

The Sheppard Trust

Annual Report and Financial Statements

31 March 2021

Company Limited by Guarantee
Registration Number
6621820 (England and Wales)

Charity Registration Number 1133356

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Report of the Executive Committee

The Executive Committee, whose members are the Directors and Trustees of the charity, is pleased to present its annual report together with the consolidated financial statements of The Sheppard Trust (the “Trust”) and its subsidiary ST Property Company Limited for the year ended 31 March 2021.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors’ report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 31 of the attached financial statements and comply with the charitable company’s Memorandum and Articles of Association, applicable laws and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

OUR PURPOSES AND ACTIVITIES

Providing Homes

Maintaining Independence

Community Spirit

The Sheppard Trust is an almshouse charity founded in 1855.

Its main charitable object is to provide low-cost housing for ladies who are in need, hardship or distress, who are aged 55 or over and who abide by a Christian faith. In practice the trustees normally accept applications from women aged 65 or over, in order to prioritise those most in need of the type of housing and support available.

The Trust’s main activity is providing sheltered housing, with some staff support, which enables our residents to live comfortably and independently in their own accommodation. Currently there is accommodation for 29 older women in need of low-cost, comfortable and secure homes. Sheppard Trust residents have the security of knowing that their homes will remain affordable and well maintained, and that support is on hand when needed.

The Trust’s activities are underpinned by a strong set of values: that the residents should feel comfortable, warm and secure in their homes; that their independence, privacy and dignity should always be respected; that their homes, the utility services and safety systems should be maintained to a high standard; that they should be well-supported at times of ill health or other need; and that a mutually supportive community spirit should develop through a range of social activities. All the activities undertaken are informed by these values.

Report of the Executive Committee

OUR PURPOSES AND ACTIVITIES (continued)

Priority is given to those in the greatest need and residents often come to us from insecure or unsettled accommodation. The majority of the residents receive housing benefit and other welfare benefits, and those who are ineligible for this support nevertheless have incomes and savings far from adequate to buy or privately rent a home in London.

The Trust's work contributes to reducing homelessness amongst older people, and reducing social care costs by helping residents remain independent and active. The Executive Committee firmly believes that the provision of affordable housing for those in need is for the public benefit, and confirms that in planning its activities it has had regard to the Charity Commission's general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Our work in 2020 was of course hugely affected by the coronavirus pandemic. The lockdown announced on 23 March 2020 meant that we had to quickly adapt including new procedures to reduce the risk of infection. Our support service switched to mostly telephone based and we carried out daily or weekly welfare checks for those residents who wished it. We started working with new volunteer agencies to ensure all our residents had access to shopping.

Two members of staff, our housekeeper and our resident support co-ordinator, carried on working on site throughout 2020. The administration work switched to mostly home based working with attendance at site for tasks that cannot be carried out at home. No staff were furloughed. Initially we suspended maintenance work, other than for emergencies and vital safety checks, but we soon introduced new procedures to enable contractors and others to attend safely to carry out essential maintenance work. We gained Covid-secure status for the offices and common areas.

Sadly, all social activities had to be suspended and we had to close our guest rooms. There was an impact on mental wellbeing and loneliness as residents who normally live full and active lives had to curtail their normal activities. We signposted residents to resources for mental wellbeing, to online activities for those able to connect, and to telephone befriending services, and we continued to visit the most vulnerable regularly, taking appropriate precautions.

As restrictions eased over the summer we were able to offer more: groups of six were able to enjoy socialising in the gardens at a safe distance. The gardens were very important to our residents this year as a place to go outdoors and for activity, with several residents tending to an allocated patch of the gardens.

Our Pilates instructor returned and we subsidised her work so that residents could have a private lesson rather than a group class for the same small contribution they made previously. A new hairdresser was recruited who was able to visit using our therapy room safely. Volunteers to take older residents for walks in the garden squares were also able to return for a while.

Report of the Executive Committee

ACHIEVEMENTS AND PERFORMANCE (continued)

Restrictions tightened again in the autumn and residents found this very frustrating. As Christmas approached, residents took part in decorating the houses and although our normal parties and outings were not possible, we were able to offer some online carol concerts and a Christmas “goody bag” which was much appreciated.

At the start of 2020 we had started a programme to improve our resident participation and listening to and acting on resident views. We held the first of what were intended to be quarterly meetings to work on this together. The meetings had to cease because of the pandemic and it has been much harder to hold two-way dialogue with our residents, but we did carry out two formal consultations on the Trust’s criteria for applicants and on pet ownership. There was also a lot of informal consultation around the gardens. This work will continue in future years.

The pandemic also made it much more difficult for new residents to move into the flats, although we were able to develop new procedures for safe moves. We welcomed one new resident and we also completed one internal move for health reasons. One resident sadly died during the year, not Covid related. As a result of it taking longer to fill vacancies we had 28 residents for most of the year rather than the usual 29. In the summer as the lockdown eased we had a large number of new enquiries and when restrictions allowed we were able to meet these ladies with a view to placing them on our waiting list for future vacancies.

Currently our residents range in age between 72 and 94, with an average age of 79. As at 31 March 2021 five residents were aged over 90. We have been able to escort residents who wanted it to their Covid-19 vaccination appointments and arranged some home visits for vaccinations where needed. We continue to provide a full support service including:

- Daily welfare visits or calls to our most vulnerable residents, providing support and company as well as checking on health and wellbeing;
- Help to those going into or leaving hospital, for example collecting prescriptions and shopping;
- Helping older residents to arrange and access social activities and transport to attend them;
- Improving independence by identifying needs and providing equipment or making minor alterations in a residents flat, working with occupational therapists;
- Advocating for our residents with social services and care agencies to ensure they are receiving any care they need.

Maintenance and health and safety remain very high priorities. As well as the routine programme of servicing and safety checks, there was comprehensive work to repave the gardens and to lower a wall and rebuild steps, to make the gardens safer and more enjoyable for the residents, and new raised beds were built. Two flats were refurbished.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Trust's work responds to the continued external changes in adult social care, along with increases in life expectancy. Older people are now being enabled to stay in their homes longer in life and the Trust is increasingly involved in working intensively with families, social services and other agencies to ensure our residents' needs can be met. Our current buildings remain increasingly constraining and we encounter a number of physical difficulties in meeting the needs of individual residents, ranging from the steps and the bathroom facilities to sound and heat insulation issues. We continued to pursue our plans to relocate although we do not yet have planning permission for a suitable scheme (see Future Plans below).

In March 2021, following a consultation, the trustees agreed to apply to the Charity Commission to widen the charitable objects in order to broaden the range of beneficiaries. After the year end the Charity Commission approved this change which will enable a change to be made to the criteria to abide by the Christian faith, so that instead new residents will agree to abide by a set of shared values based on the Christian faith. This will enable the Trust to reach a wider group of women whilst still maintaining a community based on shared values. The trustees consider that this will remain sympathetic to Elizabeth Sheppard's original intentions, whilst better reflecting today's society.

