THORNGATE CHURCHER TRUST

England & Wales · Charity number 1169965

Details

Other names	THORNGATE CHURCHER LIMITED
Status	Registered
Legal form	Charitable company
Company number	09953572
Registered	2016-10-31
Register	View on the Charity Commission register

Contact

Address	Thorngate Churcher Trust Clare House Melrose Gardens Gosport Hampshire PO12 3BZ
Phone	02392534999
Email	info@thorngate.org.uk
Website	www.thorngate.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO RELIEVE THE NEEDS OF RESIDENTS WHO ARE IN NEED BY PROVIDING SOCIAL HOUSING IN THE FORM OF ALMSHOUSE ACCOMMODATION AND SUCH OTHER CHARITABLE RELIEF FOR THE BENEFIT OF SUCH RESIDENTS OR OTHER PERSONS WHO ARE IN NEED BY REASON OF THEIR AGE AS THE TRUSTEES THINK FIT.FOR THE BENEFIT OF THIS CLAUSE, "RESIDENTS" SHALL MEAN POOR PERSONS OF NOT LESS THAN 50 YEARS OF AGE.

Activities: Registered to be incorporated form of Thorngate Almshouse Trust in March 2017. Owns and manage 124 sheltered flats for older people in Gosport, Hampshire. Registered provider number 4839. Also owns and manage a 44 bedroomed registered care home for older people in Gosport Hampshire.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Elderly/old People

Geography

- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,993,266	£3,379,369	£8,451,760	83
2024-03-31	£3,638,384	£3,190,790	£7,855,168	71
2023-03-31	£3,161,785	£3,021,696	£7,446,682	71
2022-03-31	£3,099,768	£2,734,944	£7,355,189	70
2021-03-31	£2,847,336	£2,673,311	£6,785,089	70

Trustees

Name	Role	Appointed
Mark William Paul Hook	Chair	2015-11-12
CHRISTOPHER KEITH MATTHEWS		2015-05-14
David Popoola-Smith		2022-02-17
John Graham Clark		2020-07-28
Judith Rebecca Comber		2025-08-21
Julie K Palmer		2019-02-07
Neil Robert Pettigrew		2025-08-21
Oliver Zaki		2020-08-19

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THORNGATE CHURCHER TRUST

England & Wales - Charity number 1169965

Accounts

REGISTERED COMPANY NUMBER: 09953572 (England and Wales)
REGISTERED CHARITY NUMBER: 1169965

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

FOR

THORNGATE CHURCHER TRUST

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FOR THE YEAR ENDED 31 MARCH 2025

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THORNGATE CHURCHER TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activities of the Trust continues to be the provision of almshouse accommodation in one hundred and twenty four one-bedroom flats for older people and the provision of a modern forty four bedroom care home. The Trust is a registered charity.

Our Vision

Providing comfort and security to those in need since 1868 and committed to developing the highest standards of housing and professional care in a supportive, respectful and friendly community.

Our Values

i. We seek to improve lives through passionately promoting excellence in support, care and housing
ii. We will each commit to take responsibility for our role in our teams encouraging, respecting and supporting each other supporting each other
iii. We strive to be transparent, approachable, listening to each other and acting with empathy and consistency
iv. We will respect and support everyone as individuals, treating residents and colleagues with dignity and compassion, and behaving professionally whatever our role

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW
Business and Financial Review

During the financial year 2024-25, the Trustees continued to review the care and housing offered to residents, seeking continuous improvement, and undertaking the planned development of a new site of thirty almshouses at Grove Road Gosport.

In addition, the board have had regard to the requirements of its three regulators, the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Charity Commission, not least of which being the standard from the RSH to evidence value for money. Further the Trust has incorporated new requirements from the Housing Ombudsman in its operations. The Trust is a provider of residential care services to Hampshire County Council for a number of residents in its Russell Churcher Court care home.

The board is pleased to report a surplus for the 12 month period of £604,947 (2024: £496,486).

The change in the year has mainly been due to cost control in the care home, and to the increase in the number of refurbished rooms in the care home. The introduction of a new procurement framework by Hampshire County Council also focussed management on the suitability of some residents for our service. Excellent occupancy levels and the results of a stable staff team assisted in a strong performance.

Operational surpluses (i.e. just including housing and social care) for the periods excluding valuation adjustments on the pension fund, investments, and the adjustments made for the maintenance reserve figures were £548,206 (2024: £446,656) (see note 12).

During the year the Trust commenced building work on an £8.7M scheme to build new social housing in the form of almshouses at Grove Road Gosport. Construction of Compigne Court commenced in April 2024 and continued throughout the year. It is anticipated to conclude in the autumn of 2025 subject to statutory services connections and highway works.

Following the market research exercise in 2022 and the decision made to continue to invest in social care and upgrade rooms further over a period of four years to further enhance the Trust's position locally, refurbishment of the care home continued with 31 out of 44 rooms completed at the year-end. It is unlikely that the Trust will manage to complete all the refurbished rooms within a four-year period simply due to longevity of residents and these will completed as rooms become vacant. Occupancy figures for the care home and housing remain among the best in our peer group.

Covid was not a significant factor in 2024-25. The continued use of a Sponsorship Licence to recruit displaced overseas care candidates continued in 2024-25 and resulted in a strong staff retention, and minimal costs for agency during the year. While the Home Office has now amended the rules for overseas workers coming into social care from April 2025, there is a displaced worker route open until 2028.

The Trust maintained its accreditation under Real Living Wage Employer scheme.

The Trust has also sought to maintain its buildings to a high standard. Following the RAAC concrete issues affecting some public buildings in 2023, the Trust immediately undertook surveys of its buildings using a professional structural engineer. The investigations concluded that none of the Trust's properties were built with RAAC. The Trust has already established that it already meets the Regulator's targets of all properties being at EPC "C" or better by 2030. A firm of chartered surveyors and valuers were engaged to ensure the Trust had no impairment on its properties and to create long term maintenance plan for existing units. As a result of this in-depth work, the Trust is confident at no impairment is needed.

Looking forward the Trust remains focussed on its principal aims of providing award winning social housing and excellent social care, its aim to be the employer of choice and the development of new housing at Compigne Court and longer term further housing additions, while not losing site of its carbon reduction journey.

Our income from housing and care activities (excluding grants) increased month on month in 2024-25 by 8.2% to £3,920,532 over the 12 month period (2024: £3,622,306). Housing voids continued to be controlled with void properties accounting for lost income of £1,053 over 12 months (2024: £1,394).

CCLA continue to be engaged as investment managers. Loss on investments for the year was £8,950, (2024: Gain of £48,492) reflecting the difficult trading conditions seen over the last few years.

