 1 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2019 £	Endowment fund 2019 £	Total funds 2019 £
<b>Income and endowments</b>			
<i>Investments:</i>			
Income from investment properties	526,069	-	526,069
Income from investments	1,378,495	-	1,378,495
Short term deposit interest	9,887	-	9,887
	<u>1,914,451</u>	<u>-</u>	<u>1,914,451</u>
Charitable activities	195,206	-	195,206
	<u>2,109,657</u>	<u>-</u>	<u>2,109,657</u>
<b>Expenditure</b>			
<i>Expenditure on raising funds:</i>			
Investment property expenses	91,085	-	91,085
Investment management costs	(2,156)	157,616	155,460
	<u>88,929</u>	<u>157,616</u>	<u>246,545</u>
<i>Expenditure on charitable activities:</i>			
Cost of running Almshouses	410,769	6,105	416,874
Grant funding			
Community purposes	1,180,536	-	1,180,536
Individual educational and personal	50,707	-	50,707
School clothing	51,353	-	51,353
	<u>1,693,365</u>	<u>6,105</u>	<u>1,699,470</u>
<b>Total expenditure</b>	<u>1,782,294</u>	<u>163,721</u>	<u>1,946,015</u>
<b>Net income/(expenditure) before gains and losses on investments</b>	327,363	(163,721)	163,642
Gains/(losses) on investment assets	12,906	(189,590)	(176,684)
	<u>340,269</u>	<u>(353,311)</u>	<u>(13,042)</u>
Trust fund balances brought forward at 1 October	6,110,453	56,031,736	62,142,189
<b>Fund balances carried forward at 30 September</b>	<u>6,450,722</u>	<u>55,678,425</u>	<u>62,129,147</u>

**Sutton Coldfield Charitable Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2020

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2	INCOME FROM INVESTMENT PROPERTIES	<b>2020</b>		<b>2019</b>	
		£	£	£	£
	Rents and property income receivable		520,361		526,069
	Less:				
	Agents' commission and expenses	12,182		12,166	
	Property expenses	42,409		68,578	
	Valuation fee	6,500		6,500	
	VAT irrecoverable	6,147		3,841	
			<u>(67,238)</u>		<u>(91,085)</u>
	Net income from investment properties		<u>453,123</u>		<u>434,984</u>
3	INCOME FROM INVESTMENTS		<b>2020</b>		<b>2019</b>
			£		£
	Dividends and fixed interest income receivable		<u>1,183,309</u>		<u>1,378,495</u>

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 4 ANALYSIS OF CHARITABLE EXPENDITURE

The Trust undertook direct charitable activities in the provision of Almshouses and awarded grants to individuals and institutions in furtherance of its charitable activities.

	2020				2019
	Activities undertaken directly £	Grant funded activity £	Support costs £	Total £	Total £
Almshouses	194,914	-	208,386	403,300	416,874
Grants:					
Grants for community purposes to institutions	-	769,551	141,621	911,172	1,180,536
Special grant for community purposes to institutions	-	339,636	6,587	346,223	-
Individual grants for personal and educational needs	-	5,961	32,935	38,896	50,707
School clothing grants to individuals	-	42,900	24,701	67,601	51,353
	-	1,158,048	205,844	1,363,892	1,282,596
	194,914	1,158,048	414,230	1,767,192	1,699,470
	Note 5	Note 6	Note 7	Statement of financial activities	Statement of financial activities

### 5 COST OF RUNNING ALMSHOUSES

	2020 £	2019 £
Staff costs	55,157	56,449
Rates, water and insurance	23,743	25,803
Heat and light	10,762	5,794
Maintenance of lawns and gardens	6,800	8,026
Repairs	29,776	77,814
Sundries	13,748	15,598
VAT irrecoverable	4,545	14,084
	144,531	203,568
Depreciation (note 11)	50,383	47,670
	194,914	251,238
	Note 4	