FUTURE PLANS

The Sheppard Trust has for some time been committed to an ambitious vision for a brand new, fit for purpose housing scheme, where its residents can enjoy excellent facilities and a home that meets their needs for life, and where it can double the number of beneficiaries. We continued to work towards realising this vision.

Housing for older people has never been more important and there is a huge need for good quality, affordable provision for those of limited means to buy or rent property. The Trust's current properties have served their purpose well for many years in providing secure and comfortable homes, but the physical limitations of the current buildings are already restricting us and will not meet the needs for the next generation of older women.

The main issues we face in our current location are:

- Access: no facilities for wheelchair or mobility scooter users, and difficulties for those with other mobility related needs. Five of the flats have steps within them which are a potential hazard and not appropriate for housing designated for older people. There is no level access to enter the buildings and although there are lifts there are steps in some of the narrow internal corridors and no level access to some flats.
- Space standards: most of the flats are not suitable for housing older people, particularly those with mobility related needs or care and support needs. For example the bathrooms allow insufficient space for those who need support from carers for personal care, and most of the kitchens are unsuitable for those with mobility related needs.

Report of the Executive Committee

FUTURE PLANS (continued)

- Poor noise and heat insulation, poor energy performance, limited natural light in some areas, and limited communal and circulation spaces.
- Other significant limitations in how the properties could be adapted to meet modern and future best practice in housing for older people, for example to become “dementia friendly” or to include technology to support lifestyle or care and support needs.

As explained in “Achievements and Performance” above, there are already situations in which these issues mean residents’ needs cannot be fully met to the high standards we aspire to.

As a result, the Executive Committee has concluded that continuing to maintain and attempting to upgrade these Victorian homes is not good value for money, as the potential for people to “age in place” is significantly limited, the age of the buildings means it is highly challenging to create homes with low maintenance and running costs, and the properties are unlikely to meet the aspirations of future generations of older people. Therefore for some years it has pursued a strategy to relocate the Trust to modern purpose built homes designed for the needs of older people and located in a more affordable area.

The vision is for housing which will enable residents to remain in their homes much longer in life and in most cases for the rest of their lives, and also to provide for a greater number of beneficiaries. Our vision also includes a tailored on-site support offer and access to care services to meet individual needs and a range of community activity giving choices for an active and fulfilling old age.

The Trust started its search for a suitable site in the Royal Borough of Kensington and Chelsea, where its current properties are located, but has gradually widened the area of search over the past ten years as it became increasingly apparent that no suitable and affordable sites were viable prospects within the borough. Sites throughout the West London area and just outside have also been considered. After this long search, the Trustees announced in October 2018 that an agreement had been reached with the Royal Cambridge Home to purchase part of their site in East Molesey, near Hampton Court, subject to planning permission. The site is situated in a very pleasant residential area with access to shopping and leisure facilities and there is easy access to Central London in just over half an hour from Hampton Court station. There are mature trees on all sides and significant green spaces as well as easy level access to the Thames riverside with its walking paths and cafes.

Plans were drawn up for 60 large one bedroom flats for the Sheppard Trust for our current residents, women on our waiting list, and local women in need of low cost housing. There will be a range of communal facilities – a lounge, care, hairdressing/therapy room, hobby rooms and other useful spaces for meeting together. The housing will meet high modern standards in terms of space standards, future adaptability including wheelchair use and assistive technologies, sound and heat insulation, energy performance and security, based on the HAPPI standards which set out best practice for older people’s housing. It will have a residential character that promotes independence and avoids an institutional atmosphere.

Report of the Executive Committee

FUTURE PLANS (continued)

A brand-new care home for the Royal Cambridge Home is planned to be located on the remainder of the site. The two buildings, and the two charities, will be separate but will complement each other.

A joint planning application was submitted and was recommended for approval by planning officers but, disappointingly, in early 2020 the local authority decided not to grant planning permission. The Trustees spent some time considering the options, and in July 2020 an appeal was submitted. Delays in the planning appeal process because of the Covid-19 pandemic mean that the appeal has not yet been determined. It is now estimated that if the appeal is successful the earliest possible completion date is in mid-2025.

However, if we can proceed, this exciting development will enable us to offer homes which truly meet our residents' needs into old age, enable us to offer homes for life in most cases, and double the number of beneficiaries that the Trust is able to help.

The development work is being undertaken by the Trust's wholly owned subsidiary company, ST Property Company Limited. This is in order to ringfence the charity from some of the risks of entering into construction contracts and also for tax effectiveness. The company is entering into a deed of covenant so that all its profits will be gifted to the charity.

The Trustees appreciate that this causes continued uncertainty for our current residents. All our current residents will be guaranteed a brand new flat wherever and whenever we finally move, but moving house, particularly at an advanced age, can be daunting and stressful. We will see to all the business of moving at no cost to our residents and support them through the whole process. For some of our residents with close ties to our current location, moving with us may not be the right option. We have offered a package of support and assistance to those residents to help them to find suitable alternatives if they wish to, and to help with moving. During the process we will continue our efforts to communicate well with our residents and to involve them in the detailed design process.

Our continued objective is to safeguard the future of the Sheppard Trust by providing modern accommodation which meets its current and future residents' needs for many years to come, as well as doubling the number of women in need who we are able to help.

FINANCIAL REVIEW

The financial results of the Trust were satisfactory. There was a deficit for the year of £54,366 before gains on investments and actuarial losses on the defined benefit pension liability. This was primarily due to a large decrease in investment income, partly due to the impact of the Covid-19 pandemic on investment markets and partly due to withdrawals from the portfolio in previous years in order to hold liquid funds ready for investment in our future plans. Maintenance expenditure was also high due to the extensive garden works.

The Executive Committee remains satisfied that the underlying financial position of the Trust is secure, and that it is well placed to maintain the present level of service and to plan for the future.

FINANCIAL REVIEW (continued)

Review of business

The Trust's income for the period under review decreased from £646,768 to £593,428. The main reason for this was a fall in investment income as described above, partly offset by an increase in donations and legacies and a modest inflationary increase in income from residents. Expenditure has fallen slightly from £684,186 to £647,794. This was primarily because expenditure on professional and consultancy fees was lower.

There was a surplus of expenditure over income for the year of £54,366 (2020 – surplus of income over expenditure of £37,418). Gains on investments and actuarial losses resulted in a net increase in funds of £403,485 (2020 – decrease of £214,124).

At 31 March 2021, the Trust's total reserves amounted to £13,772,816 (2020 - £13,369,331). Of this, £1,244,546 (2020 - £1,226,410) related to special trust funds, which consist of properties and investments endowed to the unincorporated charity. A further £29,887 and £730,252 (2020 - £27,277 and £749,190) related to the restricted extraordinary repair and capital grant funds respectively. The purposes of these funds are described in more detail on page 38.

Unrestricted reserves have increased from £11,366,454 to £11,768,131. It remains the Trust's policy in due course to invest a very large part of its reserves in new housing for a greater number of beneficiaries.

