



Selby & District  
HOUSING TRUST

**Selby and District Housing Trust**  
(A company limited by guarantee)

**Report and Financial Statements  
For the Year Ended 31 March 2022**

**Charity Number 1157240  
Company Number 08548526**

**Selby and District Housing Trust**  
(A company limited by guarantee)

**Financial Statements**  
**For the Year Ended 31 March 2022**

<b>Contents</b>	<b>Page</b>
Report of the Board	2 - 7
Independent auditor's report to the members	8 – 11
Statement of Financial Activities	12
Balance Sheet	13
Notes forming part of the financial statements	14- 19

## **Selby and District Housing Trust**

### **Report of the Board for the year ended 31 March 2022**

The Board presents its directors' report and financial statements, independently audited, for the year ended 31 March 2022.

#### **Reference and Administrative Information**

Charity Name: Selby and District Housing Trust

Charity registration number: 1157240

Company registration number: 08548526

Registered Office and operational address: The Civic Centre,  
Doncaster Road,  
Selby  
YO8 9FT

#### **Board Members**

Councillor John Maurice Mackman	Director and Chair (Council appointed Trustee)
Robert John Chambers	Director and Vice Chair (Ordinary Trustee)

Councillor Stephanie Duckett	Director (Council appointed Trustee)
Mrs Gillian Ivey	Director (Council appointed Trustee)
Michael Richard Werritt	Director (Ordinary Trustee)
Alan Catterick	Director (Ordinary Trustee)
Vacancy	

#### **Secretary and Director**

Sarah Thompson  
(N.B. Sarah Thompson resigned as Company Secretary on 31<sup>st</sup> May 2021. Anna-Marie McGlanaghey was appointed Company Secretary in June 2021 until August 2022, after which, Sarah Thompson re-assumed the role.)

#### **Managing Director**

Stuart Robinson

#### **Finance Director**

Rob Parkes

**Independent Auditors** – Saffery Champness LLP, Mitre House, North Park Road, Harrogate HG1 5RX

**Bankers** - Barclays Bank plc, of Market Place, Selby, YO8 4NX

#### **Solicitors:**

- Bevan Brittan LLP (Kings Orchard 1 Queen Street Bristol BS2 0HQ) have provided independent advice to the Trust on a case-by-case basis.
- Trowers & Hamlin LLP (3 Bunhill Row, London, EC1Y 8YZ) have supported the Trust's work on a prospective sale of Trust properties.

## **Structure, Governance and Management**

### Governing Document

Selby District Housing Trust ('the Trust') is a public benefit entity limited by guarantee, incorporated on 29 May 2013 and registered as a Charity on 29 May 2014. The trust is incorporated in the UK and registered in England and Wales.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members, and ex-members within twelve months of ceasing to be members, are required to contribute an amount not exceeding £10.

### Recruitment and Appointment of the Board

The directors of the company are also Charity trustees for the purposes of Charity law and under the Company's Articles are known as members of the Board. There are seven trustee positions, three Council Trustees, nominated by Selby District Council and four individuals appointed or elected as Ordinary Trustees. The Board has a vacancy and this was carried throughout 2021/22 as there were no applications put forward for the appointment of the 4<sup>th</sup> Ordinary Trustee.

Under the requirements of the Memorandum and Articles of Association the Council Trustees shall be appointed by Selby District Council to serve for such period of office as shall be confirmed by the Council. One Ordinary Trustee must retire at each annual General Meeting, the longest in office retiring first and the choice between any of equal service being made by drawing lots. Each retiring Ordinary Trustee shall be eligible for reappointment at the Annual General Meeting but if they are not reappointed the retiring Ordinary Trustee shall vacate office at the conclusion of the meeting.

All members of the Board give their time voluntarily and received no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 5 to the accounts.

### Trustee Induction and Training

New Trustees are given an induction session with Trust Officers. This session provides the Trustee with expectations of them in the role as well as governance arrangements and the latest position on current schemes. New Trustees are provided with a welcome pack that includes the Articles of Association and the Charity Commission Guidance entitled 'The Essential Trustee'.

