

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended

30 September 2016

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISERS

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
Carole Hancox (chairman from 17 February 2016; previously vice-chairman)(re-appointed 25 April 2016)	*(Chairman)	*	*(Chairman)	*	
Neil Andrews MA(Oxon) FCA (vice-chairman from 17 February 2016)	*	*	*	*(Chairman)	
Susan Bailey M.Ed	*				
Andrew Burley	*	*(Chairman)			
Malcolm Cornish	*		*		*
Keith Dudley		*		*	
Linda Jones	*		*		
Rodney Kettel (retired 4 November 2015)		*		*	
Inge Kettner			*	*	
Dr Stephen Martin (chairman to 17 February 2016)	*	*	*	*	
Andrew Morris	*	*		*	
David Owen OBE, MA(Cantab), Hon DSc (Aston)		*		*	
Jane Rothwell BSc (Econ) (resigned 25 November 2015)	*		*		
Sanjay Sharma (appointed 22 March 2016)				*	*
Jane Sixsmith MBE (appointed 4 November 2015)	*				
Councillor Margaret Waddington JP (re-appointed 17 May 2016)	*		*	*	*

Principal officers

Ernest Murray FCIBS (Chief Executive & Clerk to the Trustees)
 Alison Trenfield ACMA CGMA (Financial Controller)
 Pamela Johnston MBE JP (Almshouse Manager)
 John Hemming BSc (Hons) FCCA ACIB (Grants Manager)

Sutton Coldfield Charitable Trust

TRUSTEES AND PRINCIPAL ADVISERS (continued)

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
Laurence Pountney Hill
London
EC4R 0HH

Insurance Brokers

Endsleigh Insurance
Shurdington Road
Cheltenham
Gloucestershire
GL51 4UE

Solicitors

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

Property Managers

Johnson Fellows
Charter House
163 Newhall Street
Birmingham
B3 1SW

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

Nick Russell Associates
Lavender Cottage
Lucton
Leominster
Herefordshire
HR6 9PH

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT

The Trustees present their annual report and audited financial statements for the year ended 30 September 2016.

History of the Trust

The Trust's origins go directly back to Bishop Vesey, a native of Sutton Coldfield, 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 needy people 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 Clerks. 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.

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 four of the Trustees are nominated by Birmingham City Council and serve for periods of four years. The remainder are co-opted and serve for periods of five years. Re-appointment of the co-opted Trustees is considered by the Board 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 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 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*; *Being a Trustee*; *The Hallmarks of an Effective Charity*.

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 a conflict of interests arises.

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.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

Structure, Governance and Management (continued)

The Trust is a member of the Almshouse Association, West Midlands Charitable Trusts Group 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 £795 (2015: £583) as permitted by the Charity Commission.

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 £30,000 and make recommendations to the Board of Trustees for amounts over £30,000.

Property Management Committee

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

Finance and Investment Committee

This Committee meets at least four times a year to consider reports from the Investment Managers 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. It has two sub-committees that consider and make recommendations to the Board of Trustees on staff remuneration and risk management.

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.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

Grant Application Process (continued)

To make a grant application:

- Contact the Trust, either by letter, using the registered address on page 2, 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 the identification and management of risk as a continuous obligation involving all the Trustees and their employees.

A risk register is used for the on-going review of risks and controls, by the Risk Management Sub-Committee 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.

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 are 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 2015 to 2019, general market increases will be applied up to a protected maximum salary, as advised to staff in 2014. In addition, the base salary will be increased by the increase in CPI published in September each year.

Review of activities and achievements

The Trust has achieved notable successes in the past year, especially in providing benefits for Sutton's elderly people.

Over recent years, extensive maintenance and improvement plans were completed to upgrade the facilities and care provided for the residents of the Almshouses. These included the construction of a significant extension to the residents' communal recreation facilities. New bathrooms, gas central heating and refurbished kitchens were fitted in the Almshouses to ensure that all residents experience the best possible quality of life in their homes. The Trust's Almshouse Committee acts as a powerful force for reviewing and taking forward the provision of care and facilities offered to residents, pursuing a policy of continuous improvement. As such, a 5 year preventative maintenance programme ensures that the residents benefit from essential on-going maintenance and regular improvements.

During the year, the Trust has continued to make grants for community purposes, individual, educational and personal needs, and for school clothing. A Special Grant of £200,000 was awarded during the year to Good Hope Hospital, for transperineal fusion template equipment and an additional £63,000 was awarded to Holy Trinity Parish Church, towards the costs of re-ordering the Church.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

Review of activities and achievements (continued)

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	141,434
Advancement of education	310,777
Advancement of religion	63,000
Advancement of health or the saving of lives	264,796
Advancement of citizenship or community development	120,848
Advancement of the arts, culture, heritage or science	106,295
Advancement of amateur sport	160,066
Advancement of environmental protection or improvement	9,840
	<hr/>
Total grants awarded	1,177,056
Awarded grants not claimed	(42,478)
	<hr/>
Net grants awarded (note 5 to the financial statements)	1,134,578
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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 are advertised in the local press 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. Examples of recent activity are given below:

- mindful of the continuing financial pressures on less well-off families during 2014 the Trust re-launched its school clothing grant scheme making the application process simpler and increasing the award to £75 per child (previously £35 per child);
- in 2009, the Trustees agreed to relax some elements of the qualifying criteria for grants, which will make it easier for individuals, organisations and groups to obtain the help they need for specific purchases or projects;

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 monitored and the Trust generally contacts organisations to find out how much difference their grants have made 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 list of grants made by the Trust is included in its Annual Review, available on the Trust's website www.suttoncoldfieldcharitabletrust.com or from the registered address on page 2.

Financial review

Operationally, the Trust enjoyed a successful year. Total income was £1,805,073 (2015: £1,741,413) and after allowing for operating and governance costs amounting to £761,960 (2015: £710,268), the Trust awarded grant funding of £1,134,578 (2015: £1,115,550) including special grants to Good Hope Hospital of £200,000 and Holy Trinity Parish Church of £63,000. Net outgoing resources were £91,465 (2015: £84,405 outgoing).

An increase in the levels of investment income has enabled the Trust to fulfil its objective to fully support charitable giving.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

Financial review (continued)

The Trust's work is dependent on income and investment returns from its endowment. An improvement in the financial markets of the UK and leading economies is the principal reason for the Trust reporting a gain on investment assets of £3,608,851 (2015: gain £651,470), which in turn has given rise to an overall net increase in the total funds of the Trust of £3,517,386 (2015: increase £567,065). At 30 September 2016, total Charitable Funds amounted to £52,909,334 (2015: £49,391,948).

Continuing with careful financial management and disciplines, combined with appropriate support from our 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 advisers are instructed to invest in a portfolio which will 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.

The Finance and Investment Committee continues to actively consider opportunities for investment of cash funds to preserve their capital value and generate income.

Both the Finance and Investment Committee and the Board 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 tobacco.

The Trust's investments have been managed over the last 4 years by Rathbone Investment Management Limited. During the last 12 months, a degree of volatility has remained but investment markets have improved generally and the Trustees consider that the investment manager has achieved satisfactory capital growth and an acceptable increase in dividend income. The 12 month return to 30 September 2016 was 14.8% (2015: 1.6%) against a benchmark of 5% (CPI + 4%) (2015: 4% (2015: CPI + 4%)).

Reserves policy

The Endowment Fund represents capital funds whereby the Trustees have no power to convert into income. At 30 September 2016, this fund amounted to £47,438,920 (2015: £44,506,154).

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. The level of these reserves should not, other than in exceptional circumstances, drop below £500,000, 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 2016 amounted to £3,137,764 (2015: £2,694,527), 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. At 30 September 2016, the Extraordinary Repair Fund amounted to £2,183,000 (2015: £2,022,000) which the Trustees consider to be appropriate. This fund has increased during the year by £161,000 (2015: £159,000), in preparation for continued and expanding improvements to Almshouses and other property investments. The Extraordinary Repair Fund is a designated fund.

Sutton Coldfield Charitable Trust

TRUSTEES' REPORT (continued)

Reserves policy (continued)

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 next 2 years. At 30 September 2016, the Cyclical Maintenance Fund amounted to £149,650 (2015: £169,267). 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, 2016/17, and plan to award grants at a similar level as in previous years.

During the next 12 months, the Trustees have planned events to discuss the Trust's strategy focusing on principal areas such as the use of potential additional investment income, possible changes to the Trust's grant making policy, ways in which the Board might address regular self-assessment and, more generally, ensure that good governance is practised consistently throughout the organisation.

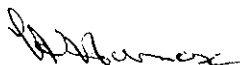
Disclosure of information to auditor

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



C L Hancox
Chairman

8 February 2017

Sutton Coldfield Charitable Trust

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 Deed. 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.

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

Opinion on financial statements

We have audited the financial statements of Sutton Coldfield Charitable Trust (the 'trust') for the year ended 30 September 2016 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 30 September 2016 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.

Emphasis of matter – early adoption of the Charities SORP (FRS 102)

In forming our opinion, which is not modified, we have considered the disclosure in the accounting policies concerning the trust's early adoption of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 9 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the trust'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 trust'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 trust and the trust's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

RSM UK Audit LLP

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

8 February 2017

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 2016

	Notes	Unrestricted funds 2016 £	Endowment fund 2016 £	Total funds 2016 £	Restated Total funds 2015 £
Income and endowments					
<i>Investments:</i>					
Income from investment properties	1	506,955	-	506,955	504,015
Income from investments	2	1,105,088	-	1,105,088	954,153
Short term deposit interest		2,208	-	2,208	4,843
		<u>1,614,251</u>	<u>-</u>	<u>1,614,251</u>	<u>1,463,011</u>
Charitable activities		<u>190,822</u>	<u>-</u>	<u>190,822</u>	<u>278,402</u>
Total income		<u>1,805,073</u>	<u>-</u>	<u>1,805,073</u>	<u>1,741,413</u>
Expenditure					
<i>Expenditure on raising funds:</i>					
Investment property expenses	1	50,796	17,058	67,854	48,987
Investment management costs		(1,561)	130,729	129,168	126,756
		<u>49,235</u>	<u>147,787</u>	<u>197,022</u>	<u>175,743</u>
Total cost of raising funds		<u>49,235</u>	<u>147,787</u>	<u>197,022</u>	<u>175,743</u>
<i>Expenditure on charitable activities:</i>					
Cost of running Almshouses	3	416,008	12,458	428,466	398,106
Grant funding					
Community purposes	3	1,159,962	-	1,159,962	1,147,394
Individual educational and personal	3	73,475	-	73,475	68,167
School clothing	3	37,613	-	37,613	36,408
		<u>1,687,058</u>	<u>12,458</u>	<u>1,699,516</u>	<u>1,650,075</u>
Total charitable activities		<u>1,687,058</u>	<u>12,458</u>	<u>1,699,516</u>	<u>1,650,075</u>
Total expenditure		<u>1,736,293</u>	<u>160,245</u>	<u>1,896,538</u>	<u>1,825,818</u>
Net income/(expenditure) before gains and losses on investments		<u>68,780</u>	<u>(160,245)</u>	<u>(91,465)</u>	<u>(84,405)</u>
Gains on investment assets	11	532,898	3,075,953	3,608,851	651,470
		<u>601,678</u>	<u>2,915,708</u>	<u>3,517,386</u>	<u>567,065</u>
Net income		<u>601,678</u>	<u>2,915,708</u>	<u>3,517,386</u>	<u>567,065</u>
Transfers between funds	16	(17,058)	17,058	-	-
		<u>584,620</u>	<u>2,932,766</u>	<u>3,517,386</u>	<u>567,065</u>
Net movement in funds	16	<u>584,620</u>	<u>2,932,766</u>	<u>3,517,386</u>	<u>567,065</u>
Trust fund balances brought forward at 1 October	16	4,885,794	44,506,154	49,391,948	48,824,883
Fund balances carried forward at 30 September	16	<u>5,470,414</u>	<u>47,438,920</u>	<u>52,909,334</u>	<u>49,391,948</u>

Note 20

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 2016

Charity Registration No. 218627

	Notes	2016 £	£	Restated 2015 £	£
Fixed assets:					
Tangible assets	10	1,102,646		1,198,519	
Investments	11	52,203,841		48,582,162	
<i>Total fixed assets</i>			53,306,487		49,780,681
Current assets:					
Debtors	12	61,832		59,157	
Cash at bank and in hand	13	474,575		881,053	
<i>Total current assets</i>		536,407		940,210	
Liabilities:					
Creditors: Amounts falling due within one year	14	(870,451)		(1,249,388)	
<i>Net current liabilities</i>			(334,044)		(309,178)
<i>Total assets less current liabilities</i>			52,972,443		49,471,503
Creditors: Amounts falling due after more than one year	14		(63,109)		(79,555)
Total net assets			52,909,334		49,391,948
The funds of the Trust:					
Endowment fund	16		47,438,920		44,506,154
Unrestricted funds:					
Charitable fund	16	3,137,764		2,694,527	
Extraordinary repair fund	16	2,183,000		2,022,000	
Cyclical maintenance fund	16	149,650		169,267	
<i>Total unrestricted funds</i>			5,470,414		4,885,794
TOTAL TRUST FUNDS	16		52,909,334		49,391,948

The financial statements on pages 12 to 32 were approved by the Trustees on 8 February 2017 and were signed on their behalf by:


C L Hancox
Chairman

A N Andrews
Vice Chairman



Sutton Coldfield Charitable Trust

STATEMENT OF CASH FLOWS

For the year ended 30 September 2016

Charity Registration No. 218627

	<i>Note</i>	2016 £	2015 £
<i>Cash flows from operating activities:</i>			
Net cash used in operating activities	18	(1,881,494)	(1,506,333)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		1,614,251	1,463,011
Accumulation income		(183,866)	(168,298)
Interest retained for future investment		(120)	(1,741)
Proceeds from sale of investment property		44,751	25
Net cash provided by investing activities		1,475,016	1,292,997
Change in cash and cash equivalents in the year		(406,478)	(213,336)
Cash and cash equivalent brought forward		881,053	1,094,389
Cash and cash equivalent carried forward		474,575	881,053

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

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 financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following 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 (Charities SORP FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

These are the first financial statements the Trust has prepared in accordance with FRS 102. The financial statements of the Trust for the year ended 30 September 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed.

No adjustment to net assets arose at the date of transition (1 October 2014) or at the end of the last year presented under previous UK GAAP (30 September 2015). In accordance with the requirements of FRS102 a reconciliation of opening balance and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	(84,405)
Adjustment for gains/(losses) on investments now treated as a component of net income	651,470
2015 net income as restated	<u><u>567,065</u></u>

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.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

GOING CONCERN (continued)

Mindful of the net current liability position recorded on the balance sheet, the Trustees note that, after taking into account the level of unrestricted investments held in Fixed Assets, there are 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 16 and 17.

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.

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.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

EXPENDITURE (continued)

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 and transferred between funds as appropriate.

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.

Governance and support costs relating to charitable activities have been apportioned between Almshouses and grant funding (see note 6 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 is stated at cost. Assets are depreciated over their estimated useful life, as follows:

Almshouses	16 years - straight line on net book value at 31 December 2012
Security and other equipment	5 years - straight line

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. 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 mid-market 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.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

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. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Trust in the year.

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 valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

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 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.

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.

Sutton Coldfield Charitable Trust

ACCOUNTING POLICIES (continued)

Rental and other debtors (continued)

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.

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 2016

1	INCOME FROM INVESTMENT PROPERTIES	2016		2015	
		£	£	£	£
	Rents and property income receivable		506,955		504,015
	Less:				
	Agents' commission and expenses	10,528		10,357	
	Property expenses	46,443		22,276	
	Valuation fee	6,500		17,000	
	VAT irrecoverable	4,383		(646)	
			(67,854)		(48,987)
	Net income from investment properties		439,101		455,028

Property expenses include £17,058 (2015: £(9,020)) in respect of repair costs which have been charged to the Endowment Fund. At the year-end £Nil (2015: £14,175) has been released to property expenses as a result of accrued repair costs no longer being required.

2	INCOME FROM INVESTMENTS	2016	2015
		£	£
	Dividends and fixed interest income receivable	1,105,088	954,153

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

3 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.

	2016				2015
	Activities undertaken directly £	Grant funded activity £	Support costs £	Total £	Total £
Almshouses	348,116	-	80,350	428,466	398,106
Grants:					
Grants for community purposes to institutions	-	814,009	81,169	895,178	985,611
Special grant for community purposes to institutions	-	263,000	1,784	264,784	161,783
Individual grants for educational needs	-	32,444	41,031	73,475	68,167
School clothing grants to individuals	-	25,125	12,488	37,613	36,408
	-	1,134,578	136,472	1,271,050	1,251,969
	348,116	1,134,578	216,822	1,699,516	1,650,075
	Note 4	Note 5	Note 6	Statement of financial activities	

4 COST OF RUNNING ALMSHOUSES

	2016 £	2015 £
Staff costs	47,887	45,954
Rates, water and insurance	21,787	18,381
Heat and light	4,262	9,709
Maintenance of lawns and gardens	8,849	10,259
Repairs	124,665	100,967
Sundries	20,136	16,628
VAT irrecoverable	24,657	19,266
	252,243	221,164
Depreciation (note 10)	95,873	95,873
	348,116	317,037
	Note 3	

Sutton Coldfield Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2016

20 STATEMENT OF FINANCIAL ACTIVITIES RESTATED, YEAR ENDED 30 SEPTEMBER 2015

	Unrestricted funds 2015 £	Endowment fund 2015 £	Restated Total funds 2015 £
Income and endowments			
<i>Investments:</i>			
Income from investment properties	504,015	-	504,015
Income from investments	954,153	-	954,153
Short term deposit interest	4,843	-	4,843
	<u>1,463,011</u>	<u>-</u>	<u>1,463,011</u>
Charitable Activities	278,402	-	278,402
Total income	<u>1,741,413</u>	<u>-</u>	<u>1,741,413</u>
Expenditure			
<i>Expenditure on raising funds:</i>			
Investment property expenses	58,007	(9,020)	48,987
Investment management costs	(1,581)	128,337	126,756
	<u>56,426</u>	<u>119,317</u>	<u>175,743</u>
Total cost of raising funds	<u>56,426</u>	<u>119,317</u>	<u>175,743</u>
<i>Expenditure on charitable activities:</i>			
Cost of running Almshouses	385,648	12,458	398,106
Grant funding			
Community purposes	1,147,394	-	1,147,394
Individual educational and personal	68,167	-	68,167
School clothing	36,408	-	36,408
	<u>1,637,617</u>	<u>12,458</u>	<u>1,650,075</u>
Total charitable activities	<u>1,637,617</u>	<u>12,458</u>	<u>1,650,075</u>
Total expenditure	<u>1,694,043</u>	<u>131,775</u>	<u>1,825,818</u>
Net income/(expenditure) before gains and losses on investments	<u>47,370</u>	<u>(131,775)</u>	<u>(84,405)</u>
(Losses)/gains on investment assets	(171,300)	822,770	651,470
	<u>(123,930)</u>	<u>690,995</u>	<u>567,065</u>
Net (expenditure)/income	<u>(123,930)</u>	<u>690,995</u>	<u>567,065</u>
Transfers between funds	9,020	(9,020)	-
	<u>(114,910)</u>	<u>681,975</u>	<u>567,065</u>
Net movement in funds	<u>(114,910)</u>	<u>681,975</u>	<u>567,065</u>
Trust fund balances brought forward at 1 October	5,000,704	43,824,179	48,824,883
Fund balances carried forward at 30 September	<u>4,885,794</u>	<u>44,506,154</u>	<u>49,391,948</u>

Sutton Coldfield Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2016

5	GRANTS	2016		2015	
		Number of grants	£	Number of grants	£
	Grants for community purposes to institutions	60	1,114,222	64	1,066,764
	Grants to individuals in need, hardship or distress	30	37,459	33	29,911
	Grants for individual educational and personal needs	1	250	-	-
	School clothing grants to individuals	335	25,125	319	23,925
	Awarded grants not claimed	-	(42,478)	-	(5,050)
		<u>426</u>	<u>1,134,578</u>	<u>416</u>	<u>1,115,550</u>

Note 3

Grants for community purposes comprise:

	Number of grants	£	Number of grants	£
Grants awarded:				
Greater than £1,000	40	1,103,105	46	1,057,224
£1,000 or less	20	11,117	18	9,540
	<u>60</u>	<u>1,114,222</u>	<u>64</u>	<u>1,066,764</u>

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 2016

6 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	152,543	91,526	61,017	Staff time
IT and advertising	23,163	15,442	7,721	Activity
Office costs	10,917	6,550	4,367	Staff time
Sundry and irrecoverable VAT	12,117	7,271	4,846	Staff time
Auditor's remuneration	11,924	-	11,924	Staff time
Legal fees	1,500	-	1,500	Staff time
Costs of meetings	4,658	-	4,658	Staff time
	<u>216,822</u>	<u>120,789</u>	<u>96,033</u>	

Note 3

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:

	2016	2015
	£	£
Almshouses	80,350	81,069
Grants:		
Grants for community purposes to institutions	82,953	82,921
Individual grants for educational and personal needs	41,031	41,015
School clothing grants to individuals	12,488	12,483
	<u>136,472</u>	<u>136,419</u>
Total	<u>216,822</u>	<u>217,488</u>

Note 3

Sutton Coldfield Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2016

6 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

Governance costs	2016	2015
	£	£
Staff costs	61,017	57,068
IT and advertising	7,721	9,414
Office costs	4,367	5,097
Sundry and irrecoverable VAT	4,846	7,323
	77,951	78,902
Audit	9,924	10,376
Other services	2,000	1,950
Legal fees	1,500	-
Costs of meetings	4,658	3,196
	96,033	94,424

7 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	Number of employees	
	2016	2015
Almshouses staff	3	3
Office staff	5	5
	8	8

The total emoluments of these persons were as follows:

	2016	2015
	£	£
Wages and salaries	175,546	162,186
Social security costs	11,111	13,045
Pension costs	13,773	13,394
	200,430	188,625

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

7 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL (continued)

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 £78,226 (2015: £76,439). There were no employees who earned more than £60,000 in the year (2015: None).

8 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 (2015: £Nil). Expenses paid to the Trustees in the year totalled £279 (2015: £Nil). These expenses were made up of 4 Trustees reimbursed for their travel expenses and a seminar fee.

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 £795 for the year (2015: £583).

Carole Hancox, Chairman of the Board of Trustees, is also Deputy Warden of Holy Trinity Parish Church which received a grant for £63,000 towards re-ordering of the church premises. Carole Hancox played no part in the application for funding and withdrew from the Trustees' Board meeting when the grant approval was given.

Councillor Margaret Waddington JP, Trustee, is Birmingham City Councillor for Trinity Ward incorporating the Falcon Lodge estate. Performances Birmingham Limited 'Live in the Lodge' received a grant for £29,055 towards the cost of delivering a 12 month Arts programme in the Falcon Lodge estate. Councillor Margaret Waddington JP took no part in the discussion or decision when the grant application was assessed and approved at the Trustees' Grants meeting.

9 AUDITOR'S REMUNERATION

The auditor's remuneration constituted an audit fee of £9,924 (£10,376) and additional tax advisory work of £2,000 (2015: £1,950).

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

10	TANGIBLE FIXED ASSETS	Freehold Almshouse £	Freehold Almshouses improvement £	Security/ safety equipment £	Total £
	Cost:				
	At 1 October 2015	496,333	1,900,984	100,151	2,497,468
	Additions	-	-	-	-
	At 30 September 2016	496,333	1,900,984	100,151	2,497,468
	Depreciation:				
	At 1 October 2015	340,243	858,557	100,149	1,298,949
	Charge for year	12,458	83,415	-	95,873
	At 30 September 2016	352,701	941,972	100,149	1,394,822
	Net book value:				
	At 30 September 2016	143,632	959,012	2	1,102,646
	At 30 September 2015	156,090	1,042,427	2	1,198,519

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 2016 and would therefore have £Nil (2015: £Nil) impact on the balance sheet.

11 INVESTMENTS (HELD AS FIXED ASSETS)

Investments (held as fixed assets) comprise the following:

	2016 £	2015 £
Investments in Endowment Fund		
Investment properties	17,615,000	17,570,000
Government stocks	4,894,450	4,202,852
Listed companies		
Ordinary stocks and shares	7,524,778	7,521,797
Unit trusts	16,277,870	15,173,629
Cash held for re-investment	1,082,812	(32,675)
	47,394,910	44,435,603

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

11	INVESTMENTS (HELD AS FIXED ASSETS) (continued)	2016 £	2015 £
	Investments in Charitable Fund		
	Unit trusts	1,709,190	1,533,214
	National Association of Almshouses Common Investment Fund	767,050	421,610
	Cash held for re-investment	41	468
		<u>2,476,281</u>	<u>1,955,292</u>
	Investments in the Cyclical Maintenance Fund		
	National Association of Almshouses Common Investment Fund	149,650	169,267
	Investments in Extraordinary Repair Fund		
	National Association of Almshouses Common Investment Fund	2,183,000	2,022,000
		<u>52,203,841</u>	<u>48,582,162</u>
	Analysed as:		
	Investment properties at market value	17,615,000	17,570,000
	Listed and other investments at market value:		
	UK	16,311,399	16,253,581
	Other	17,194,589	14,790,788
		<u>33,505,988</u>	<u>31,044,369</u>
	Cash held for re-investment	1,082,853	(32,207)
		<u>52,203,841</u>	<u>48,582,162</u>

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:

	2016 £	2015 £
Investment fund:		
National Association of Almshouses Common Investment Fund	<u>4,141,511</u>	<u>3,491,066</u>

Sutton Coldfield Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2016

11 INVESTMENTS (HELD AS FIXED ASSETS) (continued)

Movement in fixed asset investments

				2016	2015
	Freehold investment properties £	Listed and other investments £	Cash held for re- investment £	Total £	Total £
Market value at 1 October	17,570,000	31,044,369	(32,207)	48,582,162	47,887,793
Add: Additions at cost	-	3,399,162	1,115,060	4,514,222	8,735,389
Less: Disposal proceeds (net)	(44,751)	(4,456,643)	-	(4,501,394)	(8,692,490)
Net gains/(losses) for year	89,751	3,519,100	-	3,608,851	651,470
Market value at 30 September	17,615,000	33,505,988	1,082,853	52,203,841	48,582,162

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. 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 (2015: £10,000) which are let on long leases for a peppercorn rent in furtherance of charitable objectives.

12 DEBTORS	2016 £	2015 £
Rentals receivable	24,843	27,515
Interest and dividends receivable	25,159	24,248
Prepayments and accrued income	11,630	7,194
Other debtors	200	200
	61,832	59,157
13 BANK BALANCES AND SHORT TERM DEPOSITS	2016 £	2015 £
Short term deposits	241,965	666,965
Current accounts	231,834	213,613
Petty cash	776	475
	474,575	881,053

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

14 ANALYSIS OF CURRENT LIABILITIES AND LONG TERM CREDITORS

	2016 £	2015 £
Creditors under 1 year		
Charitable grants payable	603,603	1,030,942
Rental income invoiced and payable in advance	111,687	110,914
Accruals	63,334	71,737
Taxation and social security	54,572	20,859
Other creditors	37,255	14,936
	<u>870,451</u>	<u>1,249,388</u>
	2016 £	2015 £
Creditors due after one year		
Charitable grants payable	63,109	79,555
	<u>63,109</u>	<u>79,555</u>

15 FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets:		
Debt instruments measured at amortised cost	50,202	51,963
	<u>50,202</u>	<u>51,963</u>
Financial liabilities measured at amortised cost	767,301	1,197,170
	<u>767,301</u>	<u>1,197,170</u>

16 FUNDS

	Endowment Fund £	Charitable Fund £	Extra- ordinary Repair Fund £	Cyclical Maintenance Fund £	Total £
Balance at 30 September 2015	44,506,154	2,694,527	2,022,000	169,267	49,391,948
Income	-	1,805,073	-	-	1,805,073
Expenditure	(160,245)	(1,668,676)	-	(67,617)	(1,896,538)
Gains on investments	3,075,953	532,898	-	-	3,608,851
Transfers	17,058	(226,058)	161,000	48,000	-
Balance at 30 September 2016	47,438,920	3,137,764	2,183,000	149,650	52,909,334

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

16 FUNDS (continued)

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 and property repairs relating to the Endowment Fund have been charged against the Endowment Fund and in the current year a transfer has been made from the charitable fund to cover these costs.

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, £161,000 (2015: £159,000) 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, £67,617 was charged to the fund as expenditure (2015: £46,875) and £48,000 (2015: £50,000 transfer from) was transferred from the Charitable Fund.

During the year £17,058 (2015: £(9,020) transfer from the endowment fund to the charitable fund) was transferred from the charitable fund to the endowment fund to cover investment property expenses and investment managers' fees (2015: investment property expenses and investment managers' fees).

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund £	Charitable Fund £	Extraordinary Repair Fund £	Cyclical Maintenance Fund £	Total £
Tangible assets	143,632	959,014	-	-	1,102,646
Investments	47,394,910	2,476,281	2,183,000	149,650	52,203,841
Current assets	(65,676)	602,083	-	-	536,407
Current liabilities	(33,946)	(836,505)	-	-	(870,451)
Long term liabilities	-	(63,109)	-	-	(63,109)
Total net assets	47,438,920	3,137,764	2,183,000	149,650	52,909,334

Sutton Coldfield Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2016

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

	2016 £	2015 £
Net income (per SOFA)	3,517,386	567,065
Adjustments for:		
Depreciation charges	95,873	95,873
Investment managers' fees	129,168	126,756
(Gains) on investments	(3,608,851)	(651,470)
Dividends, interest and rents from investments	(1,614,251)	(1,463,011)
(Increase)/decrease in debtors	(2,675)	7,231
(Decrease) in creditors (excluding investment managers' fee)	(398,144)	(188,777)
 Net cash used in operating activities	 (1,881,494)	 (1,506,333)

19 CONTINGENT LIABILITIES

During the year, the Trust awarded a grant of £50,000 which included conditional elements. As the project is dependent upon obtaining planning consent and additional funding, timing is uncertain. Should the conditions of the grant be met, the Trust will be liable to pay over these funds to the grantees. In accordance with the Trust's accounting policy for conditional grants, no commitment for this grant has been recognised in these financial statements.