Reserves policy

The Sheppard Trust holds reserves for three main purposes:

- ◆ To cover fluctuations in working capital, and to cover expenditure in the event of unexpected circumstances such as an unforeseen drop in investment income or vacancies in the accommodation;
- ◆ To ensure funds are available when needed for major property repairs above and beyond the normal annual expenses of maintenance; and
- ◆ To spend, over the next five to ten years, on expanding the charity's activities by providing new, modern accommodation for a much greater number of beneficiaries.

Once a beneficiary has been accepted, the Trust aims to support and enable her to stay in her home in the Trust's property for as long as possible, and it therefore has a long term commitment to maintain its properties to a suitable standard and to support its beneficiaries. The Trust's current properties are large Victorian houses which require considerable maintenance expenditure.

The Executive Committee has concluded that a suitable level of ongoing free reserves for the first two purposes is c.£2.7m, taking into account their plans for a new property housing twice as many beneficiaries, and the preliminary operating budgets.

Report of the Executive Committee

FINANCIAL REVIEW (continued)

The Executive Committee intend to spend the reserves in excess of this on the proposed new accommodation, using any additional funds available to improve the facilities available to the residents or to increase the number of residential units available for beneficiaries. Currently reserves are already being used to fund the development of the scheme.

As at 31 March 2021 the general reserves stood at £11.8m. The trustees therefore consider that £2.7m of this should be held as ongoing reserves and the remainder of £9.1m is available to be spent on this exciting project, as well as the value of the property currently held. The trustees are keeping the levels of reserves under review as the project progresses.

The trustees invest the ongoing reserves in order to contribute to the Trust's income and aim to match the liquidity of the investments to the predicted needs for cash. Reserves intended to be spent on the proposed new accommodation were liquidated in 2018 and 2019 and are now held as cash or cash equivalents to reduce the risk of fluctuations in value.

Going concern

The Trust has relatively stable sources of income and a high level of capital and reserves and its main source of income has not been materially disrupted by the Covid-19 pandemic. The Executive Committee are wholly confident that the Trust has adequate resources to continue in existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason it continues to adopt the going concern basis in the financial statements.

Investment policy

The general objectives of the Trust's Investment Policy are to generate sufficient income to meet projected levels of annual expenditure such that residents' maintenance contributions can be kept at a lower level than would otherwise be the case; and, subject to that requirement, to maximise investment growth so that the Trust is able to meet its revenue and capital expenditure programmes over the next 25 years in the interests of current and future beneficiaries.

The objectives are to be achieved by investing prudently and cautiously in a broad range of fixed interest securities and equities which are quoted by a recognised Investment Exchange, in Common Investment Funds and in unit trusts and open-ended investment companies which are authorised under the Financial Services and Markets Act 2000. Investments in derivatives are not permitted except with the written permission of the Executive Committee.

There are no ethical or geographical restrictions with regard to investment, but the Trust has confirmed with its investment managers that they should have regard to socially responsible investment issues when managing its portfolio.

The Trust has appointed Investec Wealth and Investment Ltd., who have confirmed that they are an authorised person within the meaning of the Financial Services and Markets Act 2000, as investment managers with delegated discretionary powers of investment. Investec reports on performance quarterly.

Report of the Executive Committee

FINANCIAL REVIEW (continued)

The equity portfolio is measured against a customised benchmark comprising: 15% Govt Bond Index, 35% FTSE All Share, 40% FTSE World ex UK, 5% IPD Index, 3% alternative assets and 2% prevailing cash rates. The Trust's investment policy requires its investment managers to outperform the agreed benchmark by 1% p.a. over a rolling three year period. Over the 12 month period the portfolio outperformed the benchmark by 2.9% and over a three year period the portfolio outperformed the benchmark by 0.3%. The three year performance is still distorted by changes in investment strategy in 2018 and 2019 in order to prioritise liquidity ready for future investment in new accommodation. The trustees are satisfied that the performance is on track after taking these factors into account.

Principal funding sources

The Trust's total income for the year ending 31 March 2021 was:

	2021 £	%	2020 £	%
Income from residents' maintenance contributions	463,425	78%	450,773	70%
Investment income	96,686	16%	187,685	29%
Donations and legacies	33,317	6%	8,310	1%
	593,428	100%	646,768	100%

Fundraising

The Trust is very grateful to the donors who supported our work during the year. They enabled us to provide additional support and services to our residents that might not otherwise be possible. The Trust is also grateful to those who support our work with a legacy. Legacy income is helping us to fund our future plans to help more beneficiaries in modern accommodation.

Donations (other than legacies) form a very small proportion of the Trust's income (under 1.5% in 2021 and 2020). There is a small group of regular donors giving either annually or more frequently. The main fundraising methods are writing annually to our supporters about our work, and placing legacy advertising in suitable journals. The Trust does not use any professional fundraisers or commercial participators. As the Trust is small and fundraising is a minor part of its activity, it has not yet signed up to any voluntary fundraising schemes or standards. The Trustees are not aware of any external fundraising carried out on the Trust's behalf nor have they encouraged any.

No complaints were received about the Trust's fundraising activity during the year. The Trust has taken steps to protect vulnerable people and others from unreasonable activity, persistent approaches or undue pressure to give. All our supporters are invited to express their contact preferences and contact is only made in accordance with these preferences. For most supporters this is a single letter and annual report once each year. We include clear contact details on all communications so that our supporters can raise any issues or change their contact preferences. We respect our supporters' decisions including a decision to stop giving, with gratitude for their past support.

Report of the Executive Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sheppard Trust is a company limited by guarantee (Company No. 6621820) and a charity registered with the Charity Commission in England and Wales registered charity (Charity No. 1133356). It was incorporated on 17 June 2008 and its governing documents are the Memorandum and Articles of Association.

The charity has a linked subsidiary charity, also known as Sheppard Trust, governed by a scheme of 1932 as subsequently amended. The Charity Commission issued a uniting direction on 5 August 2010 to link it with the incorporated charity. The unincorporated charity remains a separate entity and subsidiary of the incorporated charity, with the trusteeship of the endowment fund being vested in the incorporated charity.

The charity owns the entire issued share capital of £1 in ST Property Company Limited, a company registered in England and Wales (Company Registration Number 09555468). The subsidiary was set up on 22 April 2015 and commenced trading on 1 April 2018. The company has been set up to carry out property development projects on behalf of the charity.

The charity's Articles of Association stipulate that the Executive Committee shall consist of not fewer than six or more than eleven trustees/directors and that at least four of the trustees/directors shall be female. New trustees/directors are appointed by resolution of the Committee. The Committee's policy, when vacancies arise, has been to review the skills available to it through its members and to recruit to fill identified gaps in knowledge or expertise.

