

The Sanctuary Trust Limited

(a company limited by guarantee
and not having a share capital)

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2022**

Company number: 2721623

Registered Charity Number: 1020295

WRIGLEY PARTINGTON

Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

THE SANCTUARY TRUST LIMITED

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THE SANCTUARY TRUST LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 5 APRIL 2022

The trustees/directors of The Sanctuary Trust Limited present their annual report together with the financial statements for the year ended 5 April 2022. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

Reference and Administrative Information

Charity number 1020295

Company number 2721623

Trustees

The trustees serving during the year were as follows:

E H O'Connor Boswell
S Halsall (Resigned 10.08.22)
J Edwards
I Johnstone (Resigned 04.11.21)
V Slater (Resigned 15.10.21)
L Mills
C R McCann
A Jackson (Appointed 06.09.21)

Other trustees serving at the date of this report:

S Riding (Appointed 16.05.22)

Company Secretary K O'Brien

CEO D Lackner-Smith

Finance Director R Shaw

Operations and Development Director J Wigley

Registered office and principal office
Office 9
Champness Hall
Drake Street
Rochdale
OL16 1PB

Auditors
Wrigley Partington
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Bankers
National Westminster Bank Plc
Town Hall Square
Rochdale
OL16 1LL

Legal representatives
AST Hampsons
128 Yorkshire Street
Rochdale
OL16 1LA

THE SANCTUARY TRUST LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 5 APRIL 2022 continued...

Structure, Governance and Management

Governing document

The Sanctuary Trust Limited is a company limited by guarantee governed by its memorandum and articles of association. It is registered as a charity with the Charity Commission.

Recruitment and appointment of trustees

The Board seek to appoint trustees as vacancies arise or if they become aware that a person with appropriate skills and experience is available and willing to join the board.

Trustees' induction and training

There is no formal training provided for trustees but they are advised to read the literature available from the Charity Commission and they are made aware of their general duties and responsibilities as part of the recruitment process and once they join the board and attend meetings.

Volunteers

The charity is very fortunate to have a large number of people who are willing to volunteer to assist in furthering the objects of providing support and encouragement for people who are homeless. There are formal processes in place to ensure that volunteers have appropriate training or experience and that they meet all legal requirements.

Organisational structure

A board of trustees, who meet on a regular basis, administer the charity. An Operations and Development Team including a CEO, Operations and Development Director, Financial Director and others as necessary are appointed by the charity to manage the day to day operations of the organisation. The pay and remuneration of key management personnel is based on the NJC pay scales, with any significant deviation from those scales requiring the approval of the trustees.

Related parties

The charity acts as managing agent for Great Places trading as MMHG, which is a registered housing association.

The charity also has a close working relationship with Rochdale Metropolitan Borough Council.

Representatives from the above organisations are invited to the trustees' meetings.

Policy for managing risk and reserves

The trustees have assessed the risks and uncertainties to which the charity is exposed and consider the principal areas to be as follows:

- Opposition to new developments by the local community (NIMBYism).
- Flu pandemic amongst staff and clients.
- Failure to comply with the Disability Discrimination Act.

The trustees are satisfied that systems are in place to mitigate the charity's exposure to major risks. As part of that process, the trustees have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face
- the establishment of systems and procedures to mitigate those identified in the plan and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

It is the policy of the charity to maintain free reserves, which are unrestricted funds less fixed assets included therein (see note 17 to the accounts), at a level which equates to approximately three to four months unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to emergencies which may arise from time to time.

The amount of free reserves available at 5 April 2022 was £329,312 (2021: £375,350). The Trustees are aware of the deficit incurred in this financial year which has arisen as a result of planned investment in the future growth of the charity. It is anticipated that this deficit position may not be reversed immediately and the charity has instigated a programme of additional income generation and close cost management and will continue to monitor the financial position of the charity so that reserves move towards the target level.