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

6 GRANTS	2020		2019	
	Number of grants	£	Number of grants	£
Grants for community purposes to institutions	68	1,150,252	66	1,079,536
Grants to individuals for personal and educational needs	20	16,562	25	32,807
School clothing grants to individuals	429	42,900	416	31,200
<b>Total grants awarded</b>	<b>517</b>	<b>1,209,714</b>	<b>507</b>	<b>1,143,543</b>
Awarded grants not yet claimed or cancelled	-	(51,666)	-	(28,890)
<b>Net grants awarded</b>	<b>517</b>	<b>1,158,048</b>	<b>507</b>	<b>1,114,653</b>

**Note 4**

Grants for community purposes comprise:

	Number of grants	£	Number of grants	£
Grants awarded:				
Greater than £1,000	46	1,139,106	47	1,070,431
£1,000 or less	22	11,146	19	9,105
	<b>68</b>	<b>1,150,252</b>	<b>66</b>	<b>1,079,536</b>

Further details are set out in the Trustees' report on page 6.

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 7 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

A breakdown of governance and support costs is shown below, together with the way in which these have been allocated between charitable and governance activities:

	Total allocated £	Charitable activities £	Governance £	Basis of allocation
Staff costs	215,574	133,958	81,616	Staff time
IT and advertising	28,612	19,075	9,537	Activity
Office costs	19,929	12,384	7,545	Staff time
Sundry and irrecoverable VAT	117,203	72,829	44,374	Staff time
Auditor's remuneration (note 10)	25,650	-	25,650	
Legal fees	3,021	-	3,021	
Costs of meetings	4,241	-	4,241	
	<u>414,230</u>	<u>238,246</u>	<u>175,984</u>	

Note 4

The total governance and support costs attributable to charitable activities is then apportioned between Almshouses (specific) and grant funding (pro rata to staff time) as shown in the table below:

	2020 £	2019 £
Almshouses	<u>208,386</u>	<u>165,636</u>
Grants:		
Grants for community purposes to institutions	141,621	120,919
Special grant for community purposes to institutions	6,587	-
Individual grants for personal needs	32,935	26,871
School clothing grants to individuals	24,701	20,153
	<u>205,844</u>	<u>167,943</u>
Total	<u><u>414,230</u></u>	<u><u>333,579</u></u>

Note 4

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 7 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

<b>Governance costs</b>	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Staff costs	<b>81,616</b>	72,636
IT and advertising	<b>9,537</b>	10,417
Office costs	<b>7,545</b>	7,515
Sundry and irrecoverable VAT	<b>44,374</b>	18,467
	<u><b>143,072</b></u>	<u>109,035</u>
Audit and other services (see note 10)	<b>25,650</b>	30,505
Legal fees	<b>3,021</b>	6,050
Costs of meetings	<b>4,241</b>	5,296
	<u><b>175,984</b></u>	<u>150,886</u>

### 8 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The average number of staff employed during the year was as follows:

	<b>Number of employees</b>	
	<b>2020</b>	2019
Almshouses staff	<b>3</b>	3
Office staff	<b>6</b>	6
	<u><b>9</b></u>	<u>9</u>

The total emoluments of these persons were as follows:

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Wages and salaries	<b>233,314</b>	213,569
Social security costs	<b>16,274</b>	14,968
Pension costs	<b>21,143</b>	19,765
	<u><b>270,731</b></u>	<u>248,302</u>

The Trust considers its key management personnel comprise the Chief Executive and the Financial Controller. The total employment benefits including employer pension contributions of the key management personnel were £103,558 (2019: £88,467). There were no employees who earned more than £60,000 in the year (2019: None).

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 9 RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £Nil). Expenses paid to the Trustees in the year totalled £80 (2019: £1,673). These expenses were made up of 1 Trustee (2019: 9 Trustees) reimbursed for travel expenses (2019: travel expenses and seminar fees).

Trustee indemnity insurance, to protect the Trust from loss and indemnify the Trustees and Officers against the consequences of any neglect or default on their part, was taken out at a cost of £896 for the year (2019: £791).