The following members of the Executive Committee served during the period:

Appointed/Retired	
Linda Davis, Chair	
Jonathan Cole, Hon Treasurer	
Martyn Carter	
Amelia Gosal	
Christina Jordan, Vice Chair	
Keith Perry	
Yvette Ruggins	Resigned 31 August 2021
Claire Watson	
Neil White	

The Executive Committee takes responsibility for all strategic decisions and monitors the Trust's performance throughout the year. The Executive Committee normally meets six times each year. It is supported by two sub-committees – Finance Committee, and Appointments and Wellbeing Committee. The Executive Committee delegates responsibility for the day-to-day operation of the Trust to the Chief Executive. A Project Control Group has been set up to support the Executive Committee with its strategic development plans.

The Executive Committee has held meetings by Zoom video conferencing throughout the year, so that it has been able to continue to meet and fulfil its responsibilities throughout the pandemic.

Report of the Executive Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Sheppard Trust is a member of both the National Housing Federation and the National Association of Almshouses. The Trust has adopted the latter body's 'Standards of Almshouse Management, a Guide to Good Practice'.

The Trust is also a member of the National Council for Voluntary Organizations (NCVO) and the Charity Finance Group. Membership of all these bodies brings training opportunities and an awareness of developments and initiatives in other parts of the voluntary sector.

None of the Executive Committee receives any remuneration from the charity. No related party transactions were reported, other than transactions with the charity's subsidiary.

Key management personnel

The Executive Committee consider that they, together with the Chief Executive, are the key management personnel in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

The remuneration of the Chief Executive and other staff is reviewed annually by the Executive Committee taking into account increases in average earnings and other relevant market information.

No members of the Executive Committee were remunerated for their services to the Trust during the year.

Risk management

The Executive Committee is responsible for the management of risks faced by the Trust and, through its Chief Executive, ensures that appropriate systems are maintained, that new risks are identified as they arise and appropriate controls established. The Executive Committee has established a new risk policy and a register of key risks which focuses on high-impact risks and which is regularly updated and presented at each meeting. By managing risk effectively, we try to ensure that:

- significant risks are known and monitored, enabling trustees to make informed decisions and take timely action;
- the charity makes the most of opportunities and develops them with the confidence that any risks will be managed;
- forward and strategic planning are improved;
- the charity's aims are achieved more successfully.

The systems of control operated by the Trust are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The key controls include detailed consideration by the Finance Committee of proposed budgets and regular management accounting information; agreed financial procedures defining, among other things, spending levels and which are regularly reviewed; regular review of the waiting list and resident welfare by the Appointments and Wellbeing Committee and regular review of health and safety compliance information by the Executive Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

The key risks currently facing the charity are

- external and internal factors preventing its future development plans being achievable at an acceptable cost or because insufficient resources are available. This includes economic and other impacts of the Covid-19 pandemic;
- the risks associated with maintaining the health, safety and welfare of its elderly residents, including safeguarding risks and Covid-19 risks;
- the risk of loss of income or excessive expenditure.

The Executive Committee has carried out a risk assessment specifically to identify the risks associated with the Trust's development strategy. The main areas of risk include external factors affecting the value of the current property, future construction costs, and government policy on revenue funding. There are also risks associated with economic uncertainty as a result of the pandemic.

The Trust is addressing these risks by

- Scrutiny and monitoring of the development project by a designated Project Control Group so that mitigating actions can be taken, regular budget and resource reporting and development of a project governance system.
- Specific interventions in relation to the pandemic including enhanced infection control procedures, PPE for high and medium risk activities, a risk audit of office procedures and procedures for working in people's homes, new arrangements for screening contractors and other visitors to the site, revised protocol for new residents moving in, policy changes to support residents whilst encouraging social distancing.
- Reviewing and enhancing its health and safety systems which include regular maintenance of all mechanical and electrical services, including particularly all fire precautions and central heating systems. Periodic fire and legionella risk assessments are undertaken. In addition, the condition of the fabric of the Trust's properties is kept under regular review and comprehensive insurances are in place. Ensuring that safeguarding policies and procedures are in place and that a safeguarding culture is developed.
- Maintenance of a waiting list and targets for property turnaround times, and periodic value for money exercises on specific aspects of expenditure.

The Executive Committee recognises that its systems provide reasonable, but not absolute, assurance that risks are being adequately managed, but believes that the major risks facing the Trust have been identified and that systems are in place to mitigate the effects of them.

Report of the Executive Committee

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive Committee (whose members are also the directors of The Sheppard Trust for the purposes of company law) is responsible for preparing the Executive Committee report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period.

In preparing these financial statements, the Executive Committee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Executive Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Executive Committee

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES (continued)

Statement as to disclosure to our auditors

Each member of the Executive Committee confirms that:

- ◆ so far as the Committee Member is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Committee Member has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Report of the Executive Committee has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Executive Committee and signed on its behalf by:



Linda Davis, Chair

27 September 2021

Report of the Executive Committee Year to 31 March 2021

Executive Committee as at 27 September 2021	Linda Davis, Chair Jonathan Cole, Hon Treasurer Martyn Carter Amelia Gosal Christina Jordan, Vice Chair Keith Perry Claire Watson Neil White
Chief Executive and Secretary	Clare Scott Booth
Registered address	12 Lansdowne Walk London W11 3LN
Company registration number	6621820 (England and Wales)
Charity registration number	1133356
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment Managers	Investec Wealth and Investment Limited 2 Gresham Street London EC2V 7QN Royal London Asset Management Limited 55 Gracechurch Street London EC3V 0UF

Principal Bankers Unity Trust Bank plc
Nine Brindleyplace
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Solicitors BDB Pitmans LLP
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Independent auditor's report to the members of The Sheppard Trust

Opinion

We have audited the financial statements of The Sheppard Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent company balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 group and of the charitable parent company's affairs as at 31 March 2021 and of 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 group and charitable parent 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 and financial statements, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other 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 Report of the Executive Committee for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Report of the Executive Committee 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' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Executive Committees' responsibilities statement, the trustees 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the group through discussions with key management and from our knowledge and experience of the sector in which the group operates;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the group. These included but were not limited to the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and representatives of those charged with governance.

Independent auditor's report Year to 31 March 2021

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Performed substantive testing on expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of Trustees' meetings; and
- ◆ Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

As a result of our procedures, we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

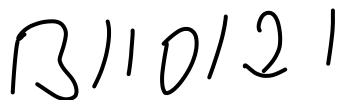
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL



Consolidated statement of financial activities Year to 31 March 2021
(incorporating the income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2021 £	Total 2020 £
Income from:						
Charitable activities	1	463,425	—	—	463,425	450,773
Investments and interest receivable	2	90,218	6,468	—	96,686	187,685
Donations and legacies	3	33,317	—	—	33,317	8,310
Total income		586,960	6,468	—	593,428	646,768
Expenditure on:						
Charitable activities	4	575,207	25,042	19,458	619,707	655,519
Raising funds	5	28,087	—	—	28,087	28,667
Total expenditure		603,294	25,042	19,458	647,794	684,186
Net expenditure before gains (losses) on investment assets		(16,334)	(18,574)	(19,458)	(54,366)	(37,418)
Net investment gains (losses)	9, 10	434,011	2,246	37,594	473,851	(249,124)
Net income (expenditure)		417,677	(16,328)	18,136	419,485	(286,542)
Other recognised gains and losses						
Actuarial (losses) gains	17	(16,000)	—	—	(16,000)	35,000
Net movement in funds		401,677	(16,328)	18,136	403,485	(251,542)
Reconciliation of funds						
Fund balances at 1 April 2020		11,366,454	776,467	1,226,410	13,369,331	13,620,873
Fund balances at 31 March 2021		11,768,131	760,139	1,244,546	13,772,816	13,369,331

All the group's activities derived from continuing operations during the above two financial periods.

