THE DUKE OF LANCASTER HOUSING TRUST

England & Wales · Charity number 1130880

Details

Status	Registered
Legal form	Charitable company
Company number	06455755
Registered	2009-07-31
Register	View on the Charity Commission register

Contact

Address	Duchy Of Lancaster 1 Lancaster Place London WC2E 7ED
Phone	02072691700
Email	info@duchyoflancaster.co.uk

Activities

Objects: THE PROVISION OF HOUSING, ACCOMMODATION, ASSISTANCE TO HELP HOUSE PEOPLE, ANDASSOCIATED FACILITIES AND AMENITIES (INCLUDING, WITHOUT LIMITATION, THE PROVISION OFWORKSPACES CONNECTED WITH SUCH ACCOMMODATION), FOR THOSE IN NECESSITOUS CIRCUMSTANCESON TERMS APPROPRIATE TO THEIR MEANS.

Activities: The objects of the charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Throughout England And Wales

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£830,984	£116,212	£8,504,874	0
2024-03-31	£500,953	£178,892	£7,441,293	0
2023-03-31	£574,697	£110,366	£7,119,232	0
2022-03-31	£1,089,014	£114,673	£6,654,901	0
2021-03-31	£184,977	£96,051	-	-

Trustees

Name	Role	Appointed
ALASTAIR GILBERT MARTIN CVO		2025-03-13
James Maloney		2023-06-16
Lisa Duckworth		2022-02-10
Tom Fawcett		2023-06-16

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THE DUKE OF LANCASTER HOUSING TRUST

England & Wales - Charity number 1130880

Accounts

THE DUKE OF LANCASTER HOUSING TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS





FOR THE YEAR ENDED 31st MARCH 2025

The Duke of Lancaster Housing Trust

Contents

Legal and administrative information	1
Directors' report	2
Independent auditor's report	5
Statement of financial activities	9
Balance sheet	10
Cashflow statement	11
Notes to the financial statements	12-16

The Duke of Lancaster Housing Trust

Legal and administrative information

Directors	Lisa Duckworth Tom Fawcett James Maloney Alastair Martin
Secretary	Hugh Bruce-Watt
Registered Office	1 Lancaster Place Strand London WC2E 7ED
Company registration number	06455755
Charity number	1130880
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Coutts & Co 440 Strand London WC2R OQS
Solicitors	Farrers LLP 66 Lincoln's Inn Fields London WC2A 3LH

The Duke of Lancaster Housing Trust

Directors' report
For the year ended 31 March 2025

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

Structure, governance and management

Constitution
The company was incorporated on 18 December 2007 and was registered with the Charity Commission on 31 July 2010. The registered charity number is 1130880. The company is governed by its Memorandum and Articles of Association under the Companies Acts. The Trust is a company limited by guarantee.

Administrative support is provided to the charity by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London, WC2R 4LA.

Trustees
The Directors, who are also the Trustees of the charity for the purposes of charity law, met twice during the period to discuss matters of a strategic and administrative nature. The Directors who served during the year and up to the date of this report are shown below. The power to appoint new Directors is vested in the existing Directors of the company. There is an interview and induction process for any new Director.

Hugh Bullock	(resigned 12 March 2025)
Lisa Duckworth	
Tom Fawcett	
James Maloney	
Alastair Martin	(appointed 13 March 2025)

Risk review
The major strategic, business and operational risks which the charity faces are continually under review by the Directors who have taken steps to ensure that they understand the risks and are confident that they are managed appropriately.

Objectives and activities

Objectives
The objectives of the Charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Review of activities
The Charity's principal objective is the provision of rural affordable housing.

Policy for assessment of charitable beneficiaries
The Directors consider applications for assistance from individuals local to the available housing. The applicant must be in financial need of housing. The Directors consider whether the applicant can afford housing in the area taking into account their income and the market values in the relevant area. The type of accommodation required, including size, location and adaptability, is then assessed.

Public benefit
The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning for future activities. In particular the directors consider how the purchase of affordable housing and the policy of identifying beneficiaries will contribute to the aims they have set. The Directors consider the current policy, as described above, delivers public benefit. Details of the objectives which form the basis of this policy are also given earlier in this report.

Financial review
The net movement in funds for the period amounted to a profit of £1,063,581 as shown in the statement of financial activities on page 9, this included donations from the Duchy of Lancaster of £550,000 that were received to enable the purchase of properties in the year to 31 March 2025.

Reserves policy
The level of general unrestricted funds, being the total net assets of the Housing Trust, at 31 March 2025 was £8,504,874 (2024: £7,441,293). The directors have designated a further £640,000 into a property fund during the year being the rental properties classed as tangible fixed assets along with the revaluation of the properties of £348,809 (2024: £nil). The designated Property Fund now stands at £8,242,000 (2024: £7,253,191) this leaves the unrestricted free reserves of the charity as at 31 March 2025 as £262,874 (2024: £188,102). This is in line with the plan the directors set to hold 6 months to 1 year of running costs in unrestricted free reserves to be able to cover day to day expenses and maintenance on the properties. Future planned capital repair works will be provided for through the designated property fund if surplus funds are available.

Revaluation of assets
The Trust has a policy to revalue assets every 5 years. The last valuation took place in 2020, therefore a valuation was undertaken in March 2025 as reflected in the accounts.

Achievements, Performance and Future plans
The Trustees' 5 year business plan adopted in 2024 has the core objectives of:

- Providing affordable housing to those in financial need within the main areas of the Duchy of Lancaster Estate.
- Maintaining housing stock in good condition with a proactive management strategy together with undertaking necessary improvements, with an emphasis on achieving affordable running costs. This includes a commitment to ensuring that all properties adhere to current energy efficiency standards and to make capital available to undertake works to improve the energy efficiency of both new and existing stock.
- Look for opportunities to expand the number of homes and workspaces owned where it is reasonably financially viable and there is a proven need.

The Trustees continue to make a positive contribution to the local communities in which the Duke of Lancaster Housing Trust operates.

Key achievements in 2024/25 include:

- 100% occupancy by tenants with a local connection
- 69% occupancy by tenants with a Duchy of Lancaster connection
- Void to let rate of 2.5% over the year

- Tenancy turnover of 2.5%
- 2 voids within the year (with the exception of newly purchased properties)
- 89% of bedrooms utilised
- The purchase of 2 new properties into the portfolio at the end of the financial year, one which requires a light refurbishment, the other which will be offered to let early in the new financial year.

Directors' responsibilities

The Directors, who are also Trustees of the Charity for the purposes of charity law, 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).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees on 7 October 2025

Lisa Duckworth
Director

Independent auditor's report to the directors
For the year ended 31 March 2025

Opinion

We have audited the financial statements of The Duke of Lancaster Housing Trust for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Balance Sheet, 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, including Financial Reporting Standard 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 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 trustees' 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 charity'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 included 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Annual Report which includes the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also 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 related 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.
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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available 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 and 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 charitable company, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Younger (Senior Statutory Auditor)

for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 4 November 2025

Date:
Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Duke of Lancaster Housing Trust

Statement of financial activities
For the year ended 31 March 2025

	Notes	2025	2024
		£	£
Income from:			
Charitable activities	3	815,512	490,247
Other	4	15,472	10,706
Total income		830,984	500,953
Expenditure on:			
Charitable activities	5	116,212	178,892
Total expenditure		116,212	178,892
Other gains and losses	6	348,809	-
Net income for the year		1,063,581	322,061
Net movement in funds		1,063,581	322,061
Total funds brought forward	12	7,441,293	7,119,232
Total funds carried forward	12	8,504,874	7,441,293

All recognised gains and losses are included in the statement of financial activities.