During the financial year, the following related party transactions were recorded and, in all cases, the related parties took no part in the discussion or decision of grants approved and played no part in the payment process of grants:

Transaction type	Amount £	Beneficiary	Related parties	Relationship with:	
				the Trust	Beneficiary
Grant approved	38,900	Our Place Support CIC	Laurie-Ann Kennedy	Trustee	Husband is a Director
Grant approved & part paid	13,510	Foodcycle	Chris Brown	Trustee	Professional connection
Grant paid	32,500	St Nicholas Catholic Primary School	Keith Dudley	Trustee	Family member is a pupil
Grant approved & paid	42,000	4th Sutton Coldfield Scout Group	John Routh	Trustee	Professional connection
Grant approved & part paid	45,000	St Chads Church	John Routh	Trustee	Professional connection
Grant part paid	13,300	Acacia Family Support	John Routh	Trustee	Professional connection
Grant paid	30,000	Ark Community Church	John Routh	Trustee	Professional connection
Grant paid	40,000	Coppice Primary School	Ranjan Hoath	Trustee	Professional connection
Grant approved & paid	630	Individual applicant - details are undisclosed due to GDPR	Ranjan Hoath	Trustee	Professional connection
Grant paid	12,899	Mere Green Primary School	Ranjan Hoath	Trustee	Professional connection
Grant paid	2,612	SC Choirs	Ranjan Hoath	Trustee	Professional connection
Grant part paid	2,848	MeDAL	Ranjan Hoath	Trustee	Employee
Grant part paid	13,730	Homestart	Pam Johnston MBE JP	Employee	Director & Trustee
Grant approved & part paid	36,000	Sutton Coldfield Community Games	Malcolm Cornish	Trustee	Supporter
Grant part paid	8,692	Salus Fatigue Foundation	Inge Kettner	Trustee	Chair (until November 2020)
Grant part paid	62	CPR Counts	Dr Steve Martin	Trustee	A friend of the founder
Purchase payments	14,478	Electronic Business Systems Ltd	Alison Trenfield	Employee	Acquaintance of business owner

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

### 10 AUDITOR'S REMUNERATION

The auditor's remuneration constituted an audit fee of £10,792 (2019: £11,340), additional tax advisory work of £10,250 (2019: £8,450) and a Board Effectiveness Review of £108 (2019: £10,715).

### 11 TANGIBLE FIXED ASSETS

	Freehold Almshouse s £	Freehold Almshouses improvement t £	Security/ safety equipment £	Total £
<b>Cost:</b>				
At 1 October 2019	496,333	1,900,984	101,182	2,498,499
Additions	-	-	-	-
	<u>496,333</u>	<u>1,900,984</u>	<u>101,182</u>	<u>2,498,499</u>
At 30 September 2020	496,333	1,900,984	101,182	2,498,499
	<u>496,333</u>	<u>1,900,984</u>	<u>101,182</u>	<u>2,498,499</u>
<b>Depreciation:</b>				
At 1 October 2019	382,133	1,138,775	83,997	1,604,905
Charge for year	6,105	40,661	3,617	50,383
	<u>388,238</u>	<u>1,179,436</u>	<u>87,614</u>	<u>1,655,288</u>
At 30 September 2020	388,238	1,179,436	87,614	1,655,288
	<u>388,238</u>	<u>1,179,436</u>	<u>87,614</u>	<u>1,655,288</u>
<b>Net book value:</b>				
<b>At 30 September 2020</b>	<b>108,095</b>	<b>721,548</b>	<b>13,568</b>	<b>843,211</b>
	<u>108,095</u>	<u>721,548</u>	<u>13,568</u>	<u>843,211</u>
At 30 September 2019	114,200	762,209	17,185	893,594
	<u>114,200</u>	<u>762,209</u>	<u>17,185</u>	<u>893,594</u>

Included within freehold Almshouses are 3 properties at Walmley Road and 5 properties at Fox Hollies Road. In addition, there are a further 38 freehold Almshouses that are not included within the balance sheet. This is due to the age of the properties and the consequent unavailability of reliable costing information. As it was the Trust's policy to initially depreciate freehold Almshouses over 25 years, and the most recent of the non-capitalised assets were acquired in 1974, the assets, if they were included, would be fully depreciated at 30 September 2020 and would therefore have £Nil (2019: £Nil) impact on the balance sheet. Subsequent improvement expenditure on these and all other Almshouses is capitalised and is being depreciated from the date of expenditure until the expected replacement date in 2038.