Freehold properties are held at historical cost, with component accounting applied to result in a depreciated property figure. Under the Charities SORP social housing grant (SHG) is no longer deducted as in years prior to 2016. The properties are shown in these accounts at their historic cost of £15,683,672 (2024: £11,028,592). After depreciation the net book value of housing properties held at historic cost is £13,077,981 (2024: £8,554,705). The valuation undertaken by Lloyds Bank plc in May 2016 valued the Russell Churcher Court care home at £2.25M. The Trust's qualified Property Services Manager carried out an extensive impairment review in 2019 and a stock condition survey in summer 2023, neither of which evidenced any indications of impairment. Further a qualified structural engineer examined the Trust's properties for impairment due to RAAC concrete and none was found. An additional valuation was carried out by Charity Bank's valuers Avison Young in early 2024 at Thorngate Court and Melrose Gardens for the purposes of loan security and found no impairment. A full survey of the Trust's properties was carried out in Spring 2025 for the purposes of creating a long term investment and maintenance plan. Accordingly, the trustees believe the current market value exceeds the book value.

Excluding deferred income which solely relates to grant income (£3,397,133) to be recognised upon completion of the Compigne Court at Grove Road, the balance sheet shows a net current asset at 31 March 2025 of £95,571 (2024: 197,729). The balance sheet shows a net current asset at 31 March 2025 of -£3,301,562 (2024: 197,729).

The trustees continue to be of the opinion that the overall financial position of the Trust is healthy and that it is able to meet its current and future commitments.

During the year there was no change to the board members, although Mrs Reeta Ram resigned from the board on 16 June 2025, after the year end. Mr Mark Hook was re-appointed to be Chairman during the year. The board continued with training and strategy days using external consultants and qualified professionals to provide facilitation, guidance and expertise in specific topics. During the 24-25 financial year two board day were held in addition to board meetings. These board days covered compliance with the Complaints Code and regulators, marketing updates, progress at the new scheme, and pension strategy.

Contribution from Volunteers
The contribution from volunteers is not significant and does not affect the Trust's ability to carry out any of its activities.

Reserves
The Trustees have transferred monies to Reserve Funds in accordance with the Charity Commission Scheme over a long period in order to:

a) Provide Designated and Restricted Reserves, which include the minimum annual amounts for future Repairs and Maintenance, required by the Charity Commission Scheme, plus income thereon, less related expenditure.

b) Provide Unrestricted Reserves to:

   i. Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for one year ahead.

   ii. Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the minimum required by the Charity Commission Scheme.

   iii. Purchase investments which provide income that can indirectly make it possible to . subsidise the weekly maintenance contributions charged to residents of the almshouses and care home; thus fulfilling one of its charitable objectives.

As at 31 March 2025 unrestricted reserves were £8,411,257 of which £464,033 are designated reserves. Endowment reserves are £40,503.

Social Investment Policies
The Trust has not made any social investments during the year.

Fundraising Reporting Note
Thorngate Churcher Trust does not normally carry out any significant fundraising activities. No fundraising has been done on behalf of the Trust by any other body. It does not employ a professional fundraiser or have a commercial participator arrangement. Accordingly the Trust has not registered with the Fundraising Regulator.

Within the Russell Churcher Court care home the activities team raise small amounts of money (typically less than £4,000 annually) through incidental raffles (i.e. not requiring a licence), from relatives to fund additional outings and entertainment for residents of the care home. Unconnected members of the general public are not approached, accordingly the Trust does not need to take measures to protect vulnerable members of the public.

No complaints were received by the charity in relation to fundraising.

Financial Effect of Significant Events
There was one significant event during the year:

The Trust's new housing scheme, Compigne Court, Grove Road Gosport started on site. This scheme is funded by a mix of Homes England grant, a loan from Charity Bank and reserves. This scheme is due to finish in late 2025.The financial significance of this is the interest received on Homes England grant monies until utilised and the interest payable on the loan from Charity Bank.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Instrument

Recruitment and Training of Trustees

Trustees are recruited based on an analysis of skills gaps, and then this is publicised by adverts or through news articles/networking. Individuals are then interviewed, who may then, depending on the outcome be appointed. Trustee board days normally take place twice a year in addition to board meetings and encompass both strategy and training. In addition, additional training is undertaken on an ad-hoc basis such as attendance at seminars as and when necessary or trustees are available, for example seminars given by local legal firms and by membership bodies.

Pay and Remuneration of Key Personnel

The Chief Executive's remuneration is set by means of an appraisal with a suitably qualified trustee, and taking into account salaries in comparable organisations and levels of skills, knowledge and experience required. Pay and remuneration decisions also take into account individual performance against organisational and personal targets.

Code of Governance

The trustees are pleased to report that the Trust complies with the Standards of Almshouse Management. The Trust also adopted the Charity Commission Code of Governance in 2014, and subsequently the new Code of Governance in 2018. No trustees have served more than nine years. Having given consideration to its effectiveness to make informed decisions, the board believes it does this because of the detailed information it considers, not just at board meetings but throughout the year through monthly management reporting packs and ad-hoc reports and notifications from the Chief Executive. The board continues to have challenging board days to ensure it refreshes its skills and knowledge and avoids "group think".

Risk assessment - principal risks and uncertainties

The Trustees have considered the major risks to which the Trust could be exposed and have reviewed the systems established to mitigate against such risks. A risk register is used to review key risks and is reviewed at board meetings and in addition on board days. The risks are recorded and assessed in terms of impact and probability and also uses a traffic light system to highlight areas of particular concern. Any significant changes are reported to the board monthly or quarterly as appropriate.

The three principal risks and uncertainties facing the charity and its mitigation strategies at present are unchanged from 2024:

1. **Income maintenance in the care home.** Following market research and a strategy day the Trust implemented a change in fees for new residents of the care home in 2022. Market research indicated that this fee structure should not result in excessive voids however this is being monitored. Hampshire County Council have introduced a new Care Home Framework after the year end. Initially the Trust declined to join, but subsequently has engaged and been accepted onto the Framework, and vacancies continue to be filled by both private and council funded service users.

2. **Cyber risk.** The Trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. The Trust has also completed the Digital Security and Protection Toolkit from NHS Digital. During the financial year the trust moved its main care planning software to a cloud based programme, followed by all its management folders. The Trust has commenced Cyber Essentials accreditation.

3. **CQC Inspection.** A CQC inspection of the care home is due in 2024. While major compliance steps are taken continuously, visit from the regulator constitute a risk however well managed. The updated care plan software package referred to above assists with compliance and the management team undertake training to maintain their understanding of CQC compliance.