The results for the period all relate to continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

All the above incoming resources were unrestricted.

The Duke of Lancaster Housing Trust

Balance sheet
As at 31 March 2025

	Notes	2025	2024
		£	£
Fixed assets			
Tangible assets	8	8,242,000	7,253,191
Current assets			
Debtors	9	8,419	5,697
Cash at bank		296,556	240,143
		304,975	245,840
Current liabilities			
Creditors	10	(42,101)	(57,738)
Net current assets		262,874	188,102
Net assets		8,504,874	7,441,293
Reserves			
Unrestricted funds:			
General Fund	12	262,874	188,102
Designated Fund	12	8,242,000	7,253,191
Net funds		8,504,874	7,441,293

The notes on pages 12 to 16 form part of these financial statements.

Signed on behalf of the Directors on 7 October 2025

Lisa Duckworth
Director

Company Registration No. 06455755 (England and Wales)

The Duke of Lancaster Housing Trust

Cashflow statement
For the year ended 31 March 2025

	Notes	£	2025 £	£	2024 £
Net cash provided by operating activities	14		680,941		335,034
Cash flows from investing activities					
Purchase of tangible assets		(485,739)		(227,946)	
Capitalised improvements		(154,261)		(91,269)	
Interest received		15,472		10,706	
Net cash used in investing activities			(624,528)		(308,509)
Net increase in cash			56,413		26,525
Cash at the beginning of the year			240,143		213,618
Cash at the end of the year			296,556		240,143
Cash comprises:					
Cash at bank			296,556		240,143

1. 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 - effective 1 January 2015), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The charitable company 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 or note.

b Going concern

Based on the recent performance and level of liquid reserves, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

d Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rental income is recognised when receivable and the amount can be measured reliably by the Charity; this is normally based on the amount agreed in the contract.

e Expenditure and irrecoverable VAT

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

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1. Accounting Policies (continued)

f Charitable activities

Costs of charitable activities and governance costs are shown in note 5. Audit fees are considered to be governance costs and the remainder are costs of charitable activities.

g Tangible fixed assets and depreciation

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised.

Tangible fixed assets include property held primarily for the provision of affordable housing. It is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, it is measured at fair value at each reporting date, being its fair value at the date of revaluation less any subsequent accumulated impairment losses.
Any gain or loss on disposal the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the SOFA when the significant risks and rewards of ownership are transferred.

Tangible fixed assets are not depreciated as they are deemed to have a useful economic life of more than 50 years and are properly maintained such that depreciation would be immaterial.

h Debtors

Trade and other debtors are recognised at the amount expected to be recovered. Prepayments are valued at the amount prepaid in respect of a later period.

i Creditors

Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include fixed asset measurement, accruals, depreciation and revenue recognition. The accounting in these areas requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. For fixed asset measurement this is ensuring assets are not impaired. For depreciation the estimate is driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in determining when revenue should be recognised.

3. Income from charitable activities

	2025	2024
	£	£
Donation from Duchy of Lancaster	555,000	240,000
Rent receivable from affordable housing	260,512	250,247
	815,512	490,247

4. Other income

	2025	2024
	£	£
Bank interest	15,472	10,706
	15,472	10,706

5. Charitable activities

	2025	2024
	£	£
Property maintenance and repairs	51,216	113,423
Property management fees	27,860	26,482
Other legal and professional fees	11,499	11,446
Audit fees	8,400	7,920
Insurance costs	17,224	16,957
Bad and doubtful debts	13	2,664
	116,212	178,892

6. Other gains and losses fixed asset investments

	2025	2024
	£	£
Changes in the fair value of investment properties	348,809	-

7. Staff costs

The charity Trustees received £nil of benefits from employment with the Trust in the year (2024: £nil) and they were reimbursed expenses of £411 during the year (2024: £324). No charity Trustee received payment for professional or other services supplied to the Charity (2024: £nil). The Charity has no directly employed staff (2024: none).

8. Tangible fixed assets

	Land and Buildings £
Cost	
At 1 April 2024	7,253,191
Additions	640,000
Revaluation	348,809
At 31 March 2025	8,242,000

The fair value of the property has been arrived at on the basis of a valuation carried out at 31 March 2025 by Savills, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties

9. Debtors

	2025 £	2024 £
Other debtors	8,419	5,697
	8,419	5,697

10. Creditors

	2025 £	2024 £
Trade Creditors	1,912	15,100
Accruals	40,189	42,638
	42,101	57,738

11. Capital Commitments

The Duke of Lancaster Housing Trust has entered a contract for capital expenditure of £32,369 which will be completed post year end.

12. Movement in funds

	As at 1 April 2024 £	Incoming resources £	Outgoing resources £	Other Gains/ (losses) £	Transfers between funds £	As at 31 March 2025 £
Unrestricted funds:						
General funds	188,102	830,984	(116,212)	-	(640,000)	262,874
Designated fund;						
Property Fund	7,253,191	-	-	348,809	640,000	8,242,000
	7,441,293	830,984	(116,212)	348,809	-	8,504,874

Designated funds comprise of the Property Fund which is the value of the rental property held by the charity to fulfil its objects of provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

13. Related party transactions

During the year, the Duke of Lancaster Housing Trust received a donation of £555,000 from the Duchy of Lancaster (2024: £240,000).

14. Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period	1,063,581	322,061
Adjustments for:		
Interest received	(15,472)	(10,706)
(Increase) in debtors	(2,723)	(190)
(Decrease) in creditors within one year	(15,636)	23,869
(Gain) on revaluation of property	(348,809)	-
	680,941	335,034

THE DUKE OF LANCASTER HOUSING TRUST

England & Wales - Charity number 1130880

Accounts

THE DUKE OF LANCASTER HOUSING TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS





FOR THE YEAR ENDED 31st MARCH 2024

1 Lancaster Place, Strand, London WC2E 7ED

Company Registration No. 06455755
Charity Number: 1130880

The Duke of Lancaster Housing Trust

Contents

	Page
Legal and administrative information	1
Directors' report	2
Independent auditor's report	5
Statement of financial activities	9
Balance sheet	10
Cashflow statement	11
Notes to the financial statements	12

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Secretary	Hugh Bruce-Watt
Registered Office	1 Lancaster Place Strand London WC2E 7ED
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Charity number	1130880
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Coutts & Co 440 Strand London WC2R OQS
Solicitors	Trowers and Hamlins 3 Bunhill Row London EC1Y 8YZ

The Duke of Lancaster Housing Trust

Directors' report
For the year ended 31 March 2024

The Directors present their annual report and the audited financial statements for the year ended 31 March 2024.

Structure, governance and management

Constitution
The company was incorporated on 18 December 2007 and was registered with the Charity Commission on 31 July 2010. The registered charity number is 1130880. The company is governed by its Memorandum and Articles of Association under the Companies Acts. The Trust is a company limited by guarantee.

Administrative support is provided to the charity by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London, WC2R 4LA.