THE SANCTUARY TRUST LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 5 APRIL 2022 *continued...*

Objectives and activities

The Sanctuary Trust is a practical expression of God's love, providing support and encouragement for people who are homeless or seeking to take control of their lives through drug, alcohol or other homeless-related problems.

The Trust's aim is to help people to take a full place in society and live independently, and to give vulnerable people opportunity to improve their quality of life by providing a stable environment which enables them to take greater responsibility for their lives.

The Trustees are mindful of the Charity Commission guidance on public benefit. We believe that our activities make a significant difference to the lives of our clients and also benefit the local communities in which we work. Our activities are planned to improve the lives of homeless people and to reduce homelessness.

Achievements and performance

The Trust charitable activities this year have been dominated by our response to the Covid 19 pandemic. There have been several periods where we have been short-staffed at a time when the demand for our services has increased. Despite these challenges the Sanctuary Trust has continued to enhance its offer to people who are experiencing homelessness across Rochdale, Oldham and County Conwy.

Across the areas of our work we have provided 53 bed spaces of which 19 were specifically for people abstaining from drugs/alcohol. We have also provided an additional 5 emergency beds free of charge for those rough sleepers in need of rapid relief from homelessness.

In Rochdale we continued to receive ABEN funding for our complex needs emergency project at the STEP Project. Staffed around the clock, people accessing this service have benefitted from tenancy training, support planning and post-service move on support. Halsall House, our 12 bed abstinence project, has continued to see impressive results in supporting people to overcome addictive behaviours and to take their place in society free from harmful substances. Ann-Marie and her team have worked hard to provide a therapeutic environment that promotes recovery. We continue the good work at Holland House, providing up to 22 rough sleepers with immediate access to accommodation. Led by Kelly, the team at Holland House have worked with affiliated services to ensure that all people benefit from holistic support packages thus reducing the risk of a return to rough sleeping.

Over the border in County Conwy, Holborn House and Beit Tikva offer 12 bedspaces to those experiencing homelessness in the area. Sanctuary Cornerstone has an excellent reputation in the borough for supporting people reintegrate into society.

Our homeless prevention initiatives have extended somewhat over this period. In addition to the rough sleeper outreach work we deliver we also won the commission to provide Navigator services in Oldham. We have worked with 25 people who were identified by the Council as the most likely to be at a disadvantage in accessing services. Over in Rochdale we won the Changing Future contract. As part of a team of local charities we follow a Making Every Adult Matter approach to deliver services for people with a long history of homelessness and addiction. Through the Navigator contract and the Changing Future contract the Sanctuary Trust ensured fairer access to services by intensely working with this cohort, relieving homelessness and meeting needs.

We have launched a community café that seeks to address food poverty in Rochdale and we funded a hub in Oldham through our partners Impact Community Church. We feel this work has acted as an early intervention, often preventing people from falling back into homelessness situations.

Sadly we have now come to the end of a 3 year funding from the National Lottery for the Pass It On service. In total we helped 29 people with lived experience of homelessness gain paid employment opportunities. Similarly, our 3 year funding from the Lloyds Foundation also ended this year. Through this project we have supported over 1,000 people in crisis thus reducing the risk of homelessness. Special thanks to Angie, Lee, Tony and all the Pass It On volunteers for your work on these projects.

The Sanctuary Trust has continued to provide social work placements for budding social work students from Salford University. This year we have had 7 social work students. All 7 passed their placements with us. In addition we have delivered 4 lectures for First year social work students, sessions on: spirituality in social work, third sector social work, homelessness in social work and conflict management. These sessions were well received by the students and we have been invited back next year to deliver the sessions again.

THE SANCTUARY TRUST LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 5 APRIL 2022 continued...

Achievements and performance (continued)

The Trust has rapidly grown in size and impact over the last 5 years. In response we have increased our administration team this year. We welcome Carole (Greater Manchester) and Callum (Conwy) to the charity. We have no doubt that these excellent people will help us as we look to the future.