The board are not aware of any irregularities, including fraud, involving management or employees of the Trust: nor are they aware of any instances of actual or possible non-compliance with loan covenants, laws, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

Internal controls

The board of Trustees is ultimately responsible for the Trust's systems of internal financial controls which are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The board has through its quarterly meeting and reporting procedures reviewed the effectiveness of the Trust's internal financial control system for the period from 1 April 2021 to the date of this report.

The board of Trustees, through its adoption of policies and procedures is constantly reviewing the Trust's internal financial controls and has introduced the following mechanisms designed to provide effective internal control:

- Defined management and reporting structures, including segregation of financial management tasks

- Employment of a Chief Executive Officer and Finance Manager qualified as a chartered certified accountants.

- Use of professional IT consultants to ensure updates of all IT systems including financial control.

- Management information and accounting systems and software, including with cash flow forecasts, annual budgets, business recovery plans and business plans. Board reports are prepared monthly, covering both financial and operational matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Thorngate's VFM Statement

Introduction:

This is produced in accordance with the standard issued by the Regulator of Social Housing.

The purpose of the standard is to ask housing bodies to report on a set of standard metrics, and where these results are outliers for the organisation to report the reasons why this might be. Thorngate has an untypical profile, being both a provider of supported housing for older people and also a care home provider, which will inevitably distort some of our metric results.

Additionally the regulator asks the provider to provide a set of metrics relevant to their own business plan and operations, that they can measure themselves against in successive years and are also reflected in our reports to residents, staff and other stakeholders. For the purposes of transparency and for users of the accounts who may wish to check for consistency these reports will include those listed below, however as one or more of these may be confidential, they may not be publicly available on our website but would be available to users of the accounts (such as funders and regulators) on request:

- Annual Report to Residents 2024-25 (due to be published by 1 October 2025)

PART 1

Industry-wide Value for Money Metrics

The regulator has defined five key metrics around margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit that must be reported by every registered provider for the financial year that is being audited.

Our approach to satisfying this is to utilise our membership of the Acuity benchmarking group where both the regulator's metrics, sector scorecard and other benchmarking data is entered. Accordingly this report reflects our data and that of other relevant organisations in the benchmarking group.

Metric 1 Operating Margin and Earnings before interest, tax, depreciation and amortisation (EBITDA)

a) Operating Margin Overall

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

On the regulator's formula Thorngate's margin is as follows:

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Operating Margin Overall	15.37%	12.35%	4.57%	10.86%	10.55%	5	14.13%

Overall operating margin increased significantly during 2023-24 due to improvements within our care home. These changes did not affect our housing provision.

b) Operating Margin Social Housing Lettings.

This is the same as above but only including social housing.

STRUCTURE, GOVERNANCE AND MANAGEMENT

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Operating Margin Social Housing Lettings	24.02%	19.97%	18.1%	12.89%	15.5%	2	16.2%

c) Earnings before interest, tax, depreciation and amortisation (EBITDA)

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
EBITDA MRI	10.9 times	13.8 times	3.23 times	16.6 times	12.1 times	Not avail	3.37

Metric 2 Gearing and Supply

a) Gearing (RSH and Scorecard measure)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of an organisation's appetite for growth. The ratio shows the proportion of borrowing in relation to the size of a provider's asset base.

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Gearing	12.75%	13.85%	14.57%	15.66%	11.06%	Not avail	12.83

Thorngate increased its borrowing in 2021-22 and again in 2023-24 to fund the purchase and development of the Grove Road Gosport site.

b) New supply delivered (social housing units)

Housing supply delivered as a percentage of stock owned, during the period April - March
Thorngate's measure is 0%. This is because we had delivered substantial schemes in 2015-18 and are now underway on a new site of 30 homes in 2024.

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
New supply delivered (Social Housing)	0	0	0	0	0	5	0

c) New supply delivered (non-social housing units)

No other units (care) were started or completed during the year and the Trust has no plans for any further care units. Other providers in the peer group also did not deliver non-housing new supply.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
New supply delivered (Non-Social Housing)	0	0	0	0	0	1	0

Metric 3 Reinvestment

a) This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Reinvestment %	37.24%	6.73%	7.97%	9.6%	4.73%	1	2.4%

Metric 4 Return on Capital Employed (ROCE)

a) When looking at operating surplus figures, gain/loss on disposal of property, plant and equipment is not included. However these items are included in this measure as they can be considered to form part of the return on the capital investment in either fixed assets (or joint ventures).

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Return on capital employed	5.93%	4.84%	1.62%	3.83%	3.62%	1	2.62%

Metric 5 Headline social housing cost per unit

This is a total of costs attributable to social housing property. This includes component depreciation. Our slightly higher than average figure reflects higher component depreciation due to new properties, as well as some higher grade management roles because of the care services we manage as well as housing. It should also be noted that we have been recognised for providing high quality housing that residents want to live in, by the receipt of two awards voted for by residents in 2019. We believe (reflected in our residents' survey and long waiting list of approximately two years) that our offering of well-maintained stock and especially our support through on-site wardens delivers a service that residents and prospective residents want.

STRUCTURE, GOVERNANCE AND MANAGEMENT

	TCT 2025	TCT 2024	TCT 2023	TCT 2022	TCT 2021	Position in Peer Group (out of 28)	Peer Group Median
Headline social housing cost per unit	£7,884	£7,392	£6,627	£6,224	£6,715	8	£7,451

PART 2

Thorngate's Metrics
The metrics we have chosen and have consistently reported on for the last few years are a mixture of both hard financial data and targets related to social impact, given that our mission defined by our charitable objects are:

The Objects of the Charity are to relieve the needs of Residents who are in need by providing social housing in the form of almshouse accommodation and such other charitable relief for the benefit of such Residents (or other persons who are in need by reason of their age) as the Trustees think fit; and for the benefit of this clause, "Residents" shall mean poor persons of not less than 50 years of age.

This translates into a number of monthly key performance indicators that the executive reports on monthly, procurement measures that we review periodically, and forward looking targets which reflect our forward focused business plan to 2023, as well as systematically examining our governance. The metrics reported below cover the following areas:

- Void Reporting
- Procurement
- Increased reach
- Governance and Board Development

1. Void Reporting

Both housing and care home voids are reported monthly to board and Thorngate sets its own targets on voids. Thorngate also benchmarks itself against the Smaller Providers Benchmarking Group, and this figure has been reported on where relevant below.

We report voids on a percentage basis monthly and on a lost revenue basis annually. Our target is 2.5% or less voids. This can be affected by for example, increased development or major repairs, if this means more transfers of residents or decanting.