Trustees
The Directors, who are also the Trustees of the charity for the purposes of charity law, met twice during the period to discuss matters of a strategic and administrative nature. The Directors who served during the year and up to the date of this report are shown below. The power to appoint new Directors is vested in the existing Directors of the company. There is an interview and induction process for any new Director.

Mark Hancock	(resigned 16 June 2023)
Julian Smith	(resigned 16 June 2023)
Katie Bond	(resigned 16 June 2023)
Hugh Bullock	
Lisa Duckworth	
Tom Fawcett	(appointed 16 June 2023)
James Maloney	(appointed 16 June 2023)

Risk review
The major strategic, business and operational risks which the charity faces are continually under review by the Directors who have taken steps to ensure that they understand the risks and are confident that they are managed appropriately.

Objectives and activities

Objectives
The objectives of the Charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Review of activities
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Policy for assessment of charitable beneficiaries
The Directors consider applications for assistance from individuals local to the available housing. The applicant must be in financial need of housing. The Directors consider whether the applicant can afford housing in the area taking into account their income and the market values in the relevant area. The type of accommodation required, including size, location and adaptability, is then assessed.

Public benefit
The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning for future activities. In particular the directors consider how the purchase of affordable housing and the policy of identifying beneficiaries will contribute to the aims they have set. The Directors consider the current policy, as described above, delivers public benefit. Details of the objectives which form the basis of this policy are also given earlier in this report.

Financial review
The net movement in funds for the period amounted to a profit of £322,061 as shown in the statement of financial activities on page 10.

Reserves policy
The level of general unrestricted funds, being the total net assets of the Housing Trust, at 31 March 2024 was £7,441,293 (2023: £7,119,232). The directors have designated a further £319,214 into a property fund during the year being the rental properties classed as tangible fixed assets. The designated Property Fund now stands at £7,253,191 (2023: £6,933,977) this leaves the unrestricted free reserves of the charity as at 31 March 2024 as £188,102 (2023: £185,255). This is in line with the plan the directors set to hold 6 months to 1 year of running costs in unrestricted free reserves to be able to cover day to day expenses and maintenance on the properties. Future planned capital repair works will be provided for through the designated property fund if surplus funds are available.

Revaluation of assets
The Trust has a policy to revalue assets every 5 years. The last valuation took place in 2020. The Trustees believe that there have been no material movements in the value of investment property since 31 March 2020. Properties purchased since this date have been included at market value at the time of purchase.

Achievements, Performance and Future plans
The Trustees' five year business plan adopted in 2024 has the core objectives of:

- Providing affordable housing to those in financial need within the County Palatine of Lancaster.
- Maintaining housing stock in good condition with a proactive management strategy together with undertaking necessary improvements, with an emphasis on achieving affordable running costs. This includes a commitment to ensuring that all properties adhere to current energy efficiency standards and to make capital available to undertake works to improve the energy efficiency of both new and existing stock.
- Look for opportunities to expand the number of homes and workspaces owned where it is reasonably financially viable and there is a proven need.

The Trustees continue to make a positive contribution to the local communities in which the Duke of Lancaster Housing Trust operates.
Key achievements in 2024/25 include:

- 100% occupancy by tenants with a local connection
- 64% occupancy by tenants with a Duchy of Lancaster connection
- Void to let rate of 4% over the year
- Tenancy turnover of 5%
- 2 voids within the year (with the exception of newly purchased properties) one of which follows the eviction for non payment of rent

- 89% of bedrooms utilised
- The purchase of 1 new property into the portfolio which was let to tenants

Donations from the Duchy of Lancaster of £240,000 were received in the year to enable the purchase of properties for the year to 31 March 2024.

Directors' responsibilities
The Directors, who are also Trustees of the Charity for the purposes of charity law, 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).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware;

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees on 24 October 2024

Lisa Duckworth
Director

Opinion

We have audited the financial statements of The Duke of Lancaster Housing Trust for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, 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, including Financial Reporting Standard 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 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, 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.

Emphasis of Matter – property valuation

We draw attention to note 8 of the financial statements which describes in the external valuation report a material uncertainty on the valuation of the land and buildings due to COVID pandemic. Our opinion is not modified in respect of this matter.

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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also 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 related 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management

whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 and 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 charitable company, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Younger .....

Jamie Younger (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Date: 24 October 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Duke of Lancaster Housing Trust

Statement of financial activities
For the year ended 31 March 2024

	Notes	2024	2023
		£	£
Income from:			
Charitable activities	3	490,247	573,320
Other	4	10,706	1,377
Total income		500,953	574,697
Expenditure on:			
Charitable activities	5	178,892	110,366
Total expenditure		178,892	110,366
Other gains and losses	6	-	-
Net income for the year		322,061	464,331
Net movement in funds		322,061	464,331
Total funds brought forward	12	7,119,232	6,654,901
Total funds carried forward	12	7,441,293	7,119,232

All recognised gains and losses are included in the statement of financial activities.

The results for the period all relate to continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

All the above incoming resources were unrestricted.

The Duke of Lancaster Housing Trust

Balance sheet
As at 31 March 2024

	Notes	2024	2023
		£	£
Fixed assets			
Tangible assets	8	7,253,191	6,933,976
Current assets			
Debtors	9	5,697	5,508
Cash at bank		240,143	213,618
		245,840	219,126
Current liabilities			
Creditors	10	(57,738)	(33,870)
Net current assets		188,102	185,256
Net assets		7,441,293	7,119,232
Reserves			
Unrestricted funds:			
General Fund	12	188,102	185,255
Designated Fund	12	7,253,191	6,933,977
Net funds		7,441,293	7,119,232

The notes on pages 12 to 16 form part of these financial statements.

Signed on behalf of the Directors on 24 October 2024

Director

Company Registration No. 06455755 (England and Wales)

The Duke of Lancaster Housing Trust

Cashflow statement
For the year ended 31 March 2024

	Notes	£	2024 £	£	2023 £
Net cash provided by/(used in) operating activities	**14**		335,034		650,881
Cash flows from investing activities					
Purchase of tangible assets		(227,946)		(870,898)	
Capitalised improvements		(91,269)		(162,157)	
Interest received		10,706		1,377	
Net cash used in investing activities			(308,509)		(1,031,678)
Net increase/(decrease) in cash			26,525		(380,797)
Cash at the beginning of the year			213,618		594,415
Cash at the end of the year			240,143		213,618
Cash comprises:					
Cash at bank			240,143		213,618

1. 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 - effective 1 January 2015), Charities SORP (FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

b Going concern

Based on the recent performance and level of liquid reserves, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

d Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rental income is recognised when receivable and the amount can be measured reliably by the Charity; this is normally based on the amount agreed in the contract.

e Expenditure and irrecoverable VAT

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

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f **Allocation of governance costs**
Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

g **Charitable activities**
Costs of charitable activities and governance costs are shown in note 5. Audit fees are considered to be governance costs and the remainder are costs of charitable activities.

h **Tangible fixed assets and depreciation**
Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised.

Tangible fixed assets include investment property, which is property held to earn rental and/or for capital appreciation. It is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, it is measured at fair value at each reporting date.

Tangible fixed assets are not depreciated as they are deemed to have a useful economic life of more than 50 years and are properly maintained such that depreciation would be immaterial.

i **Debtors**
Trade and other debtors are recognised at the amount expected to be recovered. Prepayments are valued at the amount prepaid in respect of a later period.

j **Creditors**
Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include fixed asset measurement, accruals, depreciation and revenue recognition. The accounting in these areas requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. For fixed asset measurement this is ensuring assets are not impaired. For depreciation the estimate is driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in determining when revenue should be recognised.