In summary it has been another exciting year at the Sanctuary Trust! We feel very blessed to have such committed and talented staff. We feel we are in a great place to extend our impact and to play our part in reducing homelessness across our areas of operation.

Financial Review

The charity's principal funding sources during the year were service contract income of £615,460 (2021: £540,378), housing benefits received of £428,535 (2021: £417,488) and a contribution received from the Welsh Assembly of £149,955 (2021: £143,412). Other sources of income received are shown in notes 2, 3 and 4 to the accounts. These resources have been used to provide accommodation and support to homeless and other vulnerable people.

The charity made a loss for the year of £52,466 (2021: £31,411 surplus), further details of which are shown in the statement of financial activities on page 11.

The charity's financial position at the end of the year is shown on the balance sheet (page 12), which shows that total charity funds have reduced from £685,214 at 5 April 2021 to £632,748 at 5 April 2022.

The Trustees consider the state of the company's affairs to be satisfactory and look to the future with confidence.

Plans for future periods

We are in the process of co-producing a fundraising strategy. This will help us achieve additional funding and grow our impact across the UK.

We continue to work towards becoming a registered provider of social housing in England and Wales.

We would like to develop a Pass It On Cymru project to mirror all of the great successes we have achieved in Rochdale and Oldham.

We are keen to co-produce new and exciting initiatives designed at relieving and preventing homelessness across the country.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and 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 and statements of recommended practice have been followed, subject to any 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 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 enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SANCTUARY TRUST LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 5 APRIL 2022 continued...

Compliance with accounting standards

The Trustees confirm that the financial statements comply with the current statutory requirements, the requirements of the company's memorandum and articles of association and the requirements of the Charities SORP (FRS 102).

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the board of directors at its meeting on 17th October 2022 and signed on behalf of the board by:



K O'Brien
Secretary

THE SANCTUARY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SANCTUARY TRUST LIMITED

Opinion

We have audited the financial statements of The Sanctuary Trust Limited for the year ended 5 April 2022 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 charitable company's affairs as at 5 April 2022 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 Companies Act 2006.

Basis for opinion

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 charitable company 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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.

Opinions on other matter prescribed by the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE SANCTUARY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SANCTUARY TRUST LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE SANCTUARY TRUST LIMITED

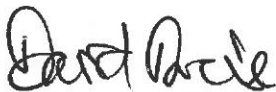
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SANCTUARY TRUST LIMITED (continued)

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Ducie (Senior statutory auditor)

For and on behalf of
Wrigley Partington
Chartered Accountants and
Statutory Auditor

Date: 27th November 2022

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

THE SANCTUARY TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 5 APRIL 2022

| | Note | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| INCOME | | | | | | | |
| Donations and legacies | 2 | 36,493 | 45,241 | 81,734 | 10,138 | 51,490 | 61,628 |
| Charitable activities | 3 | 1,252,968 | 205,896 | 1,458,864 | 1,239,752 | 142,722 | 1,382,474 |
| Other trading activities | 4 | 69,488 | - | 69,488 | 39,104 | - | 39,104 |
| Investment income | | 48 | - | 48 | 180 | - | 180 |
| Total incoming resources | | 1,358,997 | 251,137 | 1,610,134 | 1,289,174 | 194,212 | 1,483,386 |
| EXPENDITURE | | | | | | | |
| Raising funds | 4 | 59,226 | - | 59,226 | 48,630 | - | 48,630 |
| Charitable activities | 5 | 1,342,335 | 261,039 | 1,603,374 | 1,228,169 | 175,176 | 1,403,345 |
| Total resources expended | | 1,401,561 | 261,039 | 1,662,600 | 1,276,799 | 175,176 | 1,451,975 |
| Net (outgoing)/incoming resources before other recognised gains and losses | | (42,564) | (9,902) | (52,466) | 12,375 | 19,036 | 31,411 |
| Transfers between funds | | - | - | - | - | - | - |
| Net income/(expenditure) and net movement in funds for the year | | (42,564) | (9,902) | (52,466) | 12,375 | 19,036 | 31,411 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 549,131 | 136,083 | 685,214 | 536,756 | 117,047 | 653,803 |
| Total funds carried forward | | 506,567 | 126,181 | 632,748 | 549,131 | 136,083 | 685,214 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