The group has no recognised gains or losses other than those shown above.

Consolidated statement of financial activities Year to 31 March 2021
(incorporating the income and expenditure account)

Comparative statement of financial activities – year ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2020 £
<i>Income from:</i>					
Charitable activities	1	450,773	—	—	450,773
Investments and interest receivable	2	177,784	9,901	—	187,685
Donations and legacies	3	8,310	—	—	8,310
Total income		636,867	9,901	—	646,768
<i>Expenditure on:</i>					
Charitable activities	4	607,770	28,291	19,458	655,519
Raising funds	5	28,667	—	—	28,667
Total expenditure		636,437	28,291	19,458	684,186
<i>Net income (expenditure) before losses on investment assets</i>		430	(18,390)	(19,458)	(37,418)
Net investment losses	9, 10	(230,772)	(1,015)	(17,337)	(249,124)
Net expenditure		(230,342)	(19,405)	(36,795)	(286,542)
<i>Other recognised gains and losses</i>					
Actuarial gains	17	35,000	—	—	35,000
Net movement in funds		(195,342)	(19,405)	(36,795)	(251,542)
<i>Reconciliation of funds</i>					
Fund balances at 1 April 2019		11,561,796	795,872	1,263,205	13,620,873
Fund balances at 31 March 2020		11,366,454	776,467	1,226,410	13,369,331

Balance sheets 31 March 2021

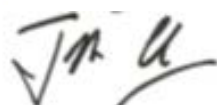
	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets					
Tangible fixed assets	8	1,659,732	1,659,732	1,710,928	1,710,928
Investments	9	3,131,833	3,131,834	4,237,905	4,237,906
		4,791,565	4,791,566	5,948,833	5,948,834
Current assets					
Debtors	11	2,188,104	2,473,438	2,066,572	2,370,331
Investments	10	2,037,112	2,037,112	1,518,275	1,518,275
Short term deposits		2,006,500	2,006,500	2,000,000	2,000,000
Cash at bank and in hand		2,837,815	2,794,040	1,929,192	1,796,307
		9,069,531	9,311,090	7,514,038	7,684,913
Creditors: amounts falling due within one year	12	(46,280)	(35,507)	(61,541)	(33,843)
Net current assets		9,023,251	9,275,583	7,452,497	7,651,070
Total assets less current liabilities		13,814,816	14,067,149	13,401,331	13,599,904
Provision for liabilities	13	(42,000)	(42,000)	(32,000)	(32,000)
Total net assets		13,772,816	14,025,149	13,369,331	13,567,904
The funds of the charity:					
Funds and reserves					
Unrestricted funds					
. General fund		11,768,131	12,020,464	11,366,454	11,565,027
Restricted funds	14	760,139	760,139	776,467	776,467
Special trust funds	14	1,244,546	1,244,546	1,226,410	1,226,410
		13,772,816	14,025,149	13,369,331	13,567,904

The accounts were approved by the Executive Committee on 27 September 2021 and signed on their behalf by:



(Linda Davis)

Chair



(Jonathan Cole)

Treasurer



(Clare Scott Booth)

Chief Executive

The Sheppard Trust, Company Limited by Guarantee
Registration Number 6621820 (England and Wales)

Consolidated statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(242,649)	(666,723)
Cash flows from investing activities:			
Investment income		96,686	187,685
Proceeds from the disposal of investments		755,334	1,907,911
Purchase of investments		(1,213,114)	(252,049)
Net cash (used in) provided by investing activities		(361,094)	1,843,547
Change in cash and cash equivalents in the year		(603,743)	1,176,823
Cash and cash equivalents at 1 April 2020		5,456,778	4,279,955
Cash and cash equivalents at 31 March 2021	B	4,853,035	5,456,778

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	403,485	(251,542)
Adjustments for:		
Depreciation charge	51,196	52,111
(Gains) losses on investments	(473,851)	249,124
Investment income	(96,686)	(187,685)
Increase in debtors	(121,532)	(412,875)
Decrease in creditors	(15,261)	(76,856)
Increase (decrease) in provision for pension liabilities	10,000	(39,000)
Net cash used in operating activities	(242,649)	(666,723)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,837,815	1,929,192
Short term deposits	2,006,500	2,000,000
Cash held by investment managers	8,720	1,527,586
Total cash and cash equivalents	4,853,035	5,456,778

Analysis of changes in net cash (debt)

	At 31 March 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,929,192	908,623	2,837,815
Short term deposits	2,000,000	6,500	2,006,500
Cash held by investment managers	1,527,586	(1,518,866)	8,720
Total net cash (debt)	5,456,778	(603,743)	4,853,035

Principal accounting policies Year to 31 March 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021. The financial statements are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011.

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

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate each reporting line of the financial statements of The Sheppard Trust and its subsidiary company, ST Property Company Limited, made up at the balance sheet date.

No separate statement of financial activities or statement of cash flows has been presented for the charity alone, as permitted by s408 of the Companies Act 2006 and the Charities SORP FRS 102. The charity had total income in the year of £593,428 (2020 - £646,768), total expenditure of £594,034 (2020 - £684,186) and net investment and actuarial gains of £457,851 (2020 - £214,124 losses) resulting in a net surplus of £457,245 (2020 – deficit of £201,264).

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Executive Committee and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of listed investments using published market prices as a best indicator of fair value;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation;

Critical accounting estimates and areas of judgement (continued)

- ◆ the assessment by the Executive Committee of the likelihood of the planning appeal on the planned future site being successful. Professional fees in connection with the development work have been treated as a prepayment on the basis that future economic benefits will be realised from these costs. Further details are included under future plans within the report of the Executive Committee; and
- ◆ assessing the probability of receipt and estimating the amount receivable in respect of legacies of which the charity has been notified, particularly where the estate is slow moving.

Assessment of going concern

The Executive Committee have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Executive Committee have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Executive Committee of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. The Executive Committee are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, investment income and residents' maintenance contributions.

Donations received are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Dividend income is apportioned between funds in the ratio of the market value of the separate funds at the beginning of the accounting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from residents' maintenance contributions is credited on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include property expenditure, social expenditure and grants to residents.

The charity makes grants to self-funded residents to support the payment of weekly maintenance contributions. These grants are recognised in full in the year they are awarded, unless the recipient has to fulfil performance conditions before the grant is released.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned on the basis of staff time.