3. Income from charitable activities

	2024	2023
	£	£
Donation from Duchy of Lancaster	240,000	350,000
Rent receivable from affordable housing	250,247	223,320
	490,247	573,320

4. Other

	2024	2023
	£	£
Bank interest	10,706	1,377
	10,706	1,377

5. Charitable activities

	2024	2023
	£	£
Property maintenance and repairs	113,423	58,045
Property management fees	26,482	23,544
Other legal and professional fees	11,446	6,416
Audit fees	7,920	8,500
Insurance costs	16,957	13,932
Bad and doubtful debts	2,664	(71)
	178,892	110,366

6. Other gains and losses fixed asset investments

	2024	2023
	£	£
Changes in the fair value of investment properties	-	-

7. Staff costs

The charity Trustees received £nil of benefits from employment with the Trust in the year (2023: £nil) and they were reimbursed expenses of £324 during the year (2023: £109). No charity Trustee received payment for professional or other services supplied to the Charity (2023: £nil). The Charity has no directly employed staff.

8. Tangible fixed assets

	Land and Buildings £
Cost	
At 1 April 2023	6,933,976
Additions	319,215
Revaluation	-
At 31 March 2024	7,253,191

The fair value of the property has been arrived at on the basis of a valuation carried out at 31 March 2020 by Savills, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees believe that there have been no material movements in the value of investment property since 31 March 2020. Properties purchased since this date have been included at market value at the time of purchase.

At the time of the valuation, Coronavirus considerably impacted global financial and property markets. As such, less weight can be attached to previous market evidence for comparison purposes to fully inform opinions on value. Given that the valuations were prepared in the context of these unprecedented circumstances, they are reported on the basis of 'material valuation uncertainty', meaning that less certainty and a higher degree of caution should be attached to the valuations than normally would be the case.

9. Debtors

	2024 £	2023 £
Other debtors	5,697	5,508
	5,697	5,508

10. Creditors

	2024 £	2023 £
Trade Creditors	15,100	26,430
Accruals	42,638	7,440
	57,738	33,870

11. Capital Commitments

The Duke of Lancaster Housing Trust has entered a contract for capital expenditure of £131,477 which will be completed in 2024 post year end.

12. Movement in funds

	As at 1 April 2023 £	Incoming resources £	Outgoing resources £	Investments Gains/ (losses) £	Transfers between funds £	As at 31 March 2024 £
Unrestricted funds:						
General funds	185,255	500,953	(178,892)	-	(319,214)	188,102
Designated fund; Property Fund	6,933,977	-	-	-	319,214	7,253,191
	7,119,232	500,953	(178,892)	-	-	7,441,293

Designated funds comprise of the Property Fund which is the value of the rental property held by the charity to fulfil its objects of provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

13. Related party transactions

During the year, the Duke of Lancaster Housing Trust received a donation of £240,000 from the Duchy of Lancaster (2023: £350,000).

14. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the reporting period	322,061	464,331
Adjustments for:		
Interest received	(10,706)	(1,377)
(Increase)/decrease in debtors	(190)	215,461
Increase/(decrease) in creditors within one year	23,869	(27,534)
(Gain)/loss on investment property	-	-
	335,034	650,881

THE DUKE OF LANCASTER HOUSING TRUST

England & Wales - Charity number 1130880

Accounts

THE DUKE OF LANCASTER HOUSING TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS





FOR THE YEAR ENDING 31st MARCH 2023

1 Lancaster Place, Strand, London WC2E 7ED

Company Registration No. 06455755
Charity Number: 1130880

The Duke of Lancaster Housing Trust

Contents

	Page
Legal and administrative information	1
Directors' report	2
Independent auditor's report	5
Statement of financial activities	10
Balance sheet	11
Cashflow statement	12
Notes to the financial statements	13

The Duke of Lancaster Housing Trust

Legal and administrative information

Directors	Mark Hancock	(resigned 16 June 2023)
	Julian Smith	(resigned 16 June 2023)
	Katie Bond	(resigned 16 June 2023)
	Hugh Bullock	
	Lisa Duckworth	
	Tom Fawcett	(appointed 16 June 2023)
	James Maloney	(appointed 16 June 2023)
Secretary	Hugh Bruce-Watt	
Registered Office	1 Lancaster Place Strand London WC2E 7ED	
Company registration number	06455755	
Charity number	1130880	
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE	
Bankers	Coutts & Co 440 Strand London WC2R OQS	
Solicitors	Trowers and Hamlins 3 Bunhill Row London EC1Y 8YZ	

Directors' report
For the year ended 31 March 2023

The Directors present their annual report and the audited financial statements for the year ended 31 March 2023.

Structure, governance and management

Constitution
The company was incorporated on 18 December 2007 and was registered with the Charity Commission on 31 July 2010. The registered charity number is 1130880. The company is governed by its Memorandum and Articles of Association under the Companies Acts. The Trust is a company limited by guarantee.

Administrative support is provided to the charity by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London, WC2R 4LA.

Trustees
The Directors, who are also the Trustees of the charity for the purposes of charity law, met twice during the period to discuss matters of a strategic and administrative nature. The Directors who served during the year and up to the date of this report are shown below. The power to appoint new Directors is vested in the existing Directors of the company. There is an interview and induction process for any new Director.

Mark Hancock	(resigned 16 June 2023)
Julian Smith	(resigned 16 June 2023)
Katie Bond	(resigned 16 June 2023)
Hugh Bullock	
Lisa Duckworth	
Tom Fawcett	(appointed 16 June 2023)
James Maloney	(appointed 16 June 2023)

Risk review
The major strategic, business and operational risks which the charity faces are continually under review by the Directors who have taken steps to ensure that they understand the risks and are confident that they are managed appropriately.

Objectives and activities

Objects
The objects of the Charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Review of activities
The Charity's principal objective is the provision of rural affordable housing.

Policy for assessment of charitable beneficiaries
The Directors consider applications for assistance from individuals local to the available housing. The applicant must be in financial need of housing. The Directors consider whether the applicant can afford housing in the area taking into account their income and the market values in the relevant area. The type of accommodation required, including size, location and adaptability, is then assessed.

Public benefit
The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning for future activities. In particular the directors consider how the purchase of affordable housing and the policy of identifying beneficiaries will contribute to the aims they have set. The Directors consider the current policy, as described above, delivers public benefit. Details of the objects which form the basis of this policy are also given earlier in this report.

Financial review
The net movement in funds for the period amounted to a profit of £464,311 as shown in the statement of financial activities on page 10.

Reserves policy
The level of general unrestricted funds, being the total net assets of the Housing Trust, at 31 March 2023 was £7,119,232 (2022: £6,654,901). The directors have designated a further £1,033,055 into a property fund during the year being the rental properties classed as tangible fixed assets. The designated Property fund now stands at £6,933,977 (2022: £5,900,922) this leaves the unrestricted free reserves of the charity as at 31 March 2023 as £185,255 (2022: £753,979). This is in line with the plan the directors set to maintain sufficient reserves to complete the purchase of affordable housing, when required and meets the criteria set by the directors.

