

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Annual Report and Unaudited Financial Statements
For the year ended 31 December 2022**

**Company Registered Number 5397969
Charity Commission Registered Reference Number 1109073**

**CARDALE ASSET MANAGEMENT LTD
2 Greengate
Cardale Park
Harrogate
HG3 1GY**

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Annual Report and Unaudited Financial Statements
For the year ended 31 December 2022**

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**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

General Information

The company is established as a company limited by guarantee and is registered as a charity with the Charity Commission. The affairs of the company are governed by its Memorandum and Articles of Association. The liability of the Members in the event of the company being wound up is limited to a sum not exceeding £1.

<i>Date of Commencement</i>	18 March 2005
<i>Trustees</i>	Miss J O Ritchie Mr J P W Ritchie Mr R Whiteley Emma Varley
<i>Secretary</i>	Emma Varley
<i>Registered Office</i>	2 Greengate Cardale Park Harrogate HG3 1GY
<i>Law of Trust</i>	England and Wales
<i>Advisers:</i>	
<i>Investment Managers</i>	Cardale Asset Management Ltd 2 Greengate Cardale Park Harrogate HG3 1GY
<i>Independent Examiner</i>	TC Group 6 Queen Street Leeds West Yorkshire HG3 1GY
<i>Solicitors</i>	Browne Jacobson LLP Castle Meadow Road Nottingham NG2 1BF

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Report of the Trustees and Directors
For the year ended 31 December 2022**

The Trustees present the report and unaudited financial statements of The Elm House Trust for the year ended 31 December 2022. The company has no share capital and is a registered charity. The guarantee of each member is limited to £1. Members are the Trustees of the company. The general information on page 1 constitutes part of the Report of the Trustees.

Structure, Governance and Management

Governing Document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. Registered number 5397969.

The Elm House Trust is constituted under a trust deed dated 18 March 2005 and is a registered charity, number 1109073.

Recruitment and appointment of new Trustees

The Trustees who served during the year and since the year end are set out on page 1. The Charity is a company limited by guarantee therefore the Trustees are also the Directors of the charity. Trustees are appointed by the board of Trustees. Emma Varley was appointed as a Trustee on 21 March 2022.

Induction and training of Trustees

New trustees are given the appropriate induction to allow them to perform their duties effectively. The Trustees meet on a regular basis to discuss donations to be made to other organisations and the repair of the four properties owned by the Trust. During the year the Trustees read relevant Charity publications and also attended charity seminars in order to keep updated on any Charities Act changes and gain a wider understanding of Charity Law.

Organisation

Until otherwise determined by a General Meeting the number of trustees shall not be less than three nor more than seven members to administer the charity. The company secretary manages the day-to-day financial and administrative operations of the charity.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirms that the systems have been established to enable regular reports to be produced, so that the necessary steps can be taken to manage these risks.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Report of the Trustees and Directors *(Continued)*
For the year ended 31 December 2022**

Objects and Principal Activities

The objects for which the company is established are for exclusively charitable purposes in North Yorkshire and the North East of England in such amounts, as the Trustees in their absolute discretion think fit. The current objectives of the Trustees are:

- To make grants to benefit people living in North Yorkshire, particularly initially in Wensleydale and its side valleys and in Coverdale.
- To maintain and when appropriate modernise four houses transferred to the charity by the Founding Trustee. Two of these properties currently have local tenants and a third is occupied by a local woman and her husband who will be given a protected tenancy for life. The fourth property is currently let on a monthly basis to a young couple wanting to live locally at an affordable rent. This fulfils the Trustees wish to provide housing for local people with financial hardship who cannot afford to buy their own property. The Trustees want to encourage key workers to the area to support the community and will provide housing on this basis.

Achievements and Performance

The public benefit requirement has continued to be met by this year's donations to Askrigg church, for the St Oswald's Church Tower appeal.

Statement about public benefit

In the furtherance of these aims, the Charity's Trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. The Elm House Trust met its public benefit requirement through the donations mentioned above.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

1. ACCOUNTING POLICIES

Statement of Compliance

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)), Section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of Preparation

The Elm House Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Taxation

As a registered charity, the company is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Assets given for use by the charity are recognised as incoming resources when receivable.

Resources Expended

All expenditure is accounted for on an accruals basis, and has been classified under the 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 the use of resources. Administration costs are borne by the general fund.

Investments

Listed investments are stated at market value in accordance with SORP 2015 (FRS 102). Any realised or unrealised gains or losses are recognised in the SOFA. Investment income is recognised on a receivable basis.

These unaudited financial statements have been subjected to Independent examination.
See report on pages 14-15.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

Funds

The funds held by the Charity are unrestricted funds. These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Property – Affordable Housing

Freehold property is carried at fair value fixed as deemed cost at the date of transition to FRS102. As a result, the property will not be subject to annual valuations. The Trustees will however review for impairment at each balance sheet date.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Equity instruments are those that entitle the holder to a residual interest in the Charity's assets after deducting all of its liabilities.

Basic financial instruments are recognised at amortised cost, except for investments in nonconvertible preference or non-puttable ordinary shares which are measured at fair value, with changes recognised in the SOFA. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in the SOFA.