### Risk Management

The Trust has an organisational risk register which is reviewed regularly by the Finance and Governance Committee. Systems and procedures have been established to mitigate the risks the Charity faces and the risk register is updated on a six-monthly basis. Key risks identified in the register are around access to revenue funding, health and safety and capacity and resilience of the Trust. All have risk mitigation/controls in place.

### Organisational Structure

The Selby and District Housing Trust has a Board of Trustees of up to seven members who meet quarterly and are responsible for the strategic direction and policy of the Charity. At present the Board has 6 members from a variety of professional backgrounds relevant to the work of the Charity. The Board is supported by a Managing Director, a Financial Director and the Company Secretary. These posts are filled by volunteers. Selby District Council has

provided funding for the appointment of a part-time Housing Manager who also supports the Board. The Housing Manager left the organisation in March 2022 and the role remains vacant. The duties are currently being carried out by other members of the management team.

The Housing Manager or equivalent requests authority to deliver elements of the build projects as necessary through regular reports to the Board. Urgent items for which no delegated authority exists are progressed via electronic mail to Board members as permitted under the Articles of Association.

### Related Parties

In so far as it is complementary to the Charity's objects, the Charity is guided by both local and national policy. At a local level Selby District Council has offered funding and has donated services as well as allowing its staff to provide services under their volunteer programme at no cost to the Trust.

## **Our Aims and objectives**

### Purposes and Aims

Our Charity's purposes as set out in the objects contained in the company's memorandum of association are to carry on for the benefit of the community (on a not-for-profit basis):

- a. The provision and management of housing, social housing, hostels and other residential accommodation to people in necessitous circumstances;
- b. The provision of associated amenities, facilities and services for those housed by the Charity or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;

and on a basis which is associated with or incidental to objectives a and b

- c. The provision of recreation or other leisure facilities in the interest of social welfare;
- d. The relief of poverty;
- e. The advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience;
- f. The maintenance, improvement or provision of public amenities for the public benefit in the interests of regeneration in areas of social and economic deprivation;
- g. Any other charitable object that can be carried out from time to time by a company registered as a provider of social housing with the Regulator.

The aims of our Charity are to provide housing at 80% of market rent to those meeting the criteria set out in a. or b. above.

### Ensuring our work delivers our aims

During the course of 2020/21 the Trust developed a detailed 30 year Finance Plan and has continued to use that in the current financial year. We review our governance arrangements each year, and we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when we review our aims, objectives and in planning future activities.

### The focus of our work

Our main objectives for the year were to continue to identify, in partnership with Selby District Council, property that could be used to enable us to meet our charitable aims.

The Trust's original five year plan was to provide 56 homes which we can offer at 80% of the prevailing market rent to those who meet our tenant criteria

In 2014/15 we acquired two separate sites in Tadcaster which provide 5 homes towards this target. During 2017/18 work began on a further 2 sites, one in Selby and one in Riccall. Our Riccall scheme of five houses, was handed over in 2018. Also in 2018, we agreed the purchase of 12 s106 homes in Ulleskelf, our first s106 purchase. Six homes were handed over to us in late 2018, and the remaining six came across in April 2019, all were let immediately. In addition, the Trust took handover of a further 12 new build houses in Selby town in the first half of 2019/20. At the end of 2021/22 the Trust owned 34 homes.

No development opportunities have been pursued in 2021/22 beyond the discussion stage. As such the Trust has not added to its portfolio over the past year. In 2021, Selby District Council updated its Medium Term Financial Strategy. The updated Strategy materially changed the Council's approach to its housing development plans as the Council will now support the development of homes in Selby solely through its own means (i.e. it will only support direct delivery by the Council itself). As such, Council loans and grants will no longer be made available to the Charity for development purposes. In addition, although the Trust has been in discussion with a number of developers regarding purchase of further homes, the number of tangible opportunities coming forward over the year has been minimal. This is similar to the experience in the previous financial year.

There are no paid employees of the Trust. Selby District Council has employed a part time Housing Manager and this has been provided to the Trust as a donated service until the incumbent's departure in March 2022 (the income and equivalent expenditure are included in the SOFA as donated services). The Housing Manager's role is to support the Trust to develop and grow its business and, working closely with the Council, ensuring our properties are managed well giving excellent customer service. The Trust's homes are managed and maintained by Selby District Council through a Service Level Agreement. Because the Trust is not developing or growing at this stage it has not been necessary to fill the vacant Housing Manager role.