Revaluation of assets
The Trust has a policy to revalue assets every 5 years. The last valuation took place in 2020.

Achievement, Performance and Future plans
The Trustees' five year business plan adopted in 2021 had a core objective of purchasing 20 properties (with an option to purchase a further 7 in the period, subject to funding). The aim has been to bring the total number to between 53 and 60. The Trustees acquired 4 properties before 31st March 2023 and have completed on another 1 post year end before the signing of this report bringing the total to 41.

The Trustees continue to make a positive contribution to the local communities in which the Duke of Lancaster Housing Trust operates.
Key achievements in 2022/23 include:

- 100 per cent occupancy by tenants with a local connection
- 69 per cent occupancy by tenants with a Duchy of Lancaster connection
- 1 void within the year (with the exception of newly purchased properties) following tenant eviction for non payment of rent
- 90% of bedrooms utilised
- The purchase of 4 new properties into the portfolio, 3 of which are now let to tenants and one is awaiting a refurbishment

Donations from the Duchy of Lancaster of £350,000 were received in the year to enable the purchase of properties for the year to 31st March 2023.

Directors' responsibilities

The Directors, who are also Trustees of the Charity for the purposes of charity law, 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).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees on 15 November 2023

Lisa Duckworth
Director

Independent auditor's report to the directors
For the year ended 31 March 2023

Opinion

We have audited the financial statements of The Duke of Lancaster Housing Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, 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, including Financial Reporting Standard 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 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, 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.

Emphasis of Matter – property valuation

We draw attention to note 8 of the financial statements which describes in the external valuation report a material uncertainty on the valuation of the land and buildings due to COVID pandemic in respect of the 2022 year end. Our opinion is not modified in respect of this matter.

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 Auditors' 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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also 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 related 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 and 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 charitable company, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Younger (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Date: 28 November 2023

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Duke of Lancaster Housing Trust

Statement of financial activities
For the year ended 31 March 2023

	Notes	2023	2022
		£	£
Income from:			
Charitable activities	3	573,320	1,088,965
Other	4	1,377	49
Total income		574,697	1,089,014
Expenditure on:			
Charitable activities	5	110,366	114,673
Total expenditure		110,366	114,673
Other gains and losses	6	-	-
Net income for the year		464,331	974,341
Net movement in funds		464,331	974,341
Total funds brought forward	11	6,654,901	5,680,560
Total funds carried forward	11	7,119,232	6,654,901

All recognised gains and losses are included in the statement of financial activities.

The results for the period all relate to continuing activities.

The notes on pages 13 to 17 form part of these financial statements.

All the above incoming resources were unrestricted.

The Duke of Lancaster Housing Trust

Balance sheet
As at 31 March 2023

	Notes	2023	2022
		£	£
Fixed assets			
Tangible assets	8	6,933,976	5,900,921
Current assets			
Debtors	9	5,508	220,969
Cash at bank		213,618	594,415
		219,126	815,384
Current liabilities			
Creditors	10	(33,870)	(61,404)
Net current assets		185,256	753,980
Net assets		7,119,232	6,654,901
Reserves			
Unrestricted funds:			
General Fund	11	185,255	753,979
Designated Fund	11	6,933,977	5,900,922
Net funds		7,119,232	6,654,901

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 13 to 17 form part of these financial statements.

Signed on behalf of the Directors on 15 November 2023

Director

Company Registration No. 06455755 (England and Wales)

The Duke of Lancaster Housing Trust

Cashflow statement
For the year ended 31 March 2023

	Notes	£	2023 £	£	2022 £
Net cash provided by/(used in) operating activities	**13**		650,881		825,963
Cash flows from investing activities					
Purchase of tangible assets		(870,898)		(702,932)	
Capitalised improvements		(162,157)		-	
Interest received		1,377		49	
Net cash used in investing activities			(1,031,678)		(702,883)
Net (decrease)/increase in cash			(380,797)		123,080
Cash at the beginning of the year			594,415		471,335
Cash at the end of the year			213,618		594,415
Cash comprises:					
Cash at bank			213,618		594,415

1. 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

b Going concern

Based on the recent performance and level of liquid reserves, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

d Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rental income is recognised when receivable and the amount can be measured reliably by the Charity; this is normally based on the amount agreed in the contract.

e Expenditure and irrecoverable VAT

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

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f **Allocation of governance costs**
Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

g **Charitable activities**
Costs of charitable activities and governance costs are shown in note 5. Audit fees are considered to be governance costs and the remainder are costs of charitable activities.

h **Tangible fixed assets and depreciation**
Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised.

Tangible fixed assets include investment property, which is property held to earn rental and/or for capital appreciation. It is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, it is measured at fair value at each reporting date.

Tangible fixed assets are not depreciated as they are deemed to have a useful economic life of more than 50 years and are properly maintained such that depreciation would be immaterial.

i **Debtors**
Trade and other debtors are recognised at the amount expected to be recovered. Prepayments are valued at the amount prepaid in respect of a later period.

j **Creditors**
Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include fixed asset measurement, accruals, depreciation and revenue recognition. The accounting in these areas requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. For fixed asset measurement this is ensuring assets are not impaired. For depreciation the estimate is driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in determining when revenue should be recognised.

3. Income from charitable activities

	2023	2022
	£	£
Donation from Duchy of Lancaster	350,000	900,000
Rent receivable from affordable housing	223,320	188,965
	573,320	1,088,965

4. Other

	2023	2022
	£	£
Bank interest	1,377	49
	1,377	49

5. Charitable activities

	2023	2022
	£	£
Property maintenance and repairs	58,045	67,673
Property management fees	23,544	22,708
Other legal and professional fees	6,416	4,420
Bank charges	-	-
Audit fees	8,500	5,528
Insurance costs	13,932	13,884
Bad and doubtful debts	(71)	460
	110,366	114,673

6. Other gains and losses fixed asset investments

	2023	2022
	£	£
Changes in the fair value of investment properties	-	-

7. Staff costs

The charity Trustees received £nil of benefits from employment with the Trust in the year (2022: £nil) and they were reimbursed expenses of £109 during the year (2022: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2022: £nil). The Charity has no directly employed staff.

8. Tangible fixed assets

	Land and Buildings £
Cost	
At 1 April 2022	5,900,921
Additions	1,033,055
Revaluation	-
At 31 March 2023	6,933,976

The fair value of the property has been arrived at on the basis of a valuation carried out at 31 March 2020 by Savills, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees believe that there have been no material movements in the value of investment property since 31 March 2020. Properties purchased since this date have been included at market value at the time of purchase.

At the time of the valuation, Coronavirus considerably impacted global financial and property markets. As such, less weight can be attached to previous market evidence for comparison purposes to fully inform opinions on value. Given that the valuations were prepared in the context of these unprecedented circumstances, they are reported on the basis of 'material valuation uncertainty', meaning that less certainty and a higher degree of caution should be attached to the valuations than normally would be the case.

