

Charity registration number 1162867

Company registration number 09355345 (England and Wales)

THE THOMAS SCANLAN TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE THOMAS SCANLAN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs T L Mander
	Mrs I A Nicholls
	Mr C W House
	Dr M J Davies
	Mr R L Thompson
	Miss S D Critchley
	Mr C Critchley
	Mr K Barrett
	Mr C W Cooper
Charity number	1162867
Company number	09355345
Registered office	19 Church Street
	Uckfield
	East Sussex
	England
	TN22 1BJ
Auditor	James Todd & Co Limited
	Drayton House
	Drayton Lane
	Chichester
	West Sussex
	England
	PO20 2EW

THE THOMAS SCANLAN TRUST

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THE THOMAS SCANLAN TRUST

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Trust Deed, dated April 1979, allows the Trustees to provide housing for the retired. The Trustees are empowered to provide and maintain homes upon such terms as they agree are fitting and in consideration of the leases. The Trust's properties can be purchased on a leasehold basis at a price determined by an independent surveyor or with a discount calculated using the potential purchasers age and life expectancy (the discount scheme).

As a housing provider for the over 55s (over 60s at Hailsham and Lower Willingdon), we are committed to meeting the growing needs and altering demands of our 'niche' market. We aim to accommodate the requirements of our discerning applicants that join our waiting lists and work to achieve high levels of satisfaction with the housing we provide.

We purchased one of our bungalows, to provide a further rental property to increase our rental portfolio to six. We will continue to review our own housing stock as properties become available, whilst assessing the needs of those on our waiting lists. We offer our rental properties at a 'less than market' rent, based on local authority housing allowances. Our aim is to regularly monitor the need for rental properties, based on our waiting lists and increase that part of our portfolio as funds allow.

As recommended in the maintenance plan prepared by a firm of Chartered Surveyors in 2022, we have continued the process of ensuring satisfactory electrical inspections in all of properties this year.

In September, solar panels were installed at Baker Court using the local council scheme in an effort to help make a difference to rising costs and use cleaner energy sources. This should have a positive impact on the communal supply there which will help with costs paid by the residents for communal lighting. We are registered for the next scheme with a view to installing panels at 6 bungalows at our Willingdon site which will benefit the residents for their own electricity supply.

As properties return to us we are continuing our programme of refurbishment, with particular attention being paid to the updating of bathrooms and kitchens.

This year we consulted a local architect about the possibility of purchasing land to develop a new site comprising 3 new bungalows. Initial planning enquiries were not favourable so the decision was taken not to proceed. We will continue to look for any suitable opportunities.

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit and are aware that it is their duty to administer the charity to further its purposes. They are aware that the Public Benefit must be identifiable and proven. They are also aware that whilst our charity does benefit individuals of a particular section of the public our beneficiaries are deemed to be a sufficient section of the public.

We provide access to contractors and our office staff when maintenance/adaptation issues occur.

Each property is provided with a 'lifeline' system, providing 24hr access to care and emergency services. Some residents choose not to access this. They are able to review this option at any time during their tenure.

We are a 'niche' provider but fulfil a need in a market where 'retirement' housing and associated services are being offered at huge costs by the larger retirement housing companies.

The Thomas Scanlan Trust is a charity and a limited company. We provide affordable housing for the over 55s (over 60s at Hailsham and Lower Willingdon) across 4 locations in East Sussex. Our aim is to provide worry free living.

THE THOMAS SCANLAN TRUST

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

This report is to be viewed in collaboration with our prepared accounts dated 1st April 2023 to 31st March 2024.

The Trust's Treasurer in liaison with the Trustees and Accountant monitor the level of reserves held by the Trust.

The Reserves Policy of the charity outlines the monies that the Trustees would wish to have in reserve for the charity to be able to expand without financial constraints. The Trustees continue to monitor these reserves and to build on them for future developments and/or to pursue their aim to provide rental properties.

Future reserves can be accumulated from the sale of properties on the death of residents. Those sold using our Discount Scheme, automatically revert to the Trust for re-sale.

Reserves for each of the Service Charge Accounts are accrued in separate accounts for each site and used towards items of annual expenditure.