**Sutton Coldfield Charitable Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2020

12 INVESTMENTS (HELD AS FIXED ASSETS)

Investments (held as fixed assets) comprise the following:

	2020 £	2019 £
<b>Investments in Endowment Fund</b>		
Investment properties	26,383,000	22,345,000
Government stocks	5,362,133	5,636,252
Listed companies		
Ordinary stocks and shares	7,154,336	7,169,120
Unit trusts	18,875,515	17,069,000
Cash held for re-investment	687,336	3,518,586
	<u>58,462,320</u>	<u>55,737,958</u>
<b>Investments in Charitable Fund</b>		
Unit trusts	1,862,300	1,934,639
M&G Charity Multi-Asset Fund	263,953	907,203
Cash held for re-investment	15	26
	<u>2,126,268</u>	<u>2,841,868</u>
<b>Investments in the Cyclical Maintenance Fund</b>		
M&G Charity Multi-Asset Fund	288,774	227,074
<b>Investments in Extraordinary Repair Fund</b>		
M&G Charity Multi-Asset Fund	2,912,000	2,715,000
	<u>63,789,362</u>	<u>61,521,900</u>
<b>Total investments</b>		
	<u>63,789,362</u>	<u>61,521,900</u>
<b>Analysed as:</b>		
Investment properties at market value	26,383,000	22,345,000
Listed and other investments at market value:		
UK	20,639,579	21,834,012
Other	16,079,432	13,824,276
	<u>36,719,011</u>	<u>35,658,288</u>
Cash held for re-investment	687,351	3,518,612
	<u>63,789,362</u>	<u>61,521,900</u>

**Sutton Coldfield Charitable Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2020

12 INVESTMENTS (HELD AS FIXED ASSETS) (continued)

Cash held for re-investment is held for short term as a matter of timing difference whilst funds are re-invested.

Details of investments comprising over 5% of the market value of the total investment portfolio are as follows:

	2020 £	2019 £
Investment fund: M&G Charity Multi Asset-Fund (previously known as National Association of Almshouses Common Investment Fund)	4,488,713	4,986,915

**Movement in fixed asset investments**

				2020	2019
	Freehold investment properties £	Listed and other investments £	Cash held for re- investment £	Total £	Total £
Market value at 1 October	22,345,000	35,658,288	3,518,612	61,521,900	61,683,742
Add: Additions at cost	-	11,773,733	-	11,773,733	6,954,017
Less: Disposal proceeds (net)	(15,000)	(8,872,663)	(2,831,261)	(11,718,924)	(6,939,175)
Net (losses)/gains for year	4,053,000	(1,840,347)	-	2,212,653	(176,684)
<b>Market value at 30 September</b>	<b>26,383,000</b>	<b>36,719,011</b>	<b>687,351</b>	<b>63,789,362</b>	<b>61,521,900</b>

The properties are independently valued every five years on the basis of open market value. The last external valuation was undertaken at 30 September 2015 by Johnson Fellows and Nick Russell Associates. A full revaluation of the Trust's properties was due to be undertaken as at 30 September 2020 but, due to the difficulties faced by Coronavirus safeguarding measures and also the uncertainty of market valuations, the Trustees elected to defer the full review until 2021 with a desktop valuation carried out as at 30 September 2020. Intermediate annual valuations are carried out and incorporated by Trustees based on advice through an external desktop review prepared by Johnson Fellows and Nick Russell Associates.

Included within investments are two properties with a market value of £10,000 (2019: £10,000) which are let on long leases for a peppercorn rent in furtherance of charitable objectives.