9. Debtors

	2023 £	2022 £
Other debtors	5,508	220,969
	5,508	220,969

10. Creditors

	2023 £	2022 £
Creditors	33,870	61,404
	33,870	61,404

11. Movement in funds

	As at 1 April 2022 £	Incoming resources £	Outgoing resources £	Investments Gains/ (losses) £	Transfers between funds £	**As at 31 March 2023 £**
Unrestricted funds:						
General funds	753,979	574,697	(110,366)	-	(1,033,055)	185,255
Designated fund;						
Property Fund	5,900,922	-	-	-	1,033,055	6,933,977
	6,654,901	574,697	(110,366)	-	-	7,119,232

Designated funds comprise of the Property Fund which is the value of the rental property held by the charity to fulfil its objects of provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

12. Related party transactions

During the year, the Duke of Lancaster Housing Trust received a donation of £350,000 from the Duchy of Lancaster (2022: £900,000).

13. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	**2022 £**
Net income/(expenditure) for the reporting period	464,331	974,341
Adjustments for:		
Interest received	(1,377)	(49)
(Increase)/decrease in debtors	215,461	(194,122)
Increase/(decrease) in creditors within one year	(27,534)	45,793
(Gain)/loss on investment property	-	-
	650,881	825,963

THE DUKE OF LANCASTER HOUSING TRUST

England & Wales - Charity number 1130880

Accounts

Company Registration No. 06455755 (England and Wales)
Charity Number: 1130880

The Duke of Lancaster Housing Trust

Annual report and financial statements
For the year ended 31 March 2022

The Duke of Lancaster Housing Trust

Contents

	Page
Legal and administrative information	1
Directors' report	2
Independent auditor's report	5
Statement of financial activities	10
Balance sheet	11
Cashflow statement	12
Notes to the financial statements	13

The Duke of Lancaster Housing Trust

Legal and administrative information

Directors	Mark Hancock Julian Smith Katie Bond Hugh Bullock Lisa Duckworth appointed 10/02/22
Secretary	Hugh Bruce-Watt
Registered Office	1 Lancaster Place Strand London WC2E 7ED
Company registration number	06455755
Charity number	1130880
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Coutts & Co 440 Strand London WC2R OQS
Solicitors	Trowers and Hamlins 3 Bunhill Row London EC1Y 8YZ

The Directors present their annual report and the audited financial statements for the year ended 31 March 2022.

Structure, governance and management

Constitution
The company was incorporated on 18 December 2007 and was registered with the Charity Commission on 31 July 2010. The registered charity number is 1130880. The company is governed by its Memorandum and Articles of Association under the Companies Acts. The Trust is a company limited by guarantee.

Administration
Administrative support is provided to the charity by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London, WC2R 4LA.

Trustees
The Directors, who are also the Trustees of the charity for the purposes of charity law, met twice during the period to discuss matters of a strategic and administrative nature. The Directors who served during the year and up to the date of this report are shown below. The power to appoint new Directors is vested in the existing Directors of the company. There is an interview and induction process for any new Director.

Mark Hancock
Julian Smith
Hugh Bullock
Katie Bond
Lisa Duckworth appointed 10/02/22

Risk review
The major strategic, business and operational risks which the charity faces are continually under review by the Directors who have taken steps to ensure that they understand the risks and are confident that they are managed appropriately.

Objectives and activities

Objects
The objects of the Charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Review of activities
The Charity's principal objective is the provision of rural affordable housing.

Policy for assessment of charitable beneficiaries
The Directors consider applications for assistance from individuals local to the available housing. The applicant must be in financial need of housing. The Directors consider whether the applicant can afford housing in the area taking into account their income and the market values in the relevant area. The type of accommodation required, including size, location and adaptability, is then assessed.

Public benefit
The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning for future activities. In particular the directors consider how the purchase of affordable housing and the policy of identifying beneficiaries will contribute to the aims they have set. The Directors consider the current policy, as described above, delivers public benefit. Details of the objects which form the basis of this policy are also given earlier in this report.

Financial review
The net movement in funds for the period amounted to a profit of £974,341 as shown in the statement of financial activities on page 10.

Reserves policy
The level of general unrestricted funds, being the total net assets of the Housing Trust, at 31 March 2022 was £6,654,901 (2021: £5,680,560). The directors have designated £5,900,922 into a property fund during the year being the rental properties classed as tangible fixed assets. This shows that the unrestricted free reserves of the charity as at 31 March 2022 were £753,979. This is in line with the plan the directors set to maintain sufficient reserves to complete the purchase of affordable housing, when required and meets the criteria set by the directors.

Achievement, Performance and Future plans
The Trustees' five year business plan adopted in 2021 had a core objective of purchasing 20 properties (with an option to purchase a further 7 in the period, subject to funding). The aim is to bring the total number to between 53 and 60. The Trustees acquired 3 properties before 31st March 2022 and have completed on another 2 post year end before the signing of this report bringing the total to 38.

The Trustees continue to make a positive contribution to the local communities in which the Duke of Lancaster Housing Trust operates.
Key achievements in 2021/22 include:

- 100 per cent occupancy by tenants with a local connection
- 67 per cent occupancy by tenants with a Duchy of Lancaster connection
- No voids in the year
- 85% of bedrooms utilised
- The purchase of 3 new properties into the portfolio which are now let to tenants

Donations from the Duchy of Lancaster of £900,000 were received in the year to enable the purchase of properties for the year to 31st March 2022 and beyond.

Directors' responsibilities
The Directors, who are also Trustees of the Charity for the purposes of charity law, 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).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees on 22 November 2022

M E. Hancock.

Mark Hancock
Director

Opinion

We have audited the financial statements of The Duke of Lancaster Housing Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, 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, including Financial Reporting Standard 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 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, 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.

Emphasis of Matter – property valuation

We draw attention to note 8 of the financial statements which describes in the external valuation report a material uncertainty on the valuation of the land and buildings due to COVID pandemic. Our opinion is not modified in respect of this matter.

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 Auditors' 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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 3 and 4, the trustees (who are also 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 related 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 and 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 charitable company, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Younger (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Statutory Auditors
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Date: 30 November 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Duke of Lancaster Housing Trust

Statement of financial activities
For the year ended 31 March 2022

	Notes	2022	2021
		£	£
Income from:			
Charitable activities	3	1,088,965	184,815
Other	4	49	162
Total income		1,089,014	184,977
Expenditure on:			
Charitable activities	5	114,673	96,051
Total expenditure		114,673	96,051
Other gains and losses	6	-	-
Net income for the year		974,341	88,926
Net movement in funds		974,341	88,926
Total funds brought forward	11	5,680,560	5,591,634
Total funds carried forward		6,654,901	5,680,560

All recognised gains and losses are included in the statement of financial activities.

The results for the period all relate to continuing activities.

The notes on pages 13 to 17 form part of these financial statements.

All the above incoming resources were unrestricted.

The Duke of Lancaster Housing Trust

Balance sheet
As at 31 March 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible assets	8	5,900,921	5,197,989
Current assets			
Debtors	9	220,969	26,847
Cash at bank		594,415	471,335
Current liabilities			
Creditors	10	(61,404)	(15,611)
Net current assets		753,980	482,571
Net assets		6,654,901	5,680,560
Reserves			
Unrestricted funds:			
General Fund		753,979	-
Designated Fund	11	5,900,922	5,680,560
Net funds		6,654,901	5,680,560

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 15 to 19 form part of these financial statements.