Tangible fixed assets

The cost of the freehold property was split between the land and buildings elements in 2000 using the Property Market Report Matrix. Land is not depreciated but buildings are depreciated on a straight line basis over their estimated useful life, assessed as 50 years. Improvements to the freehold property are depreciated on a reducing balance basis at a rate of 6.67%.

Expenditure on furniture, computer equipment, fixtures and fittings is written off in the year in which it is incurred except in the case of amounts of a non-recurring nature in excess of £10,000. These are capitalised and depreciated on a straight-line basis over four years.

Listed investments

Listed investments held as non-current assets and current asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains or losses on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains or losses are calculated as the difference between the fair value at the year end and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Gains or losses are apportioned between funds in the ratio of the market value of separate funds at the beginning of the accounting period.

The Trustees monitor the underlying risks to which the investments are exposed by regular meetings and reviews with the investment managers. The risks to which the investments are exposed include market and credit risk. The exposure to market risk is mitigated by the Trust investing in a diverse portfolio of investments across various markets. Current asset investments are exposed to credit risk by this pooled fund being invested in short dated bonds and near cash investments. The risk is mitigated by the pooled fund being actively managed by the fund manager.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking

The charity owns the entire issued share capital of £1 in ST Property Company Limited, a company registered in England and Wales (Company Registration Number 09555468). The subsidiary was set up on 22 April 2015.

The company was active from 1 April 2018. Results have been consolidated on a line by line basis.

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Trust's charitable objects.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects.

Special trust funds comprise monies for which the charity has responsibility in trustee capacity. Income from the endowment fund can be used for general purposes and is credited directly to unrestricted reserves, unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Pension contributions

The Trust participates in The Social Housing Pension Scheme (SHPS), a multi-employer pension plan which is funded and contracted out of the state scheme. Pension liabilities in respect of the defined benefits section of the Scheme are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as other recognised gains or losses.

Additional disclosures in relation to the pension plan are given in note 17.

Pension costs in respect of the defined contribution section of the plan are recognised when payable on an accruals basis.

Share capital

The company is limited by guarantee and has no share capital. Each member of the company guarantees to subscribe such amount as may be required for the purposes of the company, not exceeding £1 sterling.

1 Income from charitable activities

	Unrestricted funds	
	2021 £	2020 £
Residents' maintenance contributions	463,425	450,773

2 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2021 £
UK listed investments			
. Equities and unit trusts	37,053	6,468	43,521
. Fixed interest	28,781	—	28,781
. Charities Property Fund	4,633	—	4,633
Bank interest	19,751	—	19,751
2021 Total funds	90,218	6,468	96,686

	Unrestricted funds £	Restricted funds £	Total 2020 £
<i>UK listed investments</i>			
<i>. Equities and unit trusts</i>	<i>51,487</i>	<i>9,901</i>	<i>61,388</i>
<i>. Fixed interest</i>	<i>67,900</i>	<i>—</i>	<i>67,900</i>
<i>. Charities Property Fund</i>	<i>5,114</i>	<i>—</i>	<i>5,114</i>
<i>Investment deposit interest</i>	<i>15,473</i>	<i>—</i>	<i>15,473</i>
<i>Bank interest</i>	<i>37,810</i>	<i>—</i>	<i>37,810</i>
2020 Total funds	177,784	9,901	187,685

3 Donations and legacies

	Unrestricted funds	
	2021 £	2020 £
Donations	8,432	8,310
Legacies	24,885	—
	33,317	8,310

4 Expenditure on charitable activities

	Direct costs £	Support costs (note 6) £	Total 2021 £
Property expenditure:			
. Service costs	132,479	104,896	237,375
. Repairs	159,071	133,155	292,226
. Property depreciation	51,197	—	51,197
. Professional and consultancy fees	11,756	—	11,756
	354,503	238,051	592,554
Governance	—	17,389	17,389
Social expenditure	3,620	—	3,620
Grants to residents	6,144	—	6,144
	364,267	255,440	619,707

	Direct costs £	Support costs (note 6) £	Total 2020 £
Property expenditure:			
. Service costs	111,632	96,010	207,642
. Repairs	149,373	132,105	281,478
. Property depreciation	52,111	—	52,111
. Professional and consultancy fees	81,687	—	81,687
	394,803	228,115	622,918
Governance	—	15,392	15,392
Social expenditure	13,626	—	13,626
Grants to residents	3,583	—	3,583
	412,012	243,507	655,519

5 Costs of raising funds

	Unrestricted funds	
	2021 £	2020 £
Investment management fees	19,900	20,935
Advertising costs	8,187	7,732
	28,087	28,667

6 Support costs

	2021 £	2020 £
Staff costs	176,838	173,479
Professional fees	22,582	21,978
General office costs	37,631	30,658
Pension interest costs	1,000	2,000
Governance costs		
. Auditor's remuneration	14,880	12,950
. Accounts preparation fees	2,509	2,442
	255,440	243,507

7 Staff costs

a) Executive Committee members and employees

	Total 2021 £	Total 2020 £
Committee expenses		
Travel expenses for two Committee members (2020 - two)	262	1,464
Staff costs		
Salaries	195,532	183,170
Social security costs	22,134	20,515
Pension costs	17,426	19,954
	235,092	223,639

Staff costs have been allocated as follows:

	Total 2021 £	Total 2020 £
Charitable activities	58,254	50,160
Support costs	176,838	173,479
	235,092	223,639

7 Staff costs (continued)

b) Number of employees

The average number of employees expressed as full time equivalents was as follows:

	2021 No.	2020 No.
Management staff	3	3
Cleaners	1	1
	4	4

c) Higher paid employees

	2021 No.	2020 No.
£90,001 - £100,000	1	1

d) Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Executive Committee and the Chief Executive. The total cost of employment (including taxable benefits, employer's pension contributions and employer's national insurance contributions) of the key management personnel for the year was £111,351 (2020 - £108,425).

8 Tangible fixed assets

Group and charity	Freehold property £	Improvements to freehold property £	2021 £
Cost			
As at 1 April 2020 and at 31 March 2021	2,330,204	415,187	2,745,391
Depreciation			
At 1 April 2020	811,288	223,174	1,034,462
Charge for year	38,396	12,801	51,197
At 31 March 2021	849,684	235,975	1,085,659
Net book values			
At 31 March 2021	1,480,520	179,212	1,659,732
At 31 March 2020	1,518,916	192,012	1,710,928

The Executive Committee considers the market value of land and buildings to be in excess of carrying value. However, it is not practical to quantify the difference.

As at 31 March 2021, the charity had no capital commitments (2020 - £nil).