2. INVESTMENT INCOME

	2022	2021
	£	£
Income from listed investments	11,756	11,570
	<u>11,756</u>	<u>11,570</u>

3. INCOMING FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Rental income	17,500	17,500
	<u>17,500</u>	<u>17,500</u>

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**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant making £	Accommodation £	Governance £	2022 £	2021 £
Direct costs:					
Grant funding	30,000	-	-	30,000	32,000
Insurance	-	2,052	-	2,052	1,911
Property repairs	-	-	-	-	<u>2,121</u>
	<u>30,000</u>	<u>2,052</u>	<u>-</u>	<u>32,052</u>	<u>36,032</u>
Support costs:					
Independent examination	-	-	2,904	2,904	2,640
	<u>30,000</u>	<u>2,052</u>	<u>2,904</u>	<u>34,956</u>	<u>38,672</u>

All of the above expenditure in both years was attributable to unrestricted funds.

5. GRANT-MAKING

	2022 £	2021 £
Donations made:		
Middleham Sports & Community	-	2,000
Askrigg PCC for St Oswald's Church Tower appeal	30,000	-
Wensleydale School	-	<u>30,000</u>
	<u>30,000</u>	<u>32,000</u>

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**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

6. TANGIBLE FIXED ASSETS

	<u>Freehold Properties</u> £
Cost at 1 January 2022 and 31 December 2022	907,500
Net book value at 31 December 2022	<u>907,500</u>

On transition to FRS 102 the Company took the fair value as deemed cost exemption to state its freehold property at its 31 December 2014 valuation of £907,500.

On the historic cost basis the property would have been carried at £745,426 (2021: £745,426).

7. FIXED ASSET INVESTMENTS

	2022 £	2021 £
Valuation of listed investments	633,389	762,594
Movement in investments:		
Market value brought forward	762,594	676,141
Additions to investments at cost	349,253	327,880
Disposals at cost	(374,700)	(275,233)
Less: Un-realised gain/(loss) on re-valuation	(103,758)	33,806
Market value as at 31 December 2022	<u>633,389</u>	<u>762,594</u>
The listed investments are represented by:		
Overseas equities	71,269	89,878
UK equities	467,671	597,928
Unit trusts	16,517	36,602
Fixed Interest	77,932	38,186
	<u>633,389</u>	<u>762,594</u>

The historic cost of investments at 31 December 2022 was £624,034 (2021: £649,200).

These unaudited financial statements have been subjected to Independent examination.
See report on pages 14-15.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

8. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Accruals	2,904	2,640
	2,904	2,640

9. EMPLOYEE INFORMATION

There were no staff costs during the year (2021: £nil). In accordance with the company's Memorandum of Association, the Trustees are precluded from receiving any emoluments in respect of their services to the company. The company has no higher paid employees (2021: £nil)

10. RELATED PARTY TRANSACTIONS AND TRUSTEES REMUNERATION EXPENSES

Trustees Remuneration and Expenses

No remuneration out of the funds of the charity was paid or payable for the year to any Trustee, or any persons known to be connected with any of them. No reimbursement of expenses has been made or is due to be made to any of the Trustees in respect of the period (2021: £nil).

Related parties

Emma Varley is an associate director of Cardale Asset Management Ltd which manages the Trust's investment portfolio. During the year the Trust made payments of £14,592 (2021: £15,665) for investment management services to Cardale Asset Management Ltd and these transactions were made on an arms length basis.

These unaudited financial statements have been subjected to Independent examination.
See report on pages 14-15.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**Unaudited Notes to the Financial Statements
for the year ended 31 December 2022**

11. MOVEMENTS IN UNRESTRICTED FUNDS

	1 January 2022 £	Income £	Expenditure £	Gain on investments £	31 December 2022 £
Unrestricted funds	1,519,275	29,256	(49,548)	(92,027)	1,406,956
Revaluation reserve	<u>162,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,074</u>
	<u>1,681,349</u>	<u>29,256</u>	<u>(49,548)</u>	<u>(92,027)</u>	<u>1,569,030</u>

**12. STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS
FOR CHARITY USE**

	Unrestricted £	Total £
Funds as at 1 January 2022	1,681,349	1,681,349
Net movement in funds for the year	(112,319)	(112,319)
	<u>1,569,030</u>	<u>1,569,030</u>

13. REVALUATION RESERVE

	£
As at 1 January 2022 and 31 December 2022	<u>162,074</u>

These unaudited financial statements have been subjected to Independent examination.
See report on pages 14-15.

**THE ELM HOUSE TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE ELM HOUSE TRUST CHARITY LTD**

I report on the financial statements of The Elm House Trust for the year ended 31 December 2022, which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements, in accordance of the Companies Act 2006 ("the 2006 Act"). The trustees consider that an audit is not required for this year under Part 16 of the 2006 Act and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the 2006 Act and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011 ("the 2011 Act");
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

**THE ELM HOUSE TRUST
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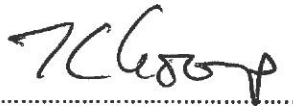
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE ELM HOUSE TRUST CHARITY LTD**

Independent examiner's statements

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records: or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of the independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

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.



Mark Hunter, FCA
Director

On Behalf of TC Group
6 Queen Street
Leeds
West Yorkshire
LS1 2TW

Date: 5 July 2023