THE SANCTUARY TRUST LIMITED

BALANCE SHEET : AS AT 5 APRIL 2022

| | <u>Note</u> | 2022 £ | 2021 £ |
|---------------------------------------|-------------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 252,232 | 251,176 |
| Total fixed assets | | <u>252,232</u> | <u>251,176</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 81,342 | 131,161 |
| Cash at bank and in hand | 12 | 416,997 | 379,139 |
| Total current assets | | <u>498,339</u> | <u>510,300</u> |
| LIABILITIES: | | | |
| Creditors falling due within one year | 13 | 117,823 | 76,262 |
| Net current assets | | <u>380,516</u> | <u>434,038</u> |
| Net assets | 17 | <u>632,748</u> | <u>685,214</u> |
| THE FUNDS OF THE CHARITY | | | |
| <i>Restricted income funds</i> | 16 | 126,181 | 136,083 |
| Unrestricted funds | 16 | 506,567 | 549,131 |
| Total charity funds | 17 | <u>632,748</u> | <u>685,214</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 17th October 2022, and are signed on behalf of the board by:


 Trustee/Director
C R McCann

Registration number: 2721623

The accompanying notes are an integral part of this balance sheet.

THE SANCTUARY TRUST LIMITED

STATEMENT OF CASH FLOWS : YEAR ENDED 5 APRIL 2022

| | <i>Note</i> | 2022 £ | 2021 £ |
|---|-------------|-------------------------|-------------------------|
| Cash used in operating activities | 19 | 63,106 | (59,335) |
| Cash flows from investing activities | | | |
| Interest income | | 48 | 180 |
| Purchase of tangible fixed assets | | (25,296) | (20,687) |
| Proceeds from disposal of tangible fixed assets | | - | - |
| Cash provided by (used in) investing activities | | (25,248) | (20,507) |
| Cash flows from financing activities | | | |
| Repayment of borrowing | | - | - |
| Cash used in financing activities | | - | - |
| Increase/(decrease) in cash and cash equivalents in the year | | 37,858 | (79,842) |
| Cash and cash equivalents at the beginning of the year | | 379,139 | 458,981 |
| Total cash and cash equivalents at the end of the year | | 416,997 | 379,139 |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Sanctuary Trust Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) **Company status**

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Office 9, Champness Hall, Drake Street, Rochdale, OL16 1PB.

c) **Income recognition policies**

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income is recognised on a receivable basis.

d) **Donated services and facilities**

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. estimated usage).

- Costs of raising funds are those costs incurred in trading activities that raise funds.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to those activities.

- Governance costs are those incurred in connection with the constitutional and statutory requirements of the charity.

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

1 Accounting policies continued

f) **Taxation**

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

g) **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

h) **Holiday pay**

The holiday year is also the financial year and employees are required to take their holiday entitlement during the year; accordingly there is normally no holiday pay accrual.

i) **Tangible fixed assets and depreciation**

Fixed assets are capitalised at cost and depreciated at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows :

| | |
|---------------------|----------------------|
| Land and buildings | 5% Reducing balance |
| Plant and machinery | 20% Reducing balance |
| Motor vehicles | 25% Reducing balance |

j) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

k) **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) **Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

n) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the charity.