9 Investments

a) Listed investments

	2021 £	2020 £
Group and charity		
At 1 April 2020	2,710,319	3,823,494
Purchases at cost	706,041	236,576
Disposal proceeds	(755,334)	(1,107,911)
Increase (decrease) in market value	462,087	(241,840)
Market value as at 31 March 2021	3,123,113	2,710,319
Cash on deposit and dealing account	8,720	1,527,586
Total investments as at 31 March 2021	3,131,833	4,237,905
Analysis by type – UK listed investments		
. Equities and unit trusts	2,075,375	1,401,975
. Fixed interest	808,758	1,074,863
. Charities Property Fund	105,805	107,697
. Alternative assets	133,175	125,784
	3,123,113	2,710,319
Cash on deposit and dealing account	8,720	1,527,586
	3,131,833	4,237,905
Historical cost of the above	2,282,056	3,184,876

As at 31 March 2021, no individual investment holding represented a material amount of the total portfolio valuation.

b) Investment in subsidiary undertaking

The charity owns the entire issued share capital of £1 in ST Property Company Limited, a company registered in England and Wales (Company Registration Number 09555468). The subsidiary was set up on 22 April 2015. The results of the subsidiary for the year ended 31 March 2021 are set out below.

	2021 £	2020 £
Turnover	—	—
Cost of sales	—	—
Operating expenses	53,760	50,278
Operating loss	(53,760)	(50,278)
Loss brought forward	(198,573)	(148,295)
Retained loss	(252,333)	(198,573)

At 31 March 2021, ST Property Company Limited had retained losses of £252,333 (2020 - £198,573) and called up share capital of £1 (2020 - £1). The results and balance sheet figures have been consolidated on a line by line basis within the accounts of the Sheppard Trust.

10 Current asset investments

Group and charity	2021 £	2020 £
At 1 April 2020	1,518,275	2,310,086
Net investment (withdrawals)	500,000	(800,000)
Interest re-invested	7,073	15,473
Increase (decrease) in market value	11,764	(7,284)
Market value at 31 March 2021	<u>2,037,112</u>	<u>1,518,275</u>
Analysis by type – UK listed investments		
. Equities and unit trusts	<u>2,037,112</u>	<u>1,518,275</u>
Historical cost of the above	<u>1,919,591</u>	<u>1,419,591</u>

As at 31 March 2021, all current asset investments were invested in the Royal London Cash Plus Fund Y (Inc)

11 Debtors

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Legacies receivable	232,588	232,588	207,703	207,703
Residents' maintenance contributions	8,989	8,989	11,143	11,143
Gift aid receivable	2,699	2,699	2,351	2,351
VAT recoverable	3,771	—	6,377	—
Prepayments – operational	4,746	4,746	4,211	4,211
Prepayments – development costs	1,930,512	500,000	1,807,890	500,000
Due from subsidiary undertaking	—	1,719,617	—	1,618,027
Other debtors and interest receivable	4,799	4,799	26,897	26,896
	<u>2,188,104</u>	<u>2,473,438</u>	<u>2,066,572</u>	<u>2,370,331</u>

12 Creditors: amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Social security and taxation	4,761	4,761	4,720	4,720
VAT payable	—	—	1,887	—
Accruals	41,519	30,746	54,934	29,123
	<u>46,280</u>	<u>35,507</u>	<u>61,541</u>	<u>33,843</u>

13 Provision for liabilities

Group and charity	2021 £	2020 £
Pension deficit liabilities (note 17)	<u>42,000</u>	<u>32,000</u>

14 Restricted and Special trust funds

Group and charity	At 1 April 2020 £	Income £	Expenditure £	Gains and losses £	As at 31 March 2021 £
Restricted funds					
Extraordinary repair fund	27,277	364	—	2,246	29,887
Capital grant fund	749,190	—	(18,938)	—	730,252
Maintenance fund	—	6,104	(6,104)	—	—
	<u>776,467</u>	<u>6,468</u>	<u>(25,042)</u>	<u>2,246</u>	<u>760,139</u>
Special trust funds					
Endowment fund	1,225,410	—	(19,458)	37,594	1,243,546
Restricted fund	1,000	—	—	—	1,000
	<u>1,226,410</u>	<u>—</u>	<u>(19,458)</u>	<u>37,594</u>	<u>1,244,546</u>

Restricted funds

The Extraordinary Repair Fund may only be used for extraordinary repair, improvement or development of the Trust's property. The Capital Grant Fund represents the unamortized portion of the Social Housing Grant received towards the cost of land and buildings. The Maintenance Fund may only be used for the maintenance of the Trust's property.

Special trust funds

The Special Trust Funds are properties and investments endowed to the unincorporated charity which cannot be fully transferred. The properties are depreciated as per the accounting policy on page 29 and any income earned on the investments may only be used on the maintenance of the Trust's properties.

Allocation between funds

Repairs are allocated firstly against the income of the Maintenance Fund which is originally generated from the Endowment and Maintenance Fund. Any excess expenditure is then allocated to the Extraordinary Repairs Fund before being spent from unrestricted funds.

Investment income and the valuation adjustment are apportioned between funds in the ratio of the market value of the separate funds at the beginning of the accounting period.

14 Restricted and Special trust funds (continued)

<i>Group and charity</i>	<i>At 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains and losses £</i>	<i>As at 31 March 2020 £</i>
<i>Restricted funds</i>					
<i>Extraordinary repair fund</i>	27,744	548	—	(1,015)	27,277
<i>Capital grant fund</i>	768,128	—	(18,938)	—	749,190
<i>Maintenance fund</i>	—	9,353	(9,353)	—	—
	<u>795,872</u>	<u>9,901</u>	<u>(28,291)</u>	<u>(1,015)</u>	<u>776,467</u>
<i>Special trust funds</i>					
<i>Endowment fund</i>	1,262,205	—	(19,458)	(17,337)	1,225,410
<i>Restricted fund</i>	1,000	—	—	—	1,000
	<u>1,263,205</u>	<u>—</u>	<u>(19,458)</u>	<u>(17,337)</u>	<u>1,226,410</u>

15 Net assets between funds

Fund balances at 31 March 2021 are represented by:

Group	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2021 £
Tangible fixed assets	179,212	—	1,480,520	1,659,732
Investments	2,607,668	29,887	494,278	3,131,833
Net current assets	9,023,251	—	—	9,023,251
Inter-fund account (note 16)	—	730,252	(730,252)	—
Provisions	(42,000)	—	—	(42,000)
	<u>11,768,131</u>	<u>760,139</u>	<u>1,244,546</u>	<u>13,772,816</u>

Charity	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2021 £
Tangible fixed assets	179,212	—	1,480,520	1,659,732
Investments	2,607,669	29,887	494,278	3,131,834
Net current assets	9,275,583	—	—	9,275,583
Inter-fund account (note 16)	—	730,252	(730,252)	—
Provisions	(42,000)	—	—	(42,000)
	<u>12,020,464</u>	<u>760,139</u>	<u>1,244,546</u>	<u>14,025,149</u>

15 Net assets between funds (continued)

Group	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2020 £
Tangible fixed assets	192,012	—	1,518,916	1,710,928
Investments	3,753,944	27,277	456,684	4,237,905
Net current assets	7,452,498	—	—	7,452,498
Inter-fund account (note 16)	—	749,190	(749,190)	—
Provisions	(32,000)	—	—	(32,000)
	11,366,454	776,467	1,226,410	13,369,331

Charity	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2020 £
Tangible fixed assets	192,012	—	1,518,916	1,710,928
Investments	3,753,945	27,277	456,684	4,237,906
Net current assets	7,651,070	—	—	7,651,070
Inter-fund account (note 16)	—	749,190	(749,190)	—
Provisions	(32,000)	—	—	(32,000)
	11,565,027	776,467	1,226,410	13,567,904

16 Inter-fund accounts

Group and charity	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2021 £
Amount due to Sheppard Trust (1133356)	—	730,252	(730,252)	—

Group and charity	Unrestricted funds £	Restricted funds £	Special trust funds £	Total 2020 £
Amount due to Sheppard Trust (1133356)	—	749,190	(749,190)	—

This amount represents the interest in the Trust's freehold property arising from the unamortised proportion of Housing Corporation grants received for their development.