**Sutton Coldfield Charitable Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2020

13	DEBTORS	<b>2020</b> £	2019 £
	Rentals receivable	48,311	37,617
	Interest and dividends receivable	60,976	55,428
	Prepayments and accrued income	35,022	29,630
	Other debtors	350	200
		<b>144,659</b>	122,875
		<b>144,659</b>	122,875
14	BANK BALANCES AND SHORT-TERM DEPOSITS	<b>2020</b> £	2019 £
	Short-term deposits	431,964	781,964
	Current accounts	751,265	215,330
	Petty cash	252	601
		<b>1,183,481</b>	997,895
		<b>1,183,481</b>	997,895
15	ANALYSIS OF CURRENT LIABILITIES AND LONG-TERM CREDITORS	<b>2020</b> £	2019 £
	Creditors under one year		
	Charitable grants payable	924,541	900,669
	Rental income invoiced and payable in advance	110,478	110,815
	Accruals	126,976	127,061
	Taxation and social security	85,306	127,497
	Other creditors	76,901	43,005
		<b>1,324,202</b>	1,309,047
		<b>1,324,202</b>	1,309,047
		<b>2020</b> £	2019 £
	Creditors due after one year		
	Charitable grants payable	320,976	98,070
		<b>320,976</b>	98,070
		<b>320,976</b>	98,070
16	FINANCIAL INSTRUMENTS	<b>2020</b> £	2019 £
	Financial assets:		
	Debt instruments measured at amortised cost	109,637	93,245
		<b>109,637</b>	93,245
		<b>109,637</b>	93,245
	Financial liabilities measured at amortised cost	1,557,116	1,276,527
		<b>1,557,116</b>	1,276,527
		<b>1,557,116</b>	1,276,527

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

17 FUNDS	Endowment Fund £	Charitable Fund £	Extra-ordinary Repair Fund £	Cyclical Maintenance Fund £	Total £
Balance at 30 September 2019	55,678,425	3,508,648	2,715,000	227,074	62,129,147
Income	-	1,912,742	-	-	1,912,742
Expenditure	(111,549)	(1,806,158)	-	(21,300)	(1,939,007)
Gains on investments	2,826,910	(614,257)	-	-	2,212,653
Transfers	-	(280,000)	197,000	83,000	-
<b>Balance at 30 September 2020</b>	<b>58,393,786</b>	<b>2,720,975</b>	<b>2,912,000</b>	<b>288,774</b>	<b>64,315,535</b>

The Endowment Fund represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the Endowment Fund. Investment management charges relating to the Endowment Fund have been charged against the Endowment Fund.

The Trustees have designated an Extraordinary Repair Fund to cover any major repairs, improvement or rebuilding of Almshouses or other properties which may be required. During the year, £197,000 (2019: £190,000) was transferred from the Charitable Fund.

The Trustees have designated a Cyclical Maintenance Fund to cover ordinary repair and maintenance of the Almshouses or other properties. During the year, £21,300 was charged to the fund as expenditure (2019: £61,547) and £83,000 (2019: £67,000 transfer from) was transferred from the Charitable Fund.

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund £	Charitable Fund £	Extraordinary Repair Fund £	Cyclical Maintenance Fund £	Total £
Tangible assets	108,095	735,116	-	-	843,211
Investments	58,462,320	2,126,268	2,912,000	288,774	63,789,362
Current assets	(139,639)	1,467,779	-	-	1,328,140
Current liabilities	(36,990)	(1,287,212)	-	-	(1,324,202)
Long term liabilities	-	(320,976)	-	-	(320,976)
<b>Total net assets</b>	<b>58,393,786</b>	<b>2,720,975</b>	<b>2,912,000</b>	<b>288,774</b>	<b>64,315,535</b>

# Sutton Coldfield Charitable Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

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### 19 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
<b>Net income (per SOFA)</b>	<b>2,186,388</b>	<b>(13,042)</b>
<b>Adjustments for:</b>		
Depreciation charges	50,383	47,670
Investment managers' fees	131,754	133,987
Losses/(gains) on investments	<b>(2,212,653)</b>	176,684
Dividends, interest and rents from investments	<b>(1,710,218)</b>	(1,914,451)
(Increase)/decrease in debtors	<b>(21,784)</b>	(39,153)
(Decrease)/increase in creditors (excluding investment managers' fee)	<b>238,636</b>	(26,065)
	<hr/>	<hr/>
Net cash used in operating activities	<b><u>(1,337,494)</u></b>	<b><u>(1,634,370)</u></b>