o) **Assessment of going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

p) **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | Total 2021 £ |
|---|---------------------------|-------------------------|--------------------|--------------------|
| 2 Income from donations and legacies | | | | |
| Donations from institutions | 2,203 | 23,972 | 26,175 | 19,222 |
| Donations from individuals | 8,498 | 21,269 | 29,767 | 42,406 |
| Legacies | 25,792 | - | 25,792 | - |
| | <u>36,493</u> | <u>45,241</u> | <u>81,734</u> | <u>61,628</u> |
| 3 Income from charitable activities | | | | |
| Housing benefits | 428,535 | - | 428,535 | 417,488 |
| Service contracts | 615,460 | - | 615,460 | 540,378 |
| Rent received | 50,296 | - | 50,296 | 49,738 |
| Welsh Assembly contribution re: supporting people | 149,955 | - | 149,955 | 143,412 |
| Grants specific: | | | | |
| Lloyds Bank Foundation | - | 31,257 | 31,257 | 30,795 |
| Community fund | - | 79,419 | 79,419 | 83,245 |
| Lottery grant re: Covid-19 | - | - | - | 56,575 |
| RMBC re: Covid-19 | - | - | - | 19,669 |
| Workers Education Association | - | 19,918 | 19,918 | - |
| Real Change | - | 14,302 | 14,302 | - |
| Albert Gubay Foundation re: Oldham & Rochdale food network | - | 21,000 | 21,000 | - |
| Various re: Conwy Food Bank | - | 40,000 | 40,000 | 27,482 |
| Others | 8,722 | - | 8,722 | 13,692 |
| | <u>1,252,968</u> | <u>205,896</u> | <u>1,458,864</u> | <u>1,382,474</u> |
| 4 Other trading activities | | | | |
| <u>Income</u> | | | | |
| Letting income | - | - | - | - |
| Charity shop | 69,488 | - | 69,488 | 39,104 |
| | <u>69,488</u> | <u>-</u> | <u>69,488</u> | <u>39,104</u> |
| <u>Expenditure</u> | | | | |
| Shop running costs | 59,226 | - | 59,226 | 48,630 |
| | <u>59,226</u> | <u>-</u> | <u>59,226</u> | <u>48,630</u> |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

5 Cost of charitable activities

| | Staff costs £ | Depreciation £ | Other costs £ | Total 2022 £ | Total 2021 £ |
|------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| Provision of support | 1,191,972 | - | 142,952 | 1,334,924 | 1,176,639 |
| Provision of housing | - | 11,402 | 184,292 | 195,694 | 165,536 |
| Provision of transport | - | 1,442 | 2,996 | 4,438 | 6,864 |
| Central office costs | - | 7,817 | 60,501 | 68,318 | 54,306 |
| | <u>1,191,972</u> | <u>20,661</u> | <u>390,741</u> | <u>1,603,374</u> | <u>1,403,345</u> |

| | Total 2022 £ | Total 2021 £ |
|-------------------------------------|--------------------|--------------------|
| Other costs: | | |
| Volunteers expenses | 1,653 | 580 |
| Rent and other services | 116,369 | 96,495 |
| Groceries and provisions | 66,190 | 54,889 |
| Light, heat and insurance | 39,837 | 27,269 |
| Repairs and renewals | 19,623 | 33,174 |
| Recreational and care work expenses | 16,891 | 13,008 |
| Staff training and recruitment | 22,547 | 8,278 |
| Administration costs | 80,886 | 56,496 |
| Bad debts | 4,549 | (986) |
| Loss on fixed asset disposal | 3,579 | 6,961 |
| Legal and professional fees | 10,568 | 8,512 |
| Interest on late payment of PAYE | 95 | - |
| Governance costs (note 6) | 7,954 | 7,649 |
| | <u>390,741</u> | <u>312,325</u> |