In addition, the Trust pay Selby District Council for 180 hours per annum financial administration support.

Other managerial and administrative services are being provided on a volunteer basis by staff with the relevant skills and qualifications. Staff are sometimes, but not exclusively employed by Selby District Council. This is estimated to be approximately 266 hours per annum in total with the value equal to £5,300 (this is included in the Accounts as a donated service) (£5,300 also for the previous year ended 31<sup>st</sup> March 2021).

### **How our activities deliver public benefit**

Our main activities and who we try to help are described in our purposes and aims. All our charitable activities focus on the housing market and are undertaken to further our charitable purposes for the public benefit.

### **Who used and benefited from our services?**

At the end of 2021/22 the Trust provided 34 affordable homes for rent to the residents of Selby District. Occupation has been excellent with none of the Trust's properties coming void in the year and tenants have been satisfied with the homes provided by the Trust.

The main area of charitable activity and the achievements that flowed from our work during 2021/22 are related to the provision of affordable homes for rent in Selby District.

The Trust continued to operate as a Landlord during 2021/22, providing 34 homes in the District. The Trust continued to work closely with Selby & District Council to ensure that viable development schemes are brought forward and that a pipeline of land and development opportunities are identified where appropriate.

## **Financial Review**

With continuing limited resources the Charity had satisfactory financial performance for the period. We successfully managed the 34 properties with zero void loss – no properties became void in the year with our occupation rate at 100% against a target of 97.5%. Our rent arrears remain low at 4.2% (as at February 2022), below our target of 5%.

The Trust made a loss in the financial year of £447k. This is after non-cash costs including impairment of £425k because the Trust plans to sell its assets to Selby District Council at less than the previous book value. This transaction and pricing has been agreed with the Charity Commission. There was no capital expenditure in the year.

### Principal Funding Sources

Selby District Council has funded the Trust by offering loans and grants where applicable, to acquire and develop suitable property for the Trust. The loans are repayable over a period of 30+ years and incur interest charges above the prevailing Public Works Loan Board interest rate at the time of signing the loan.

### Investment Policy

Aside from retaining a modest amount in the General Reserve each year most of the Charity's funds are to be spent in the short term so currently there are no funds for long term investment. The Board has decided that repaying the loans advanced by Selby District Council at present takes priority over building up reserves to invest externally.

### Reserves Policy

There are no restricted funds at 31<sup>st</sup> March 2022 (Nil at 31<sup>st</sup> March 2021). All unrestricted funds must be used to further the charitable purpose of the Trust. Reserves as at 31<sup>st</sup> March 2021 were £469,255 reducing to £22,412 as at 31<sup>st</sup> March 2022.

### Going Concern

The Financial Statements have been prepared on a basis other than going concern. The Trust is in the process of selling its housing assets to Selby District Council prior to winding up the Trust. The housing assets have been written down to their net realisable value. No other accounting adjustments have been made in relation to this matter. There are no other foreseen costs of winding up the Trust with the exception of legal and administrative costs. The Trust remains reliant on the Council for services until the Trust winding up process is completed and there are no indications that the Council intends to remove or restrict the access to these services in this period. The transaction date for the sale and completion of the wind up process have yet to be set. Further details can be found in the accounting policies and in the Plans for Future Periods.

## **Plans for Future Periods**

The Trust has undertaken a review of its activities as a result of the Council's decision to review its own housing development plans last year. This followed a change in the operating environment due to Covid-19 and the Local Government re-organisation across North Yorkshire. The Trustees have determined that the best outcome for the Trust and its original

aims is to sell the housing assets to Selby District Council and subsequently wind up the Trust. The Trust is in the process of finalising the sale transaction and will then seek to wind up the Trust. It is anticipated that the sale proceeds will allow the Trust to meet all of its obligations and to settle all of its liabilities.

### **Statement of trustees' responsibilities**

The trustees (who are also directors of Selby & District Housing Trust for the purposes of company 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 trustees 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 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees 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.

### **Members of the Board**

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of Charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's independent auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's independent auditors are aware of that information.

Approved by the Board on 25<sup>th</sup> January 2023 and signed on its behalf by:



Councillor John Mackman



## **Independent auditor's report to the members**

### **Opinion**

We have audited the financial statements of Selby & District Housing Trust for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet 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 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 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.

### **Emphasis of matter**

We draw attention to note 1 of the financial statements which describes how The Board of Selby & District Housing Trust have made the decision to wind up the trust, and as such the Board Members do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

### **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 Report of the Board 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.
- 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 Report of the Board.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Other matters which we are required to address**

In the previous accounting period the directors of the trust took advantage of the audit exemption under s477 of the Companies Act 2006. The trust was eligible for independent examination which was carried out under section 145 of the Charities Act 2011.

**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.

*Saffery Champness LLP*

.....

Sally Appleton (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors

Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

Date: 27 January 2023

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

## Selby and District Housing Trust

### Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 March 2022

Unrestricted Funds 2020/21 £	Restricted 2020/21 £	Total Funds 2020/21 £		Note	Unrestricted Funds 2021/22 £	Restricted 2021/22 £	Total Funds 2021/22 £
<b>Incoming Resources</b>							
			Incoming Resources from				
(219,858)	-	(219,858)	Rent Income	2	(229,802)	-	(229,802)
			Other Incoming Resources				
-	-	-	Grants	2	-	-	-
(28,341)	-	(28,341)	Donated Services	2	(28,755)	-	(28,755)
-	-	-	Net Proceeds from Asset held for Sale	2	-	-	-
(248,199)	-	(248,199)	Total Incoming Resources		(258,557)	-	(258,557)
<b>Resources Expended</b>							
			Charitable Activities				
222,215	-	222,215	Property Management	3	670,537	-	670,537
1,683	-	1,683	Governance Costs	3	6,108	-	6,108
28,341	-	28,341	Other Resources Expended	3	28,755	-	28,755
252,239	-	252,239	Total Resources Expended		705,400	-	705,400
4,040	-	4,040	Net Incoming Resources		446,843	-	446,843
<b>Other Recognised Gains/Losses</b>							
			Gains on revaluation of Fixed Assets				
-	-	-			-	-	-
4,040	-	4,040	Net Movement in Funds	12	446,843	-	446,843
<b>Reconciliation of Funds</b>							
(473,295)	-	(473,295)	Total Funds Brought Forward		(469,255)	-	(469,255)
(469,255)	-	(469,255)	Total Funds Carried Forward		(22,412)	-	(22,412)

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

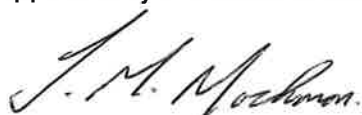
## Selby and District Housing Trust

### Balance Sheet as at 31 March 2022

2020/21		Note	2021/22
£			£
	<b>Fixed Assets</b>		
3,251,963	Tangible Assets	7	2,769,984
3,251,963	Total Fixed Assets		2,769,984
	<b>Current Assets</b>		
80,811	Debtors	8	186,899
148,697	Cash at bank and in hand	8	15,427
229,508	Total Current Assets		202,326
	<b>Current Liabilities</b>		
(274,240)	Creditors due within one year	9	(270,686)
(44,732)	Net Current Assets/(Liabilities)		(68,360)
3,207,231	Total Assets less Current Liabilities		2,701,624
	<b>Long Term Liabilities</b>		
(2,737,976)	Loans	10	(2,679,212)
(2,737,976)	Total Long Term Liabilities		(2,679,212)
469,255	<b>Net Assets</b>		22,412
	<b>Unrestricted Funds</b>		
(109,139)	Revaluation Funds		(109,139)
(360,116)	General Funds		86,727
(469,255)	Total Unrestricted Funds		(22,412)
(469,255)	<b>Total Funds</b>		(22,412)

These accounts are prepared in accordance with the provisions in the Companies Act 2006 relating to the small companies' regime. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 25<sup>th</sup> January 2023 and signed on its behalf by:



Councillor John Mackman, Chair



Rob Parkes, Finance Director

## **Notes forming part of the Financial Statements for the year ended 31 March 2022**

### **1. Accounting Policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

#### **(a) Basis of accounting**

- The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) issued in 2019.
- The use of the going concern basis of accounting is not appropriate and so the accounts have been prepared on a basis other than going concern. The Trust is in the process of selling its housing assets to Selby District Council prior to winding up the Trust. The housing assets have been written down to their net realisable value. Fixed assets continue to be recorded as non-current assets as their use has not changed. No other accounting adjustments have been made in relation to this matter. There are no other foreseen costs of winding up the Trust with the exception of legal and administrative costs. The Trust remains reliant on the Council for services until the Trust winding up process is completed and there are no indications that the Council intends to remove or restrict the access to these services in this period.
- The transaction date for the sale and completion of the wind up process have yet to be set. At the time of selling the properties to Selby District Council, the intention is to settle the loans to Selby District Council. The contractual terms of the loans, however, have not changed and therefore part of the loans continue to be recorded as non-current despite the intention to settle them within 12 months.

#### **(b) Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.
- Designated funds are unrestricted funds earmarked by the Board for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

#### **(c) Incoming resources**

All incoming resources are included in the statement of financial activities when the Charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Charity where this can be quantified. This includes the services of Senior Management and Company Secretary. The Trust from time to time may call on the services of other general volunteers and the value of these services is not included in the accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance.



#### (d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Accounts on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage as set out in Note 3.

#### (e) Fixed assets

Fixed assets are initially measured at cost, which includes purchase price and costs attributable to bringing the asset into use. They are then valued at fair value, determined as the amount that would be paid for it in its existing use as social housing, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 60 years. Depreciation is charged from the first year the asset is brought into use. Revaluation of buildings are undertaken at least five yearly but may be done more often if there is evidence of rapid changes in property values. Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence, or other relevant factors.

#### (f) Financial Instruments

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

### 2. Total Incoming Resources

Unrestricted Funds £	Restricted Funds £	Total 2020/21 £		Unrestricted Funds £	Restricted Funds £	Total 2021/22 £
-	-	-	Grant from Selby District Council	-	-	-
(28,341)	-	(28,341)	Donated Services	(28,755)	-	(28,755)
(219,858)	-	(219,858)	Rent & Service Charges	(229,802)	-	(229,802)
(248,199)	-	(248,199)		(258,557)	-	(258,557)

The donated services are for the part-time housing manager and the value of the donated services for the Managing Director, Finance Director and Company Secretary. The related costs can be seen in note 3. There are no unfulfilled conditions attached.



### 3. Total Resources Expended

	Basis of Allocation	Other Resources £	Charitable Activities £	Governance £	Total 2021/22 £
<b>Costs directly allocated to activities</b>					
Trust Administration Expenses	Direct	-	18,089	6,108	24,197
Property Development	Direct	-	127,981	-	127,981
Property Management	Direct	28,755	524,467	-	553,222
		28,755	670,537	6,108	705,400

	Basis of Allocation	Other Resources £	Charitable Activities £	Governance £	Total 2020/21 £
<b>Costs directly allocated to activities</b>					
Trust Administration Expenses	Direct	-	11,776	1,683	13,459
Property Development	Direct	-	119,723	-	119,723
Property Management	Direct	28,341	90,716	-	119,057
		28,341	222,215	1,683	252,239

Other resources refers to the donated services of the Housing Manager, the Managing Director, Finance Director and Company Secretary.

### 4. Staff Costs and Numbers

The Trust employs no staff directly. The Trust was provided with a part-time Housing Manager by Selby District Council (SDC). In addition, the Trust pays SDC for financial admin support. The Trust's properties are managed by SDC through a service level agreement. Other functions, e.g. Managerial Services, are provided by volunteers.

### 5. Trustee Remuneration

No members of the Board received any remuneration during the year. No travel costs were reimbursed during 2021-22 (2020-21 – Nil).

No trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year (2020-21 - Nil).

### 6. Taxation

As a Charity, Selby and District Housing Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 7. Tangible Fixed Assets

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Assets under Construction £	Total £
<b>Cost or Valuation</b>				
At 1 April 2021	3,369,807	239,220	-	3,609,027
Additions	-	-	-	-
Transfers	-	-	-	-
Revaluation Increase recognised in Revaluation Reserve	-	-	-	-
At 31 March 2022	3,369,807	239,220	-	3,609,027
<b>Accumulated Depreciation</b>				
At 1 April 2021	(348,520)	(8,544)	-	(357,064)
Charge for the Year	(52,707)	(4,272)	-	(56,979)
Impairment	(425,000)	-	-	(425,000)
Write out Acc Dep'n on Revaluation	-	-	-	-
At 31 March 2022	(826,227)	(12,816)	-	(839,043)
<b>Net Book Value</b>				
At 31 March 2021	3,021,287	230,676	-	3,251,963
At 31 March 2022	2,543,580	226,404	-	2,769,984

An independent, professional valuation using the Existing Use Value – Social Housing methodology was last completed on all properties in July 2019, and it was calculated as at 31st March 2019. An impairment of £425k was charged because the Trust plans to sell its assets to Selby District Council at less than the previous book value. This transaction and pricing has been agreed with the Charity Commission.

## 8. Current Assets

2020/21		2021/22
£	Debtor	£
72,580	Selby District Council	179,111
8,231	Prepayments and accrued income	7,788
148,697	Cash at bank and in hand	15,427
229,508	Total	202,326

## 9. Creditors: Amounts Falling Due within One Year

2020/21		2021/22
£	Creditor	£
(188,001)	Selby District Council	(193,754)
(55,241)	Loans (Selby District Council)	(57,526)
(30,998)	Other Creditors	(19,407)
(274,240)	Total	(270,686)

## 10. Creditors: Amounts Falling Due after more than One Year

2020/21	2021/22
£	£
(2,737,976) Loans	(2,679,212)
<u>(2,737,976) Total</u>	<u>(2,679,212)</u>

The fixed assets are primarily being funded by loans from Selby District Council. Existing loans are repayable over 30 years. All of the loans are secured against the title of the properties, which they were used to fund.

## 11. Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	31 March 2021/22 £
Tangible Fixed Assets	2,769,984	-	-	2,769,984
Current Assets	202,326	-	-	202,326
Current Liabilities	(270,686)	-	-	(270,686)
Long-Term Liabilities	(2,679,212)	-	-	(2,679,212)
Net Assets at 31 March 2022	22,412	-	-	22,412

	General Funds £	Designated Funds £	Restricted Funds £	31 March 2020/21 £
Tangible Fixed Assets	3,251,963	-	-	3,251,963
Current Assets	229,508	-	-	229,508
Current Liabilities	(274,240)	-	-	(274,240)
Long-Term Liabilities	(2,737,976)	-	-	(2,737,976)
Net Assets at 31 March 2021	469,255	-	-	469,255

## 12. Movements in Funds

	1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	31 March 2022 £
<b>Unrestricted Funds</b>					
Revaluation Funds	(109,139)	-	109,139	-	-
General Fund	(360,116)	(258,557)	596,261	-	(22,412)
Total Unrestricted Funds	<u>(469,255)</u>	<u>(258,557)</u>	<u>705,400</u>	<u>-</u>	<u>(22,412)</u>
Total Funds	<u>(469,255)</u>	<u>(258,557)</u>	<u>705,400</u>	<u>-</u>	<u>(22,412)</u>

For further details of the revaluation see note 7.

### 13. Remuneration of the Auditors

The remuneration of £11k related solely to the external audit of these financial statements with no additional work undertaken.

### 14. Related Party Transactions

Selby District Council (SDC) nominates three of the seven Trustees positions of the Trust. It provides funding and has donated services at no cost. It also provides paid-for services under a service level agreement.

Related Party transactions with Selby District Council were as follows:

Transactions with SDC	2020/21	2021/22
	£	£
Income		
Grants	-	-
Donated Services	(26,263)	(28,755)
<b>Total Income</b>	<b>(26,263)</b>	<b>(28,755)</b>
Expenditure		
Trust Administration expenses	7,115	4,607
Property Development	119,723	127,981
Property Management	49,632	22,700
<b>Total expenditure</b>	<b>176,470</b>	<b>155,288</b>
Amount receivable from SDC at 31 March	72,580	179,111
Amount payable to SDC at 31 March	(2,981,218)	(2,930,492)