The Discount Property Settlement Reserve Fund is currently £400,000

The Emergency Reserve Fund is set at £100,000

Reserve funds are held in separate accounts with seven financial institutions in order to mitigate the risk of losing funds due to financial collapse. One of these accounts was closed by a provider that no longer offered the correct investment so the funds were invested with Charity Bank which the Trustees felt was a positive choice to further our charitable aims.

As properties become vacant consideration is given to whether properties should be sold or used as rental properties, depending on demand from our waiting lists.

Reserves policy

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Major risks

All major decisions are taken following consultation with all Trustees and where necessary with the participation of professionals.

Trustees meet approximately every two months, where bank balances and financial matters are reviewed and discussed along with the running of the Trust. The Trustees are able to meet via video conferencing if and when necessary. In this past year we have been able to hold meetings in person with the flexibility of Trustees joining by Zoom when appropriate.

Prior to each meeting Trustees are provided with a summary of the movements in the bank accounts and balances.

The General Manager is able to consult with Trustees on a daily basis when necessary. Policies are in place regarding the verification of invoices and payments, and we have a weekly system in place for the approval of invoices by email which is sent to all the Trustees. The Treasurer and Chairman have access to the online banking. Spot checking of invoices is regularly carried out at the office by one Trustee, agreed at each meeting.

Matters requiring consultation are posted or e-mailed to Trustees and decisions made according to the majority. We have commissioned the setting up of a secure 'email' to share pertinent information with the Trustees.

All Trustees are involved/consulted at regular meetings regarding the movement and use of funds. The Treasurer is able to consult with the Trusts Accountant and bankers whenever necessary.

All financial transactions require two signatures. Policies regarding the use of cheques and procedures for making on line payments are detailed in the Trust's Policies File.

The Trust's Risk map is reviewed by a subcommittee of Trustees twice yearly with reference to the Charity Governance Code. The review is then submitted at a meeting of all Trustees and matters requiring attention are then dealt with.

THE THOMAS SCANLAN TRUST

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

We hold a Related Parties Register, updated annually. Trustees are required to declare any personal interest relating to any agenda item prior to each meeting.

Plans for future periods

In the coming year the Trust would like to extend its rental portfolio, funds permitting, in addition with continuing to update and modernise our properties as they become vacant and funds dictate. We will consider any request from current residents to help with the cost of updating bathroom and kitchens.

We are recognising the need to adapt to the changing landscape of retirement and the requirements of existing and future customers. To this end we will continue to prioritise our existing properties and our rental portfolio in the coming year.

Structure, governance and management

Our governing documents are the Trust Deed, formulated as a result of the last will and testament of the late Thomas Arthur Scanlan in which he left the bulk of his estate "to be used in creating a Trust for the purpose of erecting homes for the benefit of retired people"

Following the incorporation of the Trust on 15th December 2014 the Trust is now also governed by Company Law and its Memorandum and Articles of association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs T L Mander
Mrs I A Nicholls
Mr C W House
Dr M J Davies
Mr R L Thompson
Miss S D Critchley
Mr C Critchley
Mr K Barrett
Mr C W Cooper

Recruitment and appointment of trustees

Trustees/Directors come to the Trust via personal recommendation or application. Such persons are invited to attend a meeting of the Trustees and are then guided through what is required of them by one other Trustee. They are provided with information from the Charity Commission as to their role and duties. Following attendance at a meeting and subsequent Q and A, individuals deemed suitable are asked, in writing, to join the board. Following this a formal Deed of Appointment is prepared by the Trust's accountant and all necessary 'legal' checks undertaken. We have now produced a Trustee Induction pack which provides guidance on the role and has links to websites and online training courses to support new Trustees.

Specific Trustee roles are agreed at the AGM, where all officers and Trustees re-affirm their willingness to continue on the board.

The Trustees are always on the lookout for suitable Trustees/ Directors and are mindful of the skills and diversity required.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The day to day running of the Trust is undertaken by the General Manager; in her absence there are two part time administration assistants. The General Manager has delegated powers to deal with the running of the office and the Trusts business with access to the Trustees at all times. Policies are in place and adhered to as well as a guide detailing the daily needs of the office.

THE THOMAS SCANLAN TRUST

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

All staff are monthly paid, the payroll being managed by the Trust's accountant. Salary/hourly rates are reviewed in February each year, with any amendments effective 1st April. Any staff eligible for pension benefits are enrolled unless they decline membership.