6 Governance costs

| | Total 2022 £ | Total 2021 £ |
|--|--------------------|--------------------|
| Auditors fees for audit of the accounts: | | |
| Allocated to fundraising | 496 | 521 |
| Allocated to charitable activities | 7,954 | 7,649 |
| | <u>8,450</u> | <u>8,170</u> |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

| 7 Staff costs | Total 2022 £ | Total 2021 £ |
|--|-----------------------------|-----------------------------|
| Total staff emoluments for the year were as follows: | | |
| Wages and salaries | 1,106,085 | 995,082 |
| Social security costs | 82,488 | 76,263 |
| Pension costs | 26,699 | 25,134 |
| | <u>1,215,272</u> | <u>1,096,479</u> |

The total amount of employee benefits received by key management personnel included within the above is as follows:

| | | |
|---|----------------|---------------|
| CEO, Operations and Development Director and Finance Director | <u>145,626</u> | <u>99,989</u> |
|---|----------------|---------------|

8 Staff numbers

The average monthly head count was 53 staff (2021: 47) and the average number of full-time equivalent employees during the year were as follows:

| | 2022 Number | 2021 Number |
|------------------------|------------------------|------------------------|
| Direct charitable work | 49 | 43 |
| Administrative | 4 | 4 |
| | <u>53</u> | <u>47</u> |

None of the trustee's received any remuneration from the charity during the year (2021: None)

One of the trustees was reimbursed travelling expenses during the year amounting to £528 (2021: Nil).

No employee earned £60,000 per annum or more.

| 9 Net movement in funds | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Net movement in funds is arrived at after charging /(crediting): | | |
| Depreciation of tangible fixed assets | 20,661 | 18,266 |
| Loss on disposal of tangible fixed assets | 3,579 | 6,961 |
| Auditors remuneration for audit of the accounts | 8,450 | 8,170 |
| Operating lease payments | 127,761 | 105,786 |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

10 Tangible fixed assets

| | Freehold property improv'ts | Land and buildings freehold | Long leasehold property | Plant and machinery | Motor vehicles | Total |
|-----------------------|-----------------------------------|-----------------------------------|-------------------------------|------------------------|-------------------|---------|
| <u>Cost</u> | | | | | | |
| At 6 April 2021 | 25,954 | 310,995 | 70,896 | 66,664 | 9,000 | 483,509 |
| Additions | - | - | - | 25,296 | - | 25,296 |
| Disposals | - | - | - | (4,474) | - | (4,474) |
| At 5 April 2022 | 25,954 | 310,995 | 70,896 | 87,486 | 9,000 | 504,331 |
| <u>Depreciation</u> | | | | | | |
| At 6 April 2021 | 13,296 | 130,185 | 36,321 | 49,296 | 3,235 | 232,333 |
| Charge for the year | 634 | 9,040 | 1,729 | 7,817 | 1,441 | 20,661 |
| Disposals | - | - | - | (895) | - | (895) |
| At 5 April 2022 | 13,930 | 139,225 | 38,050 | 56,218 | 4,676 | 252,099 |
| <u>Net Book Value</u> | | | | | | |
| At 5 April 2022 | 12,024 | 171,770 | 32,846 | 31,268 | 4,324 | 252,232 |
| At 6 April 2021 | 12,658 | 180,810 | 34,575 | 17,368 | 5,765 | 251,176 |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

| 11 Debtors | 2022 | 2021 |
|--------------------------------|---------------|----------------|
| | £ | £ |
| Gift aid recoverable | 690 | 4,384 |
| Prepayments and accrued income | 80,652 | 126,777 |
| | <u>81,342</u> | <u>131,161</u> |

| 12 Cash at bank and in hand | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Cash at bank | 409,937 | 370,751 |
| Cash in hand | 7,060 | 8,388 |
| | <u>416,997</u> | <u>379,139</u> |

| 13 Liabilities : creditors falling due within one year | 2022 | 2021 |
|---|----------------|---------------|
| | £ | £ |
| PAYE | 22,229 | 19,771 |
| Other creditors | 13,290 | 15,223 |
| Accruals and deferred income | 82,304 | 41,268 |
| | <u>117,823</u> | <u>76,262</u> |

14 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

15 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £26,699 (2021 : £25,134).