Signed on behalf of the Directors on 22 November 2022

Mark Hancock
Director

Company Registration No. 06455755 (England and Wales)

The Duke of Lancaster Housing Trust

Cashflow statement
For the year ended 31 March 2022

	Notes	£	2022 £	£	2021 £
Net cash provided by/(used in) operating activities	13		825,963		60,187
Cash flows from investing activities					
Purchase of tangible assets		(702,932)		(116,989)	
Interest received		49		162	
Net cash used in investing activities			(702,883)		(116,827)
Net (decrease)/increase in cash			123,080		(56,640)
Cash at the beginning of the year			471,335		527,975
Cash at the end of the year			594,415		471,335

1. 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

b Going concern

Based on the recent performance and level of liquid reserves, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

d Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rental income is recognised when receivable and the amount can be measured reliably by the Charity; this is normally based on the amount agreed in the contract.

e Expenditure and irrecoverable VAT

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

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f **Allocation of governance costs**
Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

g **Charitable activities**
Costs of charitable activities and governance costs are shown in note 5. Audit fees are considered to be governance costs and the remainder are costs of charitable activities.

h **Tangible fixed assets and depreciation**
Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised.

Tangible fixed assets include investment property, which is property held to earn rental and/or for capital appreciation. It is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, it is measured at fair value at each reporting date.

Tangible fixed assets are not depreciated as they are deemed to have a useful economic life of more than 50 years and are properly maintained such that depreciation would be immaterial.

i **Debtors**
Trade and other debtors are recognised at the amount expected to be recovered. Prepayments are valued at the amount prepaid in respect of a later period.

j **Creditors**
Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include fixed asset measurement, accruals, depreciation and revenue recognition. The accounting in these areas requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. For fixed asset measurement this is ensuring assets are not impaired. For depreciation the estimate is driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in determining when revenue should be recognised.

3. Income from charitable activities

	2022	2021
	£	£
Donation from Duchy of Lancaster	900,000	-
Rent receivable from affordable housing	188,965	184,815
	1,088,965	184,815

4. Other

	2022	2021
	£	£
Bank interest	49	162
	49	162

5. Charitable activities

	2022	2021
	£	£
Property maintenance and repairs	67,673	59,240
Property management fees	22,708	14,181
Other legal and professional fees	4,420	8,295
Bank charges	-	-
Audit fees	5,528	5,700
Insurance costs	13,884	8,290
Bad and doubtful debts	460	345
	114,673	96,051

6. Other gains and losses fixed asset investments

	2022	2021
	£	£
Changes in the fair value of investment properties	-	-

7. Staff costs

The charity Trustees received £nil of benefits from employment with the Trust in the year (2021: £nil) and they were not reimbursed expenses during the year (2021: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2021: £nil). The Charity has no directly employed staff.

8. Tangible fixed assets

	Land and Buildings
	£
Cost	
At 1 April 2021	5,197,989
Additions	702,932
Revaluation	
At 31 March 2022	5,900,921

The fair value of the property has been arrived at on the basis of a valuation carried out at 31 March 2020 by Savills, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees believe that there have been no material movements in the value of investment property since 31 March 2020.
Coronavirus has impacted global financial and property markets. As such, less weight can be attached to previous market evidence for comparison purposes to fully inform opinions on value. Given that the valuations were prepared in the context of these unprecedented circumstances, they are reported on the basis of 'material valuation uncertainty', meaning that less certainty and a higher degree of caution should be attached to the valuations than normally would be the case.

9. Debtors

	2022	2021
	£	£
Other debtors	220,969	26,847
	220,969	26,847

10. Creditors

	2022	2021
	£	£
Creditors	61,404	15,611
	61,404	15,611

11. Movement in funds

	As at 1 April 2021 £	Incoming resources £	Outgoing resources £	Investments Gains/ (losses) £	Transfers between funds £	As at 31 March 2022 £
Unrestricted funds:						
General funds	5,680,560	1,089,014	(114,673)	-	(5,900,922)	753,979
Designated funds						
Property Fund	-				5,900,922	5,900,922
	5,680,560	1,089,014	(114,673)	-	-	6,654,901

Designated funds comprise of the Property Fund which is the value of the rental property held by the charity to fulfil its objects of provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

12. Related party transactions

During the year, the Duke of Lancaster Housing Trust received a donation of £900,000 from the Duchy of Lancaster (2021: £nil).

13. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period	974,341	88,926
Adjustments for:		
Interest received	(49)	(162)
(Increase)/decrease in debtors	(194,122)	(18,877)
Increase/(decrease) in creditors within one year	45,793	(9,700)
(Gain)/loss on investment property	-	-
	825,963	60,187

THE DUKE OF LANCASTER HOUSING TRUST

England & Wales - Charity number 1130880

Accounts

Company Registration No. 06455755 (England and Wales)
Charity Number: 1130880

The Duke of Lancaster Housing Trust

Annual report and financial statements
For the year ended 31 March 2021

The Duke of Lancaster Housing Trust

Contents

	Page
Legal and administrative information	1
Directors' report	2
Audit report	5
Statement of financial activities	10
Balance sheet	11
Cashflow statement	12
Notes to the financial statements	13

The Duke of Lancaster Housing Trust

Legal and administrative information

Directors	Mark Hancock Julian Smith Katie Bond Hugh Bullock Chris Adcock (resigned 14 April 2021) Sandra Skeete (resigned 18 November 2020)
Secretary	Hugh Bruce-Watt
Registered Office	1 Lancaster Place Strand London WC2E 7ED
Company registration number	06455755
Charity number	1130880
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Coutts & Co 440 Strand London WC2R OQS
Solicitors	Trowers and Hamlins 3 Bunhill Row London EC1Y 8YZ

Directors' report
For the year ended 31 March 2021

The Directors present their annual report and the audited financial statements for the year ended 31 March 2021.

Structure, governance and management

Constitution
The company was incorporated on 18 December 2007 and was registered with the Charity Commission on 31 July 2010. The registered charity number is 1130880. The company is governed by its Memorandum and Articles of Association under the Companies Acts. The Trust is a company limited by guarantee.

Administration
Administrative support is provided to the charity by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London, WC2R 4LA.

Trustees
The Directors, who are also the Trustees of the charity for the purposes of charity law, met twice during the period to discuss matters of a strategic and administrative nature. The Directors who served during the year and up to the date of this report are shown below. The power to appoint new Directors is vested in the existing Directors of the company. There is an informal interview and induction process for any new Director.

Mark Hancock
Julian Smith
Hugh Bullock
Katie Bond
Chris Adcock (resigned 14 April 2021)
Sandra Skeete (resigned 18 November 2020)

Risk review
The major strategic, business and operational risks which the charity faces are continually under review by the Directors who have taken steps to ensure that they understand the risks and are confident that they are managed appropriately.

Objectives and activities

Objects
The objects of the Charity are the provision of housing, accommodation, assistance to help house people and associated facilities and amenities for those in necessitous circumstances.

Review of activities
The Charity's principal objective is the provision of rural affordable housing.

Policy for assessment of charitable beneficiaries
The Directors consider applications for assistance from individuals local to the available housing. The applicant must be in financial need of housing. The Directors consider whether the applicant can afford housing in the area taking into account their income and the market values in the relevant area. The type of accommodation required, including size, location and adaptability, is then assessed.

Public benefit
The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning for future activities. In particular the directors consider how the purchase of affordable housing and the policy of identifying beneficiaries will contribute to the aims they have set. The Directors consider the current policy, as described above, delivers public benefit. Details of the objects which form the basis of this policy are also given earlier in this report.

Financial review
The net movement in funds for the period amounted to a profit of £88,926 as shown in the statement of financial activities on page 10.