Void pro-rata 12m	**Thorngate 2024-25**	**Thorngate 2023-24**	**Thorngate 2022-23**	**Thorngate 2021-22**	**Thorngate 2020-21**	**Peer group 2024-25**
Housing%	0.09%	0.14%	0.23%	0.22%	0.27%	0.7%
Housing Value £	£1,053	£1,394	£2,319	£2,058	£2,423	
Housing % (excl new schemes)	0.09%	0.14%	0.23%	0.22%	0.27%	
Housing Value £	£1,053	£1,394	£2,319	£2,058	£2,423	
Care %	6.82%	4.08%	4.67%	1.70%	3.90%	N/A
Care Value £	£202,999	£109,271	£108,208	£35,688	£72,296	

STRUCTURE, GOVERNANCE AND MANAGEMENT

We have once again turned in an excellent performance on housing voids and are ranked first overall and in the first quartile yet again in the peer group of smaller similar housing associations. This reflects just how desirable our combined package of high-quality housing and high-quality housing support delivered by on-site staff are to residents. This is also reflected in our very long waiting list for units (currently around 140 applications for 124 flats) with a wait time of around twenty months. Despite our care voids for 2024-2025 increasing slightly, the income from our care service has increased substantially due to the average rate per day increasing. This is also why the care void monetary value per percentage point is higher in 2024-25 than 2023-24 (£29,765 compared to £26,782 respectively).

2. Procurement

Since the VFM standard was first introduced, Thorngate has reported its performance against prior years in a number of areas. This has shown useful trends and this has been continued this year. The focus areas continue to be gas and electric purchases, and care home food costs. These have been chosen because almost all our properties have gas included in the weekly maintenance charges, communal electricity is a large costs and for our care home, food is one of the largest costs. These figures can only be considered year on year within the same organisation because of different characteristics between different providers.

While we seek to reduce our utility costs, we seek to at least maintain our food cost budget per person level, as there is a correlation between quality and cost and the case of food for care home residents, and nutrition is a key part of caring for frail residents.

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17 (pro rata)	£47,100	-9%	£33,252	0%	£1,371	-5%
2017-18 (pro rata)	£45,363	-4%	£36,872	+11%	£1,651	+20%
2018-19	£51,551	+14%	£42,669	+16%	£1,687	+2%
2019-20	£63,471	+23%	£46,916	+10%	£1,516	-10%
2020-21	£61,045	-3.8%	£49,983	+6.5%	£1,404	-31%
2021-22	£46,305	-24.1%	£50,515	+1.1%	£2,164	+54%
2022-23	£43,739	-5.54%	£48,418	-4.15%	£2,040	-5.73%
2023-24	£71,019	+62.4%	£45,425	-6.2.%	£2,287	+12%
2024-25	£125,484	+76.7%	£66,617	+46.65%	£2,186	-4.4%

On gas and electric procurement we go to the market and our three year deal on gas ended in December 2023, with electricity ending in June 2024. We had been extremely lucky to get a good deal in Spring/Summer 2020. The new contract that was negotiated last year, while competitive is nevertheless higher than the very low-priced deal we came out of. Gas is used for heating and hot water in both housing and care homes and only the new developments of Lucas Court, Garden View and Station Road buy their own gas. It should be noted that if housing residents had to buy their own gas or electric they would not be able to buy this as competitively as we do, however of course they would have more control over usage.

Gas: Our spend on gas has increased dramatically this year. This is due to the ending of our advantageous gas contracts in December 2023, and the start of a good but nonetheless more expensive (270% increase) contract in January 2024. This financial year reflects twelve months of the new contract price. Further our actual unit usage increased by 4.55%.

Electric: Spend on electricity has increased due to the new contract this year. This financial year reflects nine months of the new contract price. Overall unit usage dropped again this year by 8.15%

STRUCTURE, GOVERNANCE AND MANAGEMENT

Food: Despite a challenging environment around food costs, our Catering Manager brought the food costs in underbudget and at a broadly similar level to last year, while still delivering excellent food, and catering for special events.

3. Increased reach

Thorngate considers, in line with its objects, it can increase its reach in the following two key ways: either development of new homes and facilities, and increased engagement of "persons who are in need by reason of their age"

Development:

We concluded a sizeable building programme for us in 2018-19, and commenced building 30 new units on our site at Grove Road Gosport in 2024-25. These will be completed in the financial year 2025-26

	2024-25	2019-24	2018-19	2017-18
Units completed	0	0	10	4
Under development	30	0	0	10
Increase in stock % of current stock at start of year	0%	0%	9%	3%

The board has a stated aspiration that it will identify sites when they become available as follows:
To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves. The acquisition and development out of the Grove Road site indicates that Thorngate is delivering on these aspirations.

4. Governance & Board Development

For a well-run organisation the board recognises it must ensure it is well equipped in terms of skills and continuous professional development.

Consequently, the board undertakes training and strategic board days normally twice a year in addition to board meetings and monthly (at least) briefings from the Chief Executive.

In 2024-25 the board has undertaken two board days incorporating strategy and training looking at compliance with the Complaints Code and regulators, marketing updates, progress at the new scheme, and pension strategy.

Target:

The target for 2025-26 which we can be measured against is at least one board day including strategy sessions.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
09953572 (England and Wales)

Registered Charity number
1169965

Registered office
Administration Office
Clare House Melrose Gardens
Station Road
Gosport
Hampshire
PO12 3BZ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Trustees
Mark Hook (Chairman)
James Gilhooley
Christopher Matthews
Julie Palmer
Reeta Ram (Resigned 16 June 2025)
John Clark
Oliver Zaki
David Popoola-Smith

Registered Provider of Social Housing Number
4839

Chief Executive Officer and Clerk to the Trustees
A Taylor FCCA

Company Secretary
A Taylor FCCA

Auditors
MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors
Winckworth Sherwood
Arbor, 255 Blackfriars Rd,
London
SE1 9AX

Bankers
Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

Investment Managers
CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Thorngate Churcher Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

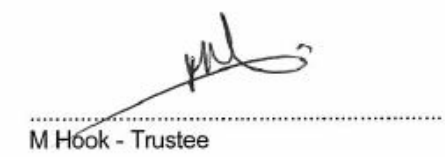
In so far as the trustees are aware:

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

AUDITORS

The auditors, MC Audit Limited, will be proposed for re-appointment at the forthcoming Board Meeting.

Approved by order of the board of trustees on 21 August 2025 and signed on its behalf by:



M Hook - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Opinion

We have audited the financial statements of Thorngate Churcher Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 auditors' 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.