Statement of Trustee's responsibilities

The Trustees, who are also the directors of The Thomas Scanlan Trust for the purpose of company law, are responsible for preparing the Trustee's 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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that James Todd & Co Limited be reappointed as auditor of the company will be put at a General Meeting.

The Trustee's report was approved by the Board of Trustees.

Mrs I A Nicholls
Trustee

3 September 2024

THE THOMAS SCANLAN TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE THOMAS SCANLAN TRUST

Opinion

We have audited the financial statements of The Thomas Scanlan Trust (the 'trust') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE THOMAS SCANLAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE THOMAS SCANLAN TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustee's responsibilities, the Trustees, who are also the directors of the trust for the purpose 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

THE THOMAS SCANLAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE THOMAS SCANLAN TRUST

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Buzzard FCA (Senior Statutory Auditor)

12 September 2024

**Chartered Accountants
Statutory Auditor**

Drayton House
Drayton Lane
Chichester
West Sussex
England
PO20 2EW

James Todd & Co Limited is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE THOMAS SCANLAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds Designated 2023 £	Total 2023 £
	Notes						
Income from:							
Charitable activities	3	404,615	-	404,615	708,982	-	708,982
Investments	4	19,308	-	19,308	10,232	-	10,232
Total income		<u>423,923</u>	<u>-</u>	<u>423,923</u>	<u>719,214</u>	<u>-</u>	<u>719,214</u>
Expenditure on:							
Charitable activities	5	160,789	10,966	171,755	162,809	10,568	173,377
Other expenditure	10	322,000	-	322,000	510,595	-	510,595
Total expenditure		<u>482,789</u>	<u>10,966</u>	<u>493,755</u>	<u>673,404</u>	<u>10,568</u>	<u>683,972</u>
Net gains/(losses) on investments	11	<u>-</u>	<u>(2,060)</u>	<u>(2,060)</u>	<u>10,129</u>	<u>1,173</u>	<u>11,302</u>
Net income/(expenditure)		<u>(58,866)</u>	<u>(13,026)</u>	<u>(71,892)</u>	<u>55,939</u>	<u>(9,395)</u>	<u>46,544</u>
Transfers between funds		<u>(300,218)</u>	<u>300,218</u>	<u>-</u>	<u>608,768</u>	<u>(608,768)</u>	<u>-</u>
Net movement in funds	7	<u>(359,084)</u>	<u>287,192</u>	<u>(71,892)</u>	<u>664,707</u>	<u>(618,163)</u>	<u>46,544</u>
Reconciliation of funds:							
Fund balances at 1 April 2023		<u>687,501</u>	<u>5,641,400</u>	<u>6,328,901</u>	<u>22,794</u>	<u>6,259,563</u>	<u>6,282,357</u>
Fund balances at 31 March 2024		<u>328,417</u>	<u>5,928,592</u>	<u>6,257,009</u>	<u>687,501</u>	<u>5,641,400</u>	<u>6,328,901</u>

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

THE THOMAS SCANLAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

		2024	2023
	Notes	£	£
Fixed assets			
Tangible assets	13	291,380	302,346
Investment property	14	5,637,212	5,339,054
		<u>5,928,592</u>	<u>5,641,400</u>
Current assets			
Debtors	15	1,494	8,067
Cash at bank and in hand		1,371,186	1,782,662
		<u>1,372,680</u>	<u>1,790,729</u>
Creditors: amounts falling due within one year	16	<u>(127,276)</u>	<u>(105,383)</u>
Net current assets		<u>1,245,404</u>	<u>1,685,346</u>
Total assets less current liabilities		<u>7,173,996</u>	<u>7,326,746</u>
Creditors: amounts falling due after more than one year	17	<u>(916,987)</u>	<u>(997,845)</u>
Net assets excluding pension liability		<u>6,257,009</u>	<u>6,328,901</u>
Net assets		<u><u>6,257,009</u></u>	<u><u>6,328,901</u></u>
The funds of the trust			
Unrestricted funds - general		328,417	687,501
Unrestricted funds - Designated	20	5,928,592	5,641,400
		<u>6,257,009</u>	<u>6,328,901</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

THE THOMAS SCANLAN TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The financial statements were approved by the Trustees on 3 September 2024