Reserves policy
The level of general unrestricted funds, being the total net assets of the Housing Trust, at 31 March 2021 was £5,680,560 (2020: £5,591,634). The directors plan to maintain sufficient reserves to complete the purchase of affordable housing.

Achievement, Performance and Future plans
The Trustees' five-year business plan adopted in 2016 had a core objective of a 100 per cent increase in its housing stock by 2021. The Trustees acquired 1 additional property in the financial year 2020/21 with the current number of properties standing at 33.

A review of the new 2021 - 26 business plan is currently underway. The core objective of the 5-year plan being to purchase 20 properties (with an option to purchase a further 7 in the period, subject to funding). The aim is to bring the total number to between 53 and 60. We are currently working on the purchase of 5 properties in the financial year 2021/22.

The Trustees continue to make a positive contribution to the local communities in which the Duke of Lancaster Housing Trust operates.

Key achievements in 2020/21 include:
- 100 per cent occupancy by tenants with a local connection
- 67 per cent occupancy by tenants with a Duchy of Lancaster connection
- No voids in the year
- 85% of bedrooms utilised
- Complete refurbishment and letting of a new acquisition in Salwick

Donations from the Duchy of Lancaster are to be provided as required for the purchase of properties for the year to 31st March 2022.

Directors' responsibilities

The Directors, who are also Trustees of the Charity for the purposes of charity law, 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).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees on 23 November 2021

M. Hancock.

Mark Hancock
Director

Opinion

We have audited the financial statements of The Duke of Lancaster Housing Trust for the year ended 31 March 2021 which comprise of a Statement of financial activities, Balance sheet, Statement of cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's state of affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Emphasis of Matter – property valuation

We draw attention to note 8 of the financial statements which describes in the external valuation report a material uncertainty on the valuation of the land and buildings due to COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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 to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 3 and 4, the trustees (who are also 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 related 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial

statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales .

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available 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 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 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.

.....

Jamie Younger (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

71 Queen Victoria Street

London

EC4V 4BE

Statutory Auditors

Date: 13 December 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Duke of Lancaster Housing Trust

Statement of financial activities
For the year ended 31 March 2021

	Notes	2021	2020
		£	£
Income from:			
Charitable activities	3	184,815	1,147,762
Other	4	162	881
Total income		184,977	1,148,643
Expenditure on:			
Charitable activities	5	96,051	89,458
Total expenditure		96,051	89,458
Other gains and losses	6	-	(320,625)
Net income for the year		88,926	738,560
Net movement in funds		88,926	738,560
Total funds brought forward	11	5,591,634	4,853,074
Total funds carried forward		5,680,560	5,591,634

All recognised gains and losses are included in the statement of financial activities.

The results for the period all relate to continuing activities.

The notes on pages 13 to 17 form part of these financial statements.

All the above incoming resources were unrestricted.

The Duke of Lancaster Housing Trust

Balance sheet
As at 31 March 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	8	5,197,989	5,081,000
Current assets			
Debtors	9	26,847	7,970
Cash at bank		471,335	527,975
Current liabilities			
Creditors	10	(15,611)	(25,311)
Net current assets		482,571	510,634
Net assets		5,680,560	5,591,634
Reserves			
Unrestricted general fund	11	5,680,560	5,591,634
Net funds		5,680,560	5,591,634

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 13 to 17 form part of these financial statements.

Signed on behalf of the Directors on 23 November 2021

M.E. Hancock

Mark Hancock
Director

Company Registration No. 06455755 (England and Wales)

The Duke of Lancaster Housing Trust

Cashflow statement
For the year ended 31 March 2021

	Notes	£	2021 £	£	2020 £
Net cash provided by/(used in) operating activities	13		60,187		1,073,018
Cash flows from investing activities					
Purchase of tangible assets		(116,989)		(914,241)	
Interest received		162		881	
Net cash used in investing activities			(116,827)		(913,360)
Net (decrease)/increase in cash			(56,640)		159,658
Cash at the beginning of the year			527,975		368,317
Cash at the end of the year			471,335		527,975

1. 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

b Going concern

Based on the recent performance and level of liquid reserves, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

d Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rental income is recognised when receivable and the amount can be measured reliably by the Charity; this is normally based on the amount agreed in the contract.

e Expenditure and irrecoverable VAT

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

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f **Allocation of governance costs**
Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

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Costs of charitable activities and governance costs are shown in note 5. Audit fees are considered to be governance costs and the remainder are costs of charitable activities.

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Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised.

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Tangible fixed assets are not depreciated as they are deemed to have a useful economic life of more than 50 years and are properly maintained such that depreciation would be immaterial.

i **Debtors**
Trade and other debtors are recognised at the amount expected to be recovered. Prepayments are valued at the amount prepaid in respect of a later period.

j **Creditors**
Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include fixed asset measurement, accruals, depreciation and revenue recognition. The accounting in these areas requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. For fixed asset measurement this is ensuring assets are not impaired. For depreciation the estimate is driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in determining when revenue should be recognised.

3. Income from charitable activities

	2021	2020
	£	£
Donation from Duchy of Lancaster	-	1,000,000
Rent receivable from affordable housing	184,815	147,762
	184,815	1,147,762

4. Other

	2021	2020
	£	£
Bank interest	162	881
	162	881

5. Charitable activities

	2021	2020
	£	£
Property maintenance and repairs	59,240	56,398
Property management fees	14,181	15,331
Other legal and professional fees	8,295	5,300
Bank charges	-	-
Audit fees	5,700	6,550
Insurance costs	8,290	5,879
Bad and doubtful debts	345	-
	96,051	89,458

6. Other gains and losses fixed asset investments

	2021	2020
	£	£
Changes in the fair value of investment properties	-	(320,625)

7. Staff costs

The charity Trustees received £nil of benefits from employment with the Trust in the year (2020: £nil) and they were not reimbursed expenses during the year (2020: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2020: £nil). The Charity has no directly employed staff.

8. Tangible fixed assets

	Land and Buildings
	£
Cost	
At 1 April 2020	5,081,000
Additions	116,989
Revaluation	
At 31 March 2021	5,197,989

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2020 by Savills, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. This report included a material uncertainly on the property valuations due to the impact of the COVID-19 pandemic. The Trustees believe that there have been no material movements in the value of investment property since 31 March 2020.

9. Debtors

	2021	2020
	£	£
Other debtors	26,847	7,970
	26,847	7,970

10. Creditors

	2021 £	2020 £
Creditors	15,611	25,311
	15,611	25,311

11. Movement in funds

	As at 1 April 2020 £	Incoming resources £	Outgoing resources £	Investments Gains/ (losses) £	Transfers between funds £	As at 31 March 2021 £
Unrestricted funds:						
General funds	5,591,634	184,977	(96,051)	-	-	5,680,560
	5,591,634	184,977	(96,051)	-	-	5,680,560

12. Related party transactions

During the year, the Duke of Lancaster Housing Trust received a donation of £nil from the Duchy of Lancaster (2020: £1,000,000).

13. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period	88,926	738,560
Adjustments for:		
Interest received	(162)	(881)
(Increase)/decrease in debtors	(18,877)	(2,666)
Increase/(decrease) in creditors within one year	(9,700)	17,380
(Gain)/loss on investment property	-	320,625
	60,187	1,073,018