This portion of the property's value demonstrably did not arise from the endowments of the charity and has therefore been transferred to the Incorporated Charity, represented as a debt due should the value of the property be crystallised.

17 Pension Scheme

From 1 October 2010, the Trust offers new joiners participation in the defined contribution section of the Social Housing Pension Scheme, having previously offered entry into the defined benefit section. The Trust closed the defined benefit section to new entrants at the same date.

Social Housing Pension Scheme (Defined Contribution)

This scheme is administered by The Pensions Trust and is a defined contribution scheme. The employer contribution rate payable by the Trust per annum is 6%.

Social Housing Pension Scheme (Defined Benefit)

The Trust participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Trust is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The latest estimated employer debt on withdrawal from the scheme, being as at 30 September 2020, is £234,151. (2019 - £255,802).

From 1 April 2019, the deficit contributions required from the charity were £8,442 per annum.

For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the Trust to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

17 Pension Scheme (continued)

Social Housing Pension Scheme (Defined Benefit) (continued)

Defined benefit liability

	2021 £	2020 £
Fair value of plan assets	315,000	281,000
Present value of defined benefit obligation	(357,000)	(313,000)
Deficit in plan recognised	(42,000)	(32,000)

Reconciliation of opening and closing balances of defined benefit obligation

	Year to 31 March 2021 £	Year to 31 March 2020 £
Defined benefit obligation at start of period	313,000	338,000
Current service cost	8,000	9,000
Expenses	2,000	2,000
Interest expense	8,000	7,000
Contributions by plan participants	3,000	3,000
Actuarial (gains) losses due to scheme experience	(10,000)	1,000
Actuarial losses (gains) due to changes in demographic assumptions	2,000	(4,000)
Actuarial losses (gains) due to changes in financial assumptions	43,000	(26,000)
Benefits paid and expenses	(12,000)	(17,000)
Defined benefit obligation at end of period	357,000	313,000

Reconciliation of opening and closing balances of the fair value of plan assets

	Year to 31 March 2021 £	Year to 31 March 2020 £
Fair value of plan assets at start of period	281,000	267,000
Interest income	7,000	5,000
Experience gain on plan assets	19,000	6,000
Employer contributions	17,000	17,000
Member contributions	3,000	3,000
Benefits paid and expenses	(12,000)	(17,000)
Fair value of plan assets at end of period	315,000	281,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £26,000. (2020 - £11,000).

17 Pension Scheme (continued)***Social Housing Pension Scheme (Defined Benefit) (continued)****Defined benefit costs recognised in the statement of financial activities*

	Year to 31 March 2021 £	Year to 31 March 2020 £
Included in expenditure on charitable activities		
Current service cost	8,000	9,000
Expenses	2,000	2,000
Net interest expense	1,000	2,000
Total expense	11,000	13,000
	Year to 31 March 2021 £	Year to 31 March 2020 £
Included in other recognised gains and losses		
Experience gains on plan assets	19,000	6,000
Experience gains (losses) arising on the plan liabilities	10,000	(1,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	(2,000)	4,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	(43,000)	26,000
Total (losses) gains	(16,000)	35,000

Assets

The charity's share of assets held within the Scheme at 31 March 2021 are shown below. None of the fair values of the assets include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

	2021 £	2020 £
Absolute Return	17,000	15,000
Alternative Risk Premia	12,000	20,000
Corporate Bond Fund	19,000	16,000
Credit Relative Value	10,000	8,000
Distressed Opportunities	9,000	5,000
Emerging Markets Debt	13,000	8,000
Global Equity	50,000	41,000
High Yield	9,000	—
Infrastructure	21,000	21,000
Insurance-Linked Securities	8,000	9,000
Liability Driven Investment	80,000	93,000
Liquid Credit	4,000	—
Long Lease Property	6,000	5,000
Net Current Assets	2,000	1,000
Opportunistic Credit	9,000	—
Opportunistic Illiquid Credit	8,000	7,000
Private Debt	7,000	6,000
Property	7,000	6,000
Risk Sharing	11,000	9,000
Secured Income	13,000	11,000
Total assets	315,000	281,000

17 Pension Scheme (continued)

Social Housing Pension Scheme (Defined Benefit) (continued)

Key assumptions

	31 March 2021 % p.a.	31 March 2020 % p.a.
Discount rate	1.86	2.46
Inflation (RPI)	3.40	2.76
Inflation (CPI)	2.74	1.76
Salary Growth	3.74	2.76
Allowance for commutation of pension for cash at retirement	75%	75%

Mortality assumptions at 31 March 2021 imply the following life expectancies

	Life expectancy at age 65
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

18 Trustees and indemnity insurance

As a member of the National Housing Federation, the Trust was covered by a Directors and Officers Liability Insurance policy until 31 March 2021. The total amount of cover for the Trust was £5 million, subject to an annual aggregate limit of £30 million for the policy as a whole. From 1 April 2021 the National Housing Federation ceased to offer this cover and the Trust was covered by a Directors and Officers Management Protection policy with a total cover of £1 million for any one claim.

19 Contingent liability

The properties at Lansdowne Walk are owned by The Sheppard Trust, but refurbishments to them in the 1980s and 1990s were partially funded through a Housing Corporation Social Housing Grant amounting to £1.3 million. Should the properties at Lansdowne Walk be sold, repayment provisions for the total grant may crystallise resulting in an amount of up to £1,339,524 becoming repayable.

The Executive Committee has asked the Greater London Authority, the successor body to the Housing Corporation in London, to exercise its discretion to allow the Trust to defer repayment of the grant if it sells its present properties and uses the sale proceeds to develop replacement social housing.

20 Related party transactions

The charity owns the entire share capital in ST Property Company Limited (note 9b). During the year, the charity recharged costs of £51,591 (2020 - £49,851) to the company. At 31 March 2021, ST Property Company Limited owed the charity £1,719,618 (2020 - £1,618,027) relating to costs settled by the charity in order to support the company's cash flow needs.

Other than Executive Committee members expenses, as disclosed in note 7, there were no further related party transactions.