Mr C W House
Trustee

Mr R L Thompson
Trustee

Company registration number 09355345 (England and Wales)

THE THOMAS SCANLAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(130,564)		30,923
Investing activities					
Purchase of tangible fixed assets		-		(5,393)	
Purchase of investment property		(301,546)		(171,432)	
Proceeds from disposal of investment property		1,326		795,724	
Investment income received		19,308		10,232	
Net cash (used in)/generated from investing activities			(280,912)		629,131
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(411,476)		660,054
Cash and cash equivalents at beginning of year			1,782,662		1,122,608
Cash and cash equivalents at end of year			1,371,186		1,782,662

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Thomas Scanlan Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 19 Church Street, Uckfield, East Sussex, TN22 1BJ, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income is derived from 3 main sources; grants of 125 year leases, grants of a life interest lease or rental of property.

Where a life interest lease is granted, the income is spread over the remaining life expectancy of the purchaser. In previous years, the original amount received was spread over the remaining life expectancy. The life expectancy is based on the Life Tables released by the Office of National Statistics. When the estimates are revised, this change in life expectancy is applied prospectively to the income deferral calculations.

Where a 125 year lease is granted, the income is recognised in the year of grant. The trust is also entitled to 5% of the proceeds of any subsequent lease assigned by the original tenant and this income is also recognised in the year of assignment.

Where a property is rented, income is recognised on an accruals basis.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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.

Costs are included within the trust's accounts relate either to the direct provision of residential accommodation or to the support and governance costs associated with the trust's activities.

Included within activities undertaken, directly are general expenses and the costs of subsidising the running of the estates which the trust owns. The main costs within this section relate to the provision for possible settlement of life interest leases if the resident dies or leaves within 10 years of signing the lease. This is covered in more detail in the provisions note below.

Support costs include office and staff costs relating to overseeing the trust's activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Fixtures and fittings	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.10 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

The trust offers a 'Money Back Guarantee' on the life interest leases. The conditions of the guarantee have changed for leases entered into during the current and subsequent years. Existing leases entered into in previous years still have the old conditions attached to them.

Previously, the conditions were that if the tenant dies or leaves within the first 10 years of the grant of the lease, then an amount is paid back to the tenant (or executors) based on the original amount paid which reduces on a straight line basis over the 10 years. This has now been changed so that if an applicant has more than 5 years, but less than 10 years life expectancy, the amount paid back reduces on a straight line basis over 5 years. Applicants with less than 5 years life expectancy will not receive any amount back. Applicants with more than 10 years will have the same conditions as in previous years.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

For existing leases, if at the end of the financial year the life expectancy of a tenant with a life interest lease granted less than 10 years ago is less than 10 years, a provision is calculated to reflect the payment that is anticipated following the death of the tenant within the following 10 years. For new leases, as the tenant's life expectancy will be greater than the term the guarantee payback period runs over, no provision will be recognised.

For existing leases, if at the end of the financial year the life expectancy of a tenant with a life interest lease granted less than 10 years ago is greater than 10 years, a contingent liability is disclosed to reflect the payment that would be required if the tenant were to die within the initial 10 years period. For new leases, all amounts potentially due under the guarantee will be disclosed as a contingent liability.

The provision and contingencies included are updated at each year end to account for the changes in probabilities on the life expectancies of the residents.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Provision of housing		
Sales of long and lifetime leases	353,589	664,856
Charitable rental income	30,076	24,124
Other income	20,950	20,002
	<u>404,615</u>	<u>708,982</u>

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	19,308	10,232

5 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Gardening	114	6,654
Insurance	3,242	2,894
Repairs and maintenance	76,941	87,253
Legal and professional	3,663	5,732
Provision for life interest refunds	-	(8,093)
Service charges	568	2,881
Light and heat	1,602	1,126
Rates	1,708	5,065
Bank charges	60	30
	87,898	103,542
Share of support and governance costs (see note 6)		
Support	61,698	56,505
Governance	22,159	13,330
	171,755	173,377
Analysis by fund		
Unrestricted funds - general	160,789	162,809
Unrestricted funds - Designated	10,966	10,568
	171,755	173,377

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Support costs allocated to activities