P J Underwood

Paul Underwood (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 28 August 2025

THORNGATE CHURCHER TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	2,875	-	-	2,875	4,612
Charitable activities	4					
Housing for older people		1,146,282	-	-	1,146,282	1,048,309
Care home		2,778,429	-	-	2,778,429	2,582,726
Investment income	3	65,680	-	-	65,680	2,739
Total		3,993,266	-	-	3,993,266	3,638,386
EXPENDITURE ON						
Charitable activities	5					
Housing for older people		924,034	-	-	924,034	844,834
Care home		2,455,335	-	-	2,455,335	2,345,956
Total		3,379,369	-	-	3,379,369	3,190,790
Net gains/(losses) on investments		(8,950)	-	-	(8,950)	48,890
NET INCOME		604,947	-	-	604,947	496,486
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		(8,355)	-	-	(8,355)	(88,000)
Net movement in funds		596,592	-	-	596,592	408,486
RECONCILIATION OF FUNDS						
Total funds brought forward		7,814,665	-	40,503	7,855,168	7,446,682
TOTAL FUNDS CARRIED FORWARD		8,411,257	-	40,503	8,451,760	7,855,168

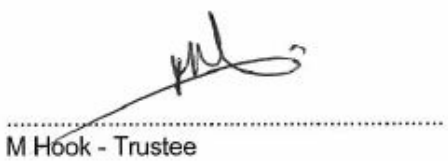
The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Tangible assets	13	13,132,643	8,611,540
Investments	14	487,950	496,901
		13,620,593	9,108,441
CURRENT ASSETS			
Stocks	15	8,886	7,415
Debtors	16	110,698	104,724
Cash at bank		903,688	440,291
		1,023,272	552,430
CREDITORS			
Amounts falling due within one year	17	(4,324,834)	(354,701)
NET CURRENT ASSETS		(3,301,562)	197,729
TOTAL ASSETS LESS CURRENT LIABILITIES		10,319,031	9,306,170
CREDITORS			
Amounts falling due after more than one year	18	(1,625,914)	(1,140,775)
PROVISIONS FOR LIABILITIES	21	(241,357)	(310,227)
NET ASSETS		8,451,760	7,855,168
FUNDS	23		
Unrestricted funds		8,411,257	7,814,665
Endowment funds		40,503	40,503
TOTAL FUNDS		8,451,760	7,855,168

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

The financial statements were approved by the Board of Trustees and authorised for issue on ...21 August 2025..... and were signed on its behalf by:



M Hook - Trustee

The notes form part of these financial statements

THORNGATE CHURCHER TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	4,667,096	614,892
Interest paid		(35,527)	(37,286)
Finance costs paid		(13,006)	(13,014)
Net cash provided by operating activities		4,618,563	564,592
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,723,338)	(406,244)
Sale of tangible fixed assets		15,309	-
Sale of fixed asset investments		-	(2)
Interest received		65,680	2,739
Net cash used in investing activities		(4,642,349)	(403,507)
Cash flows from financing activities			
New loans in year		512,208	500,000
Loan repayments in year		(25,025)	(523,529)
Net cash provided by/(used in) financing activities		487,183	(23,529)
Change in cash and cash equivalents in the reporting period		463,397	137,556
Cash and cash equivalents at the beginning of the reporting period		440,291	302,735
Cash and cash equivalents at the end of the reporting period		903,688	440,291

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income for the reporting period (as per the Statement of Financial Activities)	604,947	496,486
Adjustments for:		
Depreciation charges	186,926	176,824
Losses/(gain) on investments	8,950	(48,890)
Loss on disposal of fixed assets	-	21,398
Interest received	(65,680)	(2,739)
Interest paid	35,527	37,286
Finance costs	13,006	13,014
(Increase)/decrease in stocks	(1,471)	1,456
(Increase)/decrease in debtors	(5,974)	684
Increase/(decrease) in creditors	3,968,089	(8,369)
Difference between pension charge and cash contributions	(77,224)	(72,258)
Net cash provided by operations	4,667,096	614,892

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank	440,291	463,397	903,688
	440,291	463,397	903,688
Debt			
Debts falling due within 1 year	(29,512)	(2,044)	(31,556)
Debts falling due after 1 year	(1,140,775)	(485,139)	(1,625,914)
	(1,170,287)	(487,183)	(1,657,470)
Total	(729,996)	(23,786)	(753,782)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity recognises grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that the monies would become repayable if the properties were sold. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Finance and administration costs are apportioned to specified headings of expenditure whereas employees are charged directly to specified headings. Other administration costs are allocated as considered appropriate.

Pension costs and other post-retirement benefits
The Trust participates in a multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to the individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Structure	1%
Roofs	1.4%
Windows and Doors	3.3%
Boilers	6.7%
Kitchens	5%
Bathrooms	3.3%
Mechanical Systems	3.3%
Electrical Systems	2.5%
Lifts	5%
Air conditioners	20%
Furniture and equipment	25%
Computers and office equipment	25%

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

continued...

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	2,875	4,612

3. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	65,680	2,739

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Social housing maintenance contributions	Housing for older people	1,143,148	1,048,309
Grants	Housing for older people	3,134	-
Residential care home	Care home	2,777,384	2,573,997
Grants	Care home	1,045	8,729
		3,924,711	3,631,035

Grants received, included in the above, are as follows:

	2025	2024
	£	£
PCS System Dev Grant	-	5,729
International Recruitment Grant	-	3,000
Charity Bank	4,179	-
	4,179	8,729

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Housing for older people	668,736	255,298	924,034
Care home	2,200,730	254,605	2,455,335
	2,869,466	509,903	3,379,369

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Services	2,405,720	2,275,171
Day to day maintenance	124,044	140,182
Cyclical maintenance	26,811	41,184
Extraordinary maintenance	68,262	47,035
Other costs	13,755	2,473
Depreciation	182,341	171,208
Interest payable and similar charges	48,533	50,300
	2,869,466	2,727,553

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Housing for older people	251,108	4,190	255,298
Care home	247,489	7,116	254,605
	498,597	11,306	509,903

Support costs, included in the above, are as follows:

Management

	Housing for older people	Care home	2025 Total activities	2024 Total activities
	£	£	£	£
IT expenses	16,130	16,130	32,260	30,543
Personnel	416	3,584	4,000	5,230
Building and office costs	19,837	7,039	26,876	26,596
PR and advertising costs	4,204	10,214	14,418	20,040
Management costs	210,521	210,522	421,043	373,804
	251,108	247,489	498,597	456,213

Governance costs

	Housing for older people	Care home	2025 Total activities	2024 Total activities
	£	£	£	£
Auditors' remuneration	1,797	4,473	6,270	6,150
Auditors' remuneration for non audit work	250	500	750	750
Governance costs	2,143	2,143	4,286	124
	4,190	7,116	11,306	7,024

continued...

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Auditors' remuneration	6,270	6,150
Other non-audit services	750	750
Depreciation - owned assets	186,926	176,824

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

During the period no trustees (2024: none) were reimbursed for out of pocket expenses.

10. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	1,993,107	1,869,702
Social security costs	176,473	154,158
Employer's pension costs	155,237	142,707
	2,324,817	2,166,567

Key management remuneration

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charitable company were £119,553 (2024: £109,430). This does not include remuneration for trustees, all of which is reported as per note 9.

The average monthly number of employees during the year was as follows:

	2025	2024
Administration	4	4
Maintenance	4	4
Housing, support and care	75	63
	83	71

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£80,001 - £90,000	1	1

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	4,612	-	-	4,612
Charitable activities				
Housing for older people	1,048,309	-	-	1,048,309
Care home	2,582,726	-	-	2,582,726
Investment income	2,739	-	-	2,739
Total	3,638,386	-	-	3,638,386
EXPENDITURE ON				
Charitable activities				
Housing for older people	844,834	-	-	844,834
Care home	2,345,956	-	-	2,345,956
Total	3,190,790	-	-	3,190,790
Net gains on investments	48,890	-	-	48,890
NET INCOME	496,486	-	-	496,486
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	(88,000)	-	-	(88,000)
Net movement in funds	408,486	-	-	408,486
RECONCILIATION OF FUNDS				
Total funds brought forward	7,406,179	-	40,503	7,446,682
TOTAL FUNDS CARRIED FORWARD	7,814,665	-	40,503	7,855,168

12. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

	2025	2024
	£	£
Charitable income - fees and maintenance contributions	3,920,532	3,622,306
Charitable income - donations and legacies	2,875	4,610
Charitable income - grants	4,179	8,729
Charitable expenditure	(3,379,369)	(3,190,790)
	548,217	444,855
Adjustment for pension funds, investments, maintenance reserve and capital grant	(11)	1,801
Charitable surplus	548,206	446,656

continued...

13. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2024	9,811,525	1,217,067	82,622	305,433	11,416,647
Additions	93,952	4,594,701	16,696	17,989	4,723,338
Disposals	(33,574)	-	(9,091)	(30,163)	(72,828)
At 31 March 2025	9,871,903	5,811,768	90,227	293,259	16,067,157
DEPRECIATION					
At 1 April 2024	2,473,887	-	65,674	265,546	2,805,107
Charge for year	151,414	-	10,636	24,876	186,926
Eliminated on disposal	(19,610)	-	(8,083)	(29,826)	(57,519)
At 31 March 2025	2,605,691	-	68,227	260,596	2,934,514
NET BOOK VALUE					
At 31 March 2025	7,266,212	5,811,768	22,000	32,663	13,132,643
At 31 March 2024	7,337,638	1,217,067	16,948	39,887	8,611,540

Included in cost or valuation of land and buildings is freehold land of £2,192,331 (2024 - £2,192,331) which is not depreciated.

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 April 2024	450,556	46,345	496,901
Revaluations	(8,951)	-	(8,951)
At 31 March 2025	441,605	46,345	487,950
NET BOOK VALUE			
At 31 March 2025	441,605	46,345	487,950
At 31 March 2024	450,556	46,345	496,901

The unlisted investments are solely made up of nitrate credits.

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2025 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2025	441,605	46,345	487,950

continued...

15. STOCKS

	2025	2024
	£	£
Stocks	8,886	7,415

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Arrears of maintenance contributions and care home fees	15,727	8,130
Other debtors	-	321
Prepayments and accrued income	94,971	96,273
	110,698	104,724

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Bank loans and overdrafts (see note 19)	28,120	27,006
Other loans (see note 19)	3,436	2,506
Trade creditors	690,547	113,230
Maintenance contributions and care home fees received in advance	99,598	119,037
Social security and other taxes	33,717	33,102
Other creditors	72,283	59,820
Deferred income	3,397,133	-
	4,324,834	354,701

	2025	2024
	£	£
Brought forward	119,037	102,581
Amount released to incoming resources	(119,037)	(102,581)
Amount deferred in year	3,496,732	119,037
Carried forward	3,496,732	119,037

Deferred income relates to maintenance contributions and care home fees received in advance.

Included within deferred income are capital grants received from Homes England and Charity Bank for £3,337,133 and £60,000 respectively.

These grants were awarded to the charitable company for use within the Grove Road build scheme and have therefore been included within deferred income with the intention of being recognised as grant income when the build scheme is completed.

continued...

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Bank loans (see note 19)	1,617,970	1,129,395
Other loans (see note 19)	7,944	11,380
	1,625,914	1,140,775

19. LOANS

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year		
Bank loans	28,119	27,006
Other loans	3,436	2,507
	31,555	29,513
Amounts falling due between two and five years		
Bank loans	114,946	110,795
Other loans	7,944	11,380
	122,890	122,175
Amounts falling due in more than five years		
Bank loans	1,503,025	1,018,600
Other loans	-	-
	1,503,025	1,018,600

The loan from the NAA included in other loans is interest free and being repaid over 10 years. In accordance with the SORP the loan has been discounted at a similar interest rate in line with other borrowings.

20. SECURED DEBTS

The following secured debts are included within creditors:

	2025	2024
	£	£
Bank loans	1,646,090	1,156,401

The bank loans are secured by a first and second charge over the Russell Churcher Court care home and Goyda House both situated in Melrose Gardens.

continued...

21. PROVISIONS FOR LIABILITIES

	2025	2024
	£	£
Provisions	241,357	310,227

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was issued to employers in August 2021 and showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement, the Trust has recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provisions

	31 March 2025	31 March 2024
	£	£
Provision at start of period	310,000	294,000
Unwinding of the discount factor	13,000	13,000
Deficit contribution paid	(99,000)	(94,000)
Impact of change in assumptions	8,000	88,000
Current service cost	4,000	4,000
Expenses	5,000	5,000
SHPS Provision at end of period	241,000	310,000
TPT Retirement Solutions - The Growth Plan	357	227
Provision at end of period	241,357	310,227

Income and expenditure impact

	31 March 2025	31 March 2024
	£	£
Interest expense	13,000	13,000
Impact of change in assumptions & contribution schedule	88,000	88,000
Current service cost	4,000	4,000
Expenses	5,000	5,000

Assumptions

	31 March 2025	31 March 2024	31 March 2023
	% per annum	% per annum	% per annum
Rate of discount	5.77	4.89	4.88

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

continued...

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	Endowment fund £	2025 Total funds £	2024 Total funds £
Fixed assets	13,132,643	-	-	13,132,643	8,611,540
Investments	487,950	-	-	487,950	496,901
Current assets	982,769	-	40,503	1,023,272	552,430
Current liabilities	(4,324,834)	-	-	(4,324,834)	(354,701)
Long term liabilities	(1,625,914)	-	-	(1,625,914)	(1,140,775)
Provision for liabilities	(241,357)	-	-	(241,357)	(310,227)
	8,411,257	-	40,503	8,451,760	7,855,168

23. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	7,350,632	596,592	7,947,224
Cyclical maintenance reserve	323,762	-	323,762
Extraordinary repairs reserve	140,271	-	140,271
	7,814,665	596,592	8,411,257
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	7,855,168	596,592	8,451,760

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,993,266	(3,379,369)	(17,305)	596,592
TOTAL FUNDS	3,993,266	(3,379,369)	(17,305)	596,592

continued...

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	6,953,753	396,879	7,350,632
Cyclical maintenance reserve	307,223	16,539	323,762
Extraordinary repairs reserve	145,203	(4,932)	140,271
	7,406,179	408,486	7,814,665
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	7,446,682	408,486	7,855,168

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,638,386	(3,202,397)	(39,110)	396,879
Cyclical maintenance reserve	-	16,539	-	16,539
Extraordinary repairs reserve	-	(4,932)	-	(4,932)
	3,638,386	(3,190,790)	(39,110)	408,486
TOTAL FUNDS	3,638,386	(3,190,790)	(39,110)	408,486

General fund - This reserve represents accumulated surpluses within the general fund. Within the general fund is an amortised balance of £3,547,917 (2024: £3,601,197) which represents the income recognised from the Social Housing Grants. The charity recognised grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that should the properties be sold (or in the case of Russell Churcher Court converted to another use) a crystallising event would occur which would result in any grant attached to that specific property being either repayable or allocated to one of the trust's other social housing properties. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties

Cyclical maintenance reserve - This reserve is established for regular maintenance including internal and external decoration.

Extraordinary repairs reserve - This reserve is established for long term modernisation and repairs.

Endowment reserve - This reserve represents assets which formed part of the original governing document.

continued...

24. RELATED PARTY DISCLOSURES

Mrs Julie Palmer, a Trustee was a committee member of the Lee on the Solent Residents' Association during the year. She resigned from this position in May 2025. No transactions between this organisation and the Trust have occurred during the year.

Mr Mark Hook, Chairman and Trustee, is a director of GS Building Services. A transaction occurred on commercial terms during the year and was fully documented. Mr Hook is also a director of Court Barn Catering (Commercial) Ltd. No transactions between this company and the Trust have occurred during the year.

Mr James Gilhooley, Trustee is a Trustee of Solent u3a. No transactions between this organisation and the Trust have occurred during the year.

Mr Chris Matthews, Trustee is a solicitor and partner in the firm Churchers Solicitors LLP. No transactions occurred between Churchers Solicitors and the Trust during the year.

Ms Reeta Ram, Trustee is the sole director of DPR Housing Limited and Dementia Partners Limited. These are organisations that provide supported housing living schemes to support vulnerable adults to live in the community in London. No transactions between either of these companies and the Trust occurred during the year. Mrs Ram resigned her position as trustee on 16 June 2025.

Mr John Clark, Trustee, is Executive Director of Orione Care, a housing and social care charity. Mr Clark is also a Non-Executive Director of Empower Housing Association and Chair of Epsom and Ewell Housing Association. There are no transactions between the Trust and these organisations.

Mr Oliver Zaki, Trustee is a solicitor and partner at Glanvilles LLP. No transactions occurred between the Trust and Glanvilles Solicitors during the year.

Mr David Popoola Smith is a social worker for Royal Borough of Kensington and Chelsea Council and South Gloucestershire Council. There are no transactions between the Trust and these councils. Mr Popoola Smith is also a director of Danifab Ltd. There are no transactions between the Trust and this company.

Ms Anne Taylor, Chief Executive and Company Secretary, is the Vice Chair of Trustees and Non-Executive Director of the Fusion21 Foundation, a grant giving charity with a trading subsidiary Fusion21 Limited. Ms Taylor is also a Trustee of Trust 2000, a community charity, owns Blue Space Quilts and is a director of John Taylor Motorsport Limited. No transactions have occurred between any of these entities and the Trust during the year.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THORNGATE CHURCHER TRUST

England & Wales - Charity number 1169965

Accounts

REGISTERED COMPANY NUMBER: 09953572 (England and Wales)
REGISTERED CHARITY NUMBER: 1169965

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FOR

THORNGATE CHURCHER TRUST

THORNGATE CHURCHER TRUST

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activities of the Trust continues to be the provision of almshouse accommodation in one hundred and twenty four one-bedroom flats for older people and the provision of a modern forty four bedroom care home. The Trust is a registered charity.

Our Vision

Providing comfort and security to those in need since 1868 and committed to developing the highest standards of housing and professional care in a supportive, respectful and friendly community.

Our Values

i. We seek to improve lives through passionately promoting excellence in support, care and housing
ii. We will each commit to take responsibility for our role in our teams encouraging, respecting and supporting each other supporting each other
iii. We strive to be transparent, approachable, listening to each other and acting with empathy and consistency
iv. We will respect and support everyone as individuals, treating residents and colleagues with dignity and compassion, and behaving professionally whatever our role

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

FINANCIAL REVIEW

Business and Financial Review

During the financial year 2023-24, the Trustees continued to review the care and housing offered to residents, seeking continuous improvement, and embarking on the development of a new site of almshouses at Grove Road Gosport.

In addition, the board have had regard to the requirements of its three regulators, the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Charity Commission, not least of which being the standard from the RSH to evidence value for money. Further the Trust has incorporated new requirements from the Housing Ombudsman in its operations. The Trust is a provider of residential care services to Hampshire County Council for a number of residents in its Russell Churcher Court care home.

The board is pleased to report a surplus for the 12 month period of £496,486 (2023: £136,480).

The change in the year has mainly been due to reduced costs in the care home particularly related to agency cover compared to 2023. In 2024 there was a significant increase in income as the positive results of refurbishing rooms within the care home were evident. Excellent occupancy levels and the results of a stable staff team assisted in a strong performance.

Operational surpluses (i.e. just including housing and social care) for the periods excluding valuation adjustments on the pension fund, investments, and the adjustments made for the maintenance reserve figures were £446,656 (2023: £143,824) (see note 12).

During the year the Trust made steady progress on its strategy to acquire and build new social housing on a site at Grove Road Gosport. Work was carried out through the year to value engineer the tender despite significant inflationary pressures on building and consultancy costs. Discussions were also held with a number of banks to determine the best financing package alongside a Homes England grant application In December 2023, Homes England agreed the grant funding needed to commence the project to build 30 new homes in Spring 2024.

Following the market research exercise in 2022 and the decision made to continue to invest in social care and upgrade rooms further over a period of four years to further enhance the Trust's position locally, refurbishment of the care home continued and remained on schedule at the year end with 28 out of 44 rooms completed. Occupancy figures for the care home and housing remain among the best in our peer group.

Covid was not a significant factor in 2023-24. Restrictions were lifted in April 2023. The previous year's finances had been affected by the levels of agency staff needed due to Covid and staffing pressures. However the decision to apply for a Sponsorship Licence and recruit overseas candidates resulted in a strong staff retention, and reduced costs for agency during the year.

The Trust maintained its accreditation under Real Living Wage Employer scheme.

The Trust has also sought to maintain its buildings to a high standard. Following the RAAC concrete issues affecting some public buildings in 2023, the Trust immediately undertook surveys of its buildings using a professional structural engineer. The investigations concluded that none of the Trust's properties were built with RAAC. The Trust has already established that it already meets the Regulator's targets of all properties being at EPC "C" or better by 2030.

Looking forward the Trust remains focussed on its principal aims of providing award winning social housing and excellent social care, its aim to be the employer of choice and the development of the Grove Road site while not losing site of its carbon reduction journey.

Our income from housing and care activities (excluding grants) increased month on month in 2023-24 by 14.6% to £3,622,306 over the 12 month period (2023: £3,160,033). Housing voids continued to be controlled with void properties accounting for lost income of £1,394 over 12 months (2023: £2,319).

CCLA continue to be engaged as investment managers. Gain on investments for the year was £48,892, (2023: Loss of £3,609) reversing the difficult trading conditions seen over the last few years.

Freehold properties are held at historical cost, with component accounting applied to result in a depreciated property figure. Under the Charities SORP social housing grant (SHG) is no longer deducted as in years prior to 2016. The properties are shown in these accounts at their historic cost of £11,028,592 (2023: 10,762,581). After depreciation the net book value of housing properties held at historic cost is £8,554,705 (2023: £8,323,412). The valuation undertaken by Lloyds Bank plc in May 2016 valued the Russell Churcher Court care home at £2.25M. The Trust's qualified Property Services Manager carried out an extensive impairment review in 2019 and a stock condition survey in summer 2023, neither of which evidenced any indications of impairment. Further a qualified structural engineer examined the Trust's properties for impairment due to RAAC concrete and none was found. An additional valuation was carried out by Charity Bank's valuers Avison Young in early 2024 at Thorngate Court and Melrose Gardens for the purposes of loan security and found no impairment in either site. Accordingly, the trustees believe the current market value exceeds the book value.

The balance sheet shows a net current asset at 31 March 2024 of £197,729 (2023: -£444,167). This change from 2023 is as a result of the interest only loan negotiated to August 2023, converted to a longer term loan as the development got underway.

The trustees continue to be of the opinion that the overall financial position of the Trust is healthy and that it is able to meet its current and future commitments.

During the year there was no change to the board members. Mr Mark Hook was re-appointed to be Chairman. The board continued with training and strategy days using external consultants and qualified professionals to provide facilitation, guidance and expertise in specific topics. During the 23-24 financial year one board day was held (in addition to extra board meetings for financing at the Grove Road development). This board day covered compliance with regulators such as the CQC, the Regulator of Social Housing, and the Charity Commission. It also covered energy data and decision making.

Contribution from Volunteers
The contribution from volunteers is not significant and does not affect the Trust's ability to carry out any of its activities.

Reserves
The Trustees have transferred monies to Reserve Funds in accordance with the Charity Commission Scheme over a long period in order to:

a) Provide Designated and Restricted Reserves, which include the minimum annual amounts for future Repairs and Maintenance, required by the Charity Commission Scheme, plus income thereon, less related expenditure.

b) Provide Unrestricted Reserves to:

   i. Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for one year ahead.

   ii. Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the minimum required by the Charity Commission Scheme.

   iii. Purchase investments which provide income that can indirectly make it possible to . subsidise the weekly maintenance contributions charged to residents of the almshouses and care home; thus fulfilling one of its charitable objectives.

As at 31 March 2024 unrestricted reserves were £7,814,665 of which £464,033 are designated reserves. Endowment reserves are £40,503.

Social Investment Policies
The Trust has not made any social investments during the year.

Fundraising Reporting Note
Thorngate Churcher Trust does not normally carry out any significant fundraising activities. No fundraising has been done on behalf of the Trust by any other body. It does not employ a professional fundraiser or have a commercial participator arrangement. Accordingly the Trust has not registered with the Fundraising Regulator.

Within the Russell Churcher Court care home the activities team raise small amounts of money (typically less than £6,000 annually) through incidental raffles (i.e. not requiring a licence), from relatives to fund additional outings and entertainment for residents of the care home. Unconnected members of the general public are not approached, accordingly the Trust does not need to take measures to protect vulnerable members of the public.

No complaints were received by the charity in relation to fundraising.

Financial Effect of Significant Events
There was one significant event during the year:

New development at Grove Road Gosport. During the year, the Trust was able to progress its development plans at Grove Road. Following success in obtaining planning permission, the Trust's advisors value engineered the development cost, and the Chief Executive was successful in securing a grant from Homes England. This grant coupled with a loan from Charity Bank of £3M enabled the start date of the development to be arranged for April 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Instrument

Recruitment and Training of Trustees

Trustees are recruited based on an analysis of skills gaps, and then this is publicised by adverts or through news articles/networking. Individuals are then interviewed, who may then, depending on the outcome be appointed. Trustee board days normally take place twice a year in addition to board meetings and encompass both strategy and training. In addition, additional training is undertaken on an ad-hoc basis such as attendance at seminars as and when necessary or trustees are available, for example seminars given by local legal firms and by membership bodies.

Pay and Remuneration of Key Personnel

The Chief Executive's remuneration is set by means of an appraisal with a suitably qualified trustee, and taking into account salaries in comparable organisations and levels of skills, knowledge and experience required. Pay and remuneration decisions also take into account individual performance against organisational and personal targets.

Code of Governance

The trustees are pleased to report that the Trust complies with the Standards of Almshouse Management. The Trust also adopted the Charity Commission Code of Governance in 2014, and subsequently the new Code of Governance in 2018. No trustees have served more than nine years. Having given consideration to its effectiveness to make informed decisions, the board believes it does this because of the detailed information it considers, not just at board meetings but throughout the year through monthly management reporting packs and ad-hoc reports and notifications from the Chief Executive. The board continues to have challenging board days to ensure it refreshes its skills and knowledge and avoids "group think".

Risk assessment - principal risks and uncertainties

The Trustees have considered the major risks to which the Trust could be exposed and have reviewed the systems established to mitigate against such risks. A risk register is used to review key risks and is reviewed at board meetings and in addition on board days. The risks are recorded and assessed in terms of impact and probability and also uses a traffic light system to highlight areas of particular concