

THE NEWMAN TRUST HOMES

REPORT AND FINANCIAL STATEMENTS

5th April 2021

Registered charity number 501567

THE NEWMAN TRUST HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 5th April 2021

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THE NEWMAN TRUST HOMES

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 5th April 2021

Address of charity: C/o Tyndallwoods
29 Woodbourne Road
Edgbaston
BIRMINGHAM
B17 8BY

Charity number: 501567

Trustees Mrs P Rowley
Ms D Gauton
Ms S Thomas
Mrs J Dyke
Ms Y Messam
Mrs M Baker
Mrs R Fox (21/10/2020)

Bankers: Lloyds TSB
125 Colmore Row
BIRMINGHAM
B3 3AD

Investment Brokers: Smith and Williamson
Investment Management
Third Floor
9 Colmore Row
BIRMINGHAM
B3 2BJ

Independent Examiner: Mr P Georgiades FCA
Chartered Accountant
Flint & Thompson
2-6 Manor Square,
Solihull
B91 3PX

THE NEWMAN TRUST HOMES

TRUSTEES' REPORT

For the year ended 5th April 2021

The Trustees present their report, together with the Financial Statements of the Charity for the year ended 5th April 2021. The Financial Statements have been prepared in accordance with the accounting policies set out on pages 7 and 8 and comply with the Charity's Trust Deed, the Charities Act 2011 and have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the Annual Report and Financial Statements of the Charity.

Objectives and activities for the public benefit

The Charity was formed in 1972 under the will of Henry James Newman to build and manage four homes in the Handsworth district of Birmingham for elderly residents. The Charity was reconstituted on 6th April 1998 under a Scheme of the Commissioners and continues to provide housing for the elderly and to generally relieve poverty by way of donation. The Trustees ensure that the Charity's assets are maintained in good order. When considering the Charity's activities the Trustees are mindful of the Charity Commission's guidelines on public benefit.

The Trustees who have served throughout the year are:-

Mrs P Rowley
Ms D Gauton
Ms S Thomas
Mrs J Dyke
Ms Y Messam
Mrs M Baker
Rev D Machiridza (21/10/2020)
Mrs R Fox (21/10/2020)

Structure, Governance and management

- Organisational structure and decision making
The Board of Trustees are the ultimate control in the party of the charity.

- Selection and appointment of Trustees
The selection and appointment of new Trustees is determined by the Board of Trustees in office at that time. This policy is based on a complementary age profile, general experience in managing charities and also to provide complementary skills to the other Trustees.
- Policies adopted for the induction and training of trustees

Newly appointment Trustees are provided with a thorough introduction via the Charity Commission Guidance The essential trustee to the workings of the charity and are provided with all necessary information which will enable them to properly fulfil their role as Trustees.

Achievements and performance

- The significant activities for achieving the objectives are: as detailed in the accounts. Grants are made following applications made to the Trustees 6 times per year. The day to day management of the bungalows is managed by BCOP referring significant expenditure needs to the Trustee meetings or if urgent via the clerk.

Financial review

- Going concern
After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operation existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The charity generated a surplus of £578,324 (2020 loss £137,129) in the financial year. At the year end, the charity has unrestricted reserves of £1,480,798. The cash at bank balance has decreased from £32,599 to £27,989.

THE NEWMAN TRUST HOMES

TRUSTEES' REPORT (CONTINUED)

For the year ended 5th April 2021

During the year the Charity made grants to five individuals amounting to £4,603 (2020: £595).

- **Principal risk and uncertainties**

The principal risk faced by the charity is the potential market value of investments decreasing and loss of rents received. However we use a stocker broker to manage our investments and a agent to manage the rents received by tenants.

- **Reserves policy**

In the opinion of the Trustees the Charity's assets are available and adequate to fulfil the objects of the Charity. The level of reserves held is sufficient to enable the Charity to operate at its current level for the foreseeable future.