	2024 £	2023 £
Staff costs	42,554	37,866
Depreciation	10,966	10,568
Postage, stationery and telephone	1,513	2,042
Rates	515	474
Computer costs	1,630	1,993
Travelling expenses	111	108
Legal and professional	2,801	1,860
Bad debts	8,000	-
Sundry expenses	1,325	1,594
Governance costs	14,442	13,330
	<u>83,857</u>	<u>69,835</u>
Analysed between:		
Charitable activities	<u>83,857</u>	<u>69,835</u>

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,414	8,478
Depreciation of owned tangible fixed assets	10,966	10,568
Loss/(profit) on disposal of investment property	-	(10,129)
	<u></u>	<u></u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year, except for 3 trustees who were reimbursed a total of £111 for travel expenses (2023 - 3 were reimbursed £108 for travel expenses).

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Support staff	<u>3</u>	<u>3</u>

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9	Employees	(Continued)	
	Employment costs	2024	2023
		£	£
	Wages and salaries	41,052	37,293
	Other pension costs	1,502	573
		<u>42,554</u>	<u>37,866</u>

There were no employees whose annual remuneration was more than £60,000.

10	Other expenditure	Unrestricted funds 2024 £	Unrestricted funds 2023 £
	Long term and lifetime leases surrendered	<u>322,000</u>	<u>510,595</u>

11	Gains and losses on investments	Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds Designated 2023 £	Total 2023 £
	Gains/(losses) arising on:						
	Revaluation of investments	-	(2,060)	(2,060)	-	1,173	1,173
	Sale of investment properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,129</u>	<u>-</u>	<u>10,129</u>
		<u>-</u>	<u>(2,060)</u>	<u>(2,060)</u>	<u>10,129</u>	<u>1,173</u>	<u>11,302</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2023	360,668	9,696	370,364
At 31 March 2024	360,668	9,696	370,364
Depreciation and impairment			
At 1 April 2023	62,765	5,253	68,018
Depreciation charged in the year	9,618	1,348	10,966
At 31 March 2024	72,383	6,601	78,984
Carrying amount			
At 31 March 2024	288,285	3,095	291,380
At 31 March 2023	297,903	4,443	302,346

The buildings and other assets owned by the trust are necessary for its day to day charitable activities. For this reason, the assets have been ring-fenced into a separate designated fund to show that these monies are not realisable without having an impact on the trust's activities.

14 Investment property

	2024 £
Fair value	
At 1 April 2023	5,339,052
Additions through external acquisition	301,546
Disposals	(1,326)
Net gains or losses through fair value adjustments	(2,060)
At 31 March 2024	5,637,212

Investment property comprises the full open market value of properties leased to residents under a life interest lease or under a rental agreement, and the value of the reversionary interest of properties leased to residents under 125 year leases. The fair value of the investment property as at 31 March 2024 has been arrived at on the basis of a valuation carried out in October 2022 by Appleby Petfield Chartered Surveyors, who are not connected with the Trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Other debtors	-	8,067
Prepayments and accrued income	1,494	-
	<u>1,494</u>	<u>8,067</u>

16 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Other taxation and social security		-	427
Deferred income	18	114,323	93,037
Other creditors		120	-
Accruals		12,833	11,919
		<u>127,276</u>	<u>105,383</u>

17 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Deferred income	18	<u>916,987</u>	<u>997,845</u>

18 Deferred income

	2024	2023
	£	£
Other deferred income	<u>1,031,310</u>	<u>1,090,882</u>

Deferred income relates to the amounts received for the grant of life interest leases by the Trust. As the lease term is for the length of a resident's life, income is spread over the life expectancy of the resident at the year end date. 1 year's worth of income out of the total life expectancy is released to the SoFA in the financial year, with the balance relating to the life expectancy after the year end included in deferred income.

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	114,323	93,037
Non-current liabilities	916,987	997,845
	<u>1,031,310</u>	<u>1,090,882</u>
Movements in the year:		

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18	Deferred income		(Continued)
	Deferred income at 1 April 2023	1,090,882	1,080,678
	Released from previous periods	(59,572)	(124,605)
	Resources deferred in the year	-	134,809
		<u>1,031,310</u>	<u>1,090,882</u>
	Deferred income at 31 March 2024	<u>1,031,310</u>	<u>1,090,882</u>

19	Retirement benefit schemes	2024	2023
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	1,502	573
		<u>1,502</u>	<u>573</u>

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £1,502 (2023: £573).

20 Unrestricted funds - Designated

These are unrestricted funds which are material to the trust's activities.

	At 1 April 2023	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£
Property Fund	5,641,400	(10,966)	300,218	(2,060)	5,928,592
	<u>5,641,400</u>	<u>(10,966)</u>	<u>300,218</u>	<u>(2,060)</u>	<u>5,928,592</u>
Previous year:	At 1 April 2022	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£
Property Fund	6,259,563	(10,568)	(608,768)	1,173	5,641,400
	<u>6,259,563</u>	<u>(10,568)</u>	<u>(608,768)</u>	<u>1,173</u>	<u>5,641,400</u>

The designated fund represents the net book value of the Trust's fixed assets, which have been set aside in a separate fund to demonstrate the true "free" unrestricted funds of the Trust. The Trust's fixed assets are considered to be integral to its activities, and the sale or disposal of these to provide funds for day to day running is not preferred as this will limit the amount of housing that can be provided.

Transfers take place to ensure the value of the designated fund equals the book value of fixed assets at the year end.

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£	£
General funds	687,501	423,923	(482,789)	(300,218)	-	328,417
	<u>687,501</u>	<u>423,923</u>	<u>(482,789)</u>	<u>(300,218)</u>	<u>-</u>	<u>328,417</u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£	£
General funds	22,794	719,214	(673,404)	608,768	10,129	687,501
	<u>22,794</u>	<u>719,214</u>	<u>(673,404)</u>	<u>608,768</u>	<u>10,129</u>	<u>687,501</u>

22 Analysis of net assets between funds

	Unrestricted funds general 2024	Unrestricted funds Designated 2024	Total 2024
	£	£	£
At 31 March 2024:			
Tangible assets	-	291,380	291,380
Investment properties	-	5,637,212	5,637,212
Current assets/(liabilities)	260,252	985,152	1,245,404
Long term liabilities	-	(916,987)	(916,987)
Provisions	68,165	(68,165)	-
	<u>328,417</u>	<u>5,928,592</u>	<u>6,257,009</u>
	<u>328,417</u>	<u>5,928,592</u>	<u>6,257,009</u>
	Unrestricted funds general 2023	Unrestricted funds Designated 2023	Total 2023
	£	£	£
At 31 March 2023:			
Tangible assets	-	302,346	302,346
Investment properties	-	5,339,054	5,339,054
Current assets/(liabilities)	1,685,346	-	1,685,346
Long term liabilities	(997,845)	-	(997,845)
	<u>687,501</u>	<u>5,641,400</u>	<u>6,328,901</u>
	<u>687,501</u>	<u>5,641,400</u>	<u>6,328,901</u>

THE THOMAS SCANLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Financial commitments, guarantees and contingent liabilities

Under the 'old' Money Back Guarantee conditions, if the life expectancy of a tenant on a discounted lease is less than 10 years at the year end and is within the first 10 years of the lease, a provision is calculated to reflect the payment that is anticipated if the resident dies within the first 10 years. If the life expectancy of the tenant is more than 10 years at the year end and is within the first 10 years of the lease, a contingent liability is included to recognise the amounts that would potentially fall due if the tenant were to die within the first 10 years.

Under the 'new' conditions, the life expectancy of a tenant will be greater than the term of the guarantee and so a contingent liability will be disclosed for potential amounts due for all life interest leases.

At 31 March 2024, the total contingent liability is calculated to be £621,855 (2023: £728,584).

24 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

25 Cash generated from operations	2024 £	2023 £
(Deficit)/surplus for the year	(71,892)	46,543
Adjustments for:		
Investment income recognised in statement of financial activities	(19,308)	(10,232)
Gain on disposal of investment property	-	(10,129)
Fair value gains and losses on investments	2,060	(1,173)
Depreciation and impairment of tangible fixed assets	10,966	10,568
Movements in working capital:		
Decrease/(increase) in debtors	6,573	(6,955)
Increase in creditors	609	190
(Decrease)/increase in provisions	-	(8,093)
(Decrease)/increase in deferred income	(59,572)	10,204
Cash (absorbed by)/generated from operations	(130,564)	30,923

26 Analysis of changes in net funds

The trust had no material debt during the year.