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

16 Analysis of charitable funds

Analysis of fund movements:

| | At 06-Apr 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 05-Apr 2022 £ |
|-------------------------------------|---------------------------|----------------------------|----------------------------|----------------|---------------------------|
| <i>Unrestricted funds:</i> | | | | | |
| General purpose | 549,131 | 1,358,997 | (1,401,561) | - | 506,567 |
| <i>Restricted funds:</i> | | | | | |
| i. Purchase and improvement | | | | | |
| Tweeddale Street | 72,976 | - | (3,649) | - | 69,327 |
| ii. Albert Gubay Foundation grant | - | 21,000 | (17,625) | - | 3,375 |
| iii. Lloyds Bank Foundation grant | 883 | - | - | - | 883 |
| iv. NHS grant | 779 | - | - | - | 779 |
| v. D M Thomas Foundation grant | 1,442 | - | - | - | 1,442 |
| vi. Lloyds Bank Foundation grant | 4,398 | 31,257 | (33,787) | - | 1,868 |
| vii. Community Fund grant | 13,309 | 79,419 | (87,847) | - | 4,881 |
| viii. Small project grants | 838 | 14,326 | (15,164) | - | - |
| ix. Conwy food bank | 41,458 | 85,217 | (83,611) | - | 43,064 |
| x. Workers' Educational Association | - | 19,918 | (19,356) | - | 562 |
| | 136,083 | 251,137 | (261,039) | - | 126,181 |

Purpose of restricted funds

- Funds received to enable the charity to purchase and improve a property to provide night stop care.
- Grant received to fund the Oldham and Rochdale food network project.
- The Lloyds Bank Foundation grant is to fund the salary and on going costs of a reintegration worker.
- NHS grant received to fund the salary costs of a crisis worker.
- D M Thomas Foundation grant received to fund computer and materials for emergency homeless shelter.
- The Lloyds Bank Foundation grant is to fund the salary of a part time crisis coordinator.
- Grant to cover staffing, overheads and other revenue expenditure of the Pass It On Scheme.
- Grant funding for various small projects.
- Donations and grants received specifically to fund the Conwy food bank, including £35k from the Albert Gubay Foundation.
- Grant received to fund the Reintegration Project.

17 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|--|----------------------------|--------------------------|---------------------|
| Fund balances at 5 April 2022 as represented by: | | | |
| Tangible fixed assets | 177,255 | 74,977 | 252,232 |
| Current assets | 415,483 | 82,856 | 498,339 |
| Current liabilities | (86,171) | (31,652) | (117,823) |
| | 506,567 | 126,181 | 632,748 |

THE SANCTUARY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 5 APRIL 2022

18 Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2022 £ | 2021 £ |
|----------------------------|----------------|----------------|
| <u>Rent</u> | | |
| Within one year | 15,143 | 7,370 |
| Between one and five years | 86,988 | 132,606 |
| After five years | 24,158 | - |
| | <u>126,289</u> | <u>139,976</u> |

19 Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|--|---------------|-----------------|
| Net movement in funds | (52,466) | 31,411 |
| Add back depreciation charge | 20,661 | 18,266 |
| (Profit)/loss on fixed asset disposal | 3,579 | 6,961 |
| Deduct interest income shown in investing activities | (48) | (180) |
| Decrease/(increase) in debtors | 49,819 | (103,784) |
| Increase/(decrease) in creditors | 41,561 | (12,009) |
| Net cash used in operating activities | <u>63,106</u> | <u>(59,335)</u> |

20 Related party transactions

Details of the employee benefits received by key management personnel are shown in note 7 to the accounts, and details of expenses reimbursed to trustees are shown in note 8. There were no other related party transactions during the year requiring disclosure.