- **Grant Making**

Unrestricted funds comprise the accumulated surpluses and deficits on general funds and the cumulative realised and unrealised gains on investments. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. In addition, the Trustees may designate certain funds for particular purposes.

Plans for future periods

- To continue to use a stock broker to manage our investments and agent to manage our rent receivable from the investment property.

- **Investment Powers and Policy**

The Trustees have discretion over the investment power of the funds. The investments are long-term assets, the purpose of which is to generate income and capital growth that will maintain real value to finance the funds' expenditure on its charitable objectives.

THE NEWMAN TRUST HOMES

TRUSTEES' REPORT (CONTINUED)

For the year ended 5th April 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accountancy Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these 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 judgement and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provision of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees

Mrs P Rowley
Signed on behalf of the Trustees

October 13 2021

THE NEWMAN TRUST HOMES
REPORT OF THE INDEPENDENT EXAMINER
For the year ended 5th April 2021
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE NEWMAN TRUST HOMES

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5th April 2021, which are set out on pages 6 to 12.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peter Georgiades BA FCA
Chartered Accountant
2-6 Manor Square
Solihull
B91 3PX

October 13 2021

**THE NEWMAN TRUST HOMES
STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 5th April 2021

	Note	Unrestricted Funds			Funds	
		Designated	Designated	Unrestricte	Total	Total
		Extraordinary 2021 £	Cyclical 2021 £	d 2021 £	2021 £	2020 £
Activities for generating funds						
Rent receivable & other income		-	-	19,847	19,847	17,754
Income from investments	2	-	-	22,423	22,423	27,366
Total income		<u>-</u>	<u>-</u>	<u>42,270</u>	<u>42,270</u>	<u>45,120</u>
Expenditure on charitable activities						
Charitable expenditure						
Support costs	3	-	-	15,614	15,614	18,695
Management and administration	4	-	-	23,496	23,496	24,665
Total expenditure		<u>-</u>	<u>-</u>	<u>39,110</u>	<u>39,110</u>	<u>43,360</u>
Net income/(expenditure)		-	-	3,160	3,160	1,760
Property revaluation				330,379	330,379	-
Gains and losses on investments						
Unrealised gains/(losses)	7	-	-	233,787	233,787	(129,473)
Realised gains/(losses)		-	-	10,998	10,998	(9,416)
Net movement in funds		<u>-</u>	<u>-</u>	<u>578,324</u>	<u>578,324</u>	<u>(137,129)</u>
Interfund Transfers	11	-	-	-	-	-
		-	-	578,324	578,324	(137,129)
Balance at 6 April 2020		4,535	15,035	882,904	902,474	1,039,603
Balance at 5 April 2021	11	<u>4,535</u>	<u>15,035</u>	<u>1,461,228</u>	<u>1,480,798</u>	<u>902,474</u>

There are no recognised gains or losses other than the profit £578,324 (2020: deficit £137,129) disclosed above.

All the charity's operations are continuing operations and there were no operations discontinued or acquired during the year.

THE NEWMAN TRUST HOMES

BALANCE SHEET

At 5th April 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible	6		400,000		69,621
Investments	7		<u>1,048,767</u>		<u>805,772</u>
			1,448,767		875,393
CURRENT ASSETS					
Cash at bank and in hand	8	27,990		32,599	
Debtors	9	<u>11,121</u>		<u>1,492</u>	
		39,111		34,091	
CREDITORS: amounts falling due within one year	10	<u>7,080</u>		<u>7,010</u>	
NET CURRENT ASSETS			32,031		27,081
NET ASSETS			<u>1,480,798</u>		<u>902,474</u>
Represented by					
Unrestricted funds	11		1,480,798		902,474
			<u>1,480,798</u>		<u>902,474</u>

The financial statements on pages 5 to 11 were approved by the Board of Trustees on October 13 2021 and signed on its behalf by:

Mrs P Rowley
Chairman

THE NEWMAN TRUST HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

1 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 as updated through Update Bulletin 1 published on 2 February 2016, the Financial Reporting Standard (FRS 102) and the Charities Act 2011.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on the basis of historical cost, with the exception of investments which are shown at market value.

The charity constitutes a public benefit entity as defined by FRS 102. The charity is regarded as a small entity and has therefore taken all necessary exemptions available under FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern as they consider that there are sufficient cash reserves to meet the charity's liabilities as they fall due.

(b) Income Recognition

Charitable activities

Income from the occupiers of the almshouses is included in the period when the rentals fall due.

Investment income

Investment income is accounted for in the period in which the Charity is entitled to receipt.

Interest receivable

Interest is accounted for when received by the Charity.

(c) Expenditure recognition

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Support costs comprise costs involved in the core activity of running costs and upkeep of the almshouses.

(d) Tangible fixed assets

Individual fixed assets are capitalised at cost or valuation in respect of donated assets.

The Trustees have not depreciated the Charity's freehold property which comprises almshouses as they are maintained in good repair and the Trustees are of the opinion their current market value is significantly in excess of cost and therefore greater than the net book value. Thus failure to depreciate will not have a material effect on the results for the year. The Trustees consider that they cannot currently justify the expense of a formal valuation at market value of the property.

THE NEWMAN TRUST HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

(e) Grants and donations

These are included in the Statement of Financial Activities when they are made.

(f) Investment assets

Investments are included at closing mid-market value at the balance sheet date. Any realised or unrealised gains or losses on investments are recognised in the Statement of Financial Activities.

(g) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. Designated Funds can be used in accordance with the objects of the Charity.

Details of the nature and purpose of each fund is set out in Note 11 to the financial statements.

2	INCOME FROM INVESTMENTS	2021	2020
		£	£
	Fixed interest securities - interest	839	5,099
	Worldwide equities – dividends	21,569	22,202
	Bank deposits - interest	15	65
		<u>22,423</u>	<u>27,366</u>
3	SUPPORT COSTS	£	£
	Insurance	5,393	4,810
	General rates	1,027	-
	Water rates	1,458	1,399
	Light and heat	111	716
	General repairs and external decorating	1,771	9,491
	Cleaning and pest control	1,051	1,684
	Grants paid	4,803	595
		<u>15,614</u>	<u>18,695</u>

The individuals who receive the grant payments are carefully selected by Trustees to assist the relief of poverty.

THE NEWMAN TRUST HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

4 MANAGEMENT AND ADMINISTRATION	2021	2020
	£	£
Legal fees	6,977	7,334
Accountancy	3,474	3,540
Brokers management fees	7,926	8,521
BCOP management fees	4,727	4,727
Trustees' insurance	392	392
Trustees' meeting expenses	-	84
Bank Charges	-	67
	<u>23,496</u>	<u>24,665</u>

Included in accountancy fees are governance costs relating to the Independent Examination of the accounts of £1,500 (2020:£1,500)

5 STAFF COSTS AND TRUSTEES' REMUNERATION

There were no employees for the year under review
Trustees received no remuneration and no expenses in the year (2020: £nil).

6 TANGIBLE FIXED ASSETS

	Freehold Property- Almshouses	Total
Cost	£	£
At 5 th April 2020 and 2021	<u>69,621</u>	<u>69,621</u>
Revaluations		
At 5 th April 2020	-	
Revaluation in year	330,379	330,379
	<u> </u>	<u> </u>
Net Book Values		
At 5 th April 2021	<u>400,000</u>	<u>400,000</u>
	<u> </u>	<u> </u>
At 5 th April 2020	<u>69,621</u>	<u>69,621</u>

During the year the properties were revalued by independent surveyor Cottons Chartered Surveyors.

7 INVESTMENTS

	Quoted Investments	Charities Property Fund	Cash held for reinvestment	Total
	£	£	£	£
Market Value at 6 th April 2020	706,458	47,300	52,014	805,772
Additions	137,860	-	-	137,860
Disposals	(113,215)	-	(26,257)	(139,472)
Net unrealised investment gains	245,393	(786)	-	244,607
	<u>976,496</u>	<u>46,514</u>	<u>25,757</u>	<u>1,048,767</u>

THE NEWMAN TRUST HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

7 INVESTMENTS (continued)

Investments comprise:-	Cost	Market
	£	Value
		£
General Reserves Fund		
Charities Property Fund	50,230	46,514
Shares held	645,559	976,496
Cash held for reinvestment	25,757	25,757
	<u>721,546</u>	<u>1,048,767</u>

8 CASH AND BANK BALANCES

	2021	2020
	£	£
Lloyds TSB - Current account	8,582	8,582
- High Interest cheque account	19,408	24,017
	<u>27,990</u>	<u>32,599</u>

9 DEBTORS

	2021	2020
	£	£
Prepayments and accrued income	1,541	1,492
Other Debtors	9,580	-
	<u>11,121</u>	<u>1,492</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	-	18
Accruals and deferred income	7,080	6,992
	<u>7,080</u>	<u>7,010</u>

THE NEWMAN TRUST HOMES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

11 FUNDS

Unrestricted funds

Comprise those funds which the trustees are free to use in accordance with the charitable objects. The charity does not hold any Restricted or Endowment funds.

	Balance 06-Apr- 20	Incomi ng	Outgoi ng	Investme nt Gains and property revaluati on	Interfun d Transfer s	Balance 05-Apr-21
	£	£	£	£	£	£
Unrestricted Funds: General Reserves Fund	882,904	42,270	(39,110)	575,164	-	1,461,228
Designated Funds: Extraordinary Repair Fund	4,535	-	-	-	-	4,535
Cyclical Maintenance Fund	15,035	-	-	-	-	15,035
Total Funds	902,474	42,270	(39,110)	575,164	-	1,480,798

The Extraordinary Repair Fund has been established to provide for any extraordinary repair, improvement or rebuilding of the almshouses.

The Trustees have established the Cyclical Maintenance Fund for the purpose of providing for ordinary maintenance and repair of the almshouses which recur at infrequent intervals.

12 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

THE NEWMAN TRUST HOMES
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

SUMMARY OF INVESTMENTS AND INVESTMENT INCOME

Summary	Cost £	Market Value £	Income £
Charties Property fund	50,230	46,514	1,961
Shares held	645,559	976,496	24,014
Cash held by brokers for reinvestment	25,757	25,757	-
	<u>721,546</u>	<u>1,048,767</u>	<u>25,975</u>
Bank and other interest received			15
Total			<u>25,990</u>

THE NEWMAN TRUST HOMES
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

INVESTMENTS AND INVESTMENT INCOME

Shares held	Cost £	Market Value £	Income £
37,397.00 Charties Property fund	50,229.79	46,514.39	1,961
	50,229.79	46,514.39	1,961
1,200.00 Ishares II Plc core uk gilts	15,008.99	16,532.40	200
17,500.00 Royal London Assest Management	16,037.00	14,334.25	658
2,500.00 Polar Capital Funds Global Convertible	20,592.25	22,700.00	942
20,000.00 Sequoia Economic Infra Inc FD NPV	18,886.62	20,800.00	1,250
400.00 Lyxor US Tips UCITS ETF	40,946.12	44,390.00	224
760.00 Xtracker ETC physical gold	16,943.74	16,315.30	-
1,700.00 ICG Enterprise Trust	14,951.50	17,340.00	459
1,700.00 NB Private Equity Partners	10,652.40	19,550.00	1,224
7,500.00 Link fund solutions ltd Trojan S inc	18,444.86	21,428.25	107
14,554.00 International Public Partnership	14,310.46	24,479.83	1,099
8,300.00 Warehouse Reit	10,043.00	10,707.00	515
9,661.00 SDCL Energy Efficiency Inc Tst	10,047.44	10,916.93	543
13,500.00 JLEN Enviromental Asset NPV	14,984.33	15,012.00	918
15,128.00 Assura PLC	7,649.64	10,967.80	448
1,333.00 Vistry Group PLC	15,506.22	14,649.67	267
Carried Forward	245,004.57	280,123.43	8,854

THE NEWMAN TRUST HOMES
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

INVESTMENTS AND INVESTMENT INCOME

Shares held	Cost £	Market Value £	Income £
Brought forward	245,004.57	280,123.43	8,854
769.00 Compass Group	5,762.28	11,496.55	0
3,000.00 Stanard Chartered PLC ord	14,788.28	14,706.00	360
700.00 Prudential Ord	4,850.85	10,860.50	83
700.00 M&G PLC	774.17	1,465.80	128
1,000.00 M&G Securities Charifund Inc	-	14,719.70	670
3,400.00 Blackrock Throgmorton Trust	6,846.54	27,540.00	347
9,400.00 Montanaro Asset Management UK Income GBP Seed	19,284.10	20,501.40	501
17,000.00 Diverse Income Trust Plc	10,783.39	18,827.50	629
7,000.00 Mercantile Investment Trust	4,289.71	17,920.00	469
900.00 Associated British foods	20,577.90	22,059.00	56
450.00 Unilever	7,795.49	18,099.00	671
2,500.00 BP Ord	12,872.25	7,245.00	546
800.00 Royal Dutch Shell	5,332.88	10,683.20	715
Carried Forward	<u>358,962.41</u>	<u>476,247.08</u>	<u>14,029</u>

THE NEWMAN TRUST HOMES
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

INVESTMENTS AND INVESTMENT INCOME

Shares held	Cost	Market Value	Income
	£	£	£
Brought forward	358,962.41	476,247.08	14,029
300.00 Rio Tinto	3,693.35	16,440.00	1,878
4,200.00 Smith (DS) Ord GBP 0.10	15,135.34	17,371.20	508
400.00 Johnson Matthey	4,245.00	12,056.00	280
900.00 Glaxosmithkline	8,190.51	11,498.40	720
650.00 Experian Plc	5,989.31	16,549.00	223
916.00 National Grid Transco ord 0.10	3,810.32	7,909.66	450
5,000.00 Vodafone Group Ord Incl Verizon	7,697.27	6,683.00	391
560.52 Findlay Park Funds PLC Amerivan GBP Hedged	36,965.41	47,319.10	2
4,600.00 JP Morgan Asset Mgmt UK Ltd	14,958.98	17,181.00	357
500.00 Vanguard Fund Plc	18,160.29	27,449.38	458
1,200.00 Montanaro Eur Sml Cos Trust	6,247.50	19,320.00	111
7,698.74 JP Morgan Asset Management	9,739.18	17,837.98	393
25,000.00 Jupiter Unit trust	23,267.50	29,167.50	569
Carried Forward	<u>517,062.37</u>	<u>723,029.30</u>	<u>20,369</u>

THE NEWMAN TRUST HOMES
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended 5th April 2021

INVESTMENTS AND INVESTMENT INCOME

Shares held	Cost £	Market Value £	Income £
Brought forward	517,062.37	723,029.30	20,369
2,816.00 Pacific assets trust	7,125.23	8,954.88	68
15,000.00 Schroder Oriental	19,937.00	41,850.00	1,545
16,200.00 Ninety one fund	20,105.82	20,337.48	95
2,650.00 Templeton Emg Mkts Inv Trust	16,229.32	27,083.00	769
1,100.00 Allianz Technology Trust Plc	8,262.73	30,415.00	0
8,000.00 Fundsmith LLP	12,195.33	40,672.00	55
2,200.00 Polar Capital Funds	7,381.19	12,771.88	196
3,700.00 Scottish Mortgage Inv Trust	17,589.57	43,068.00	127
1,450.00 Guinness Asset management	18,420.66	22,954.95	612
124.00 M&G Securities Charibond Acc	-	5,270.95	-
Shares held	<u>644,309.22</u>	<u>976,407.44</u>	<u>23,836.00</u>
	<u>694,539.01</u>	<u>1,022,921.83</u>	<u>25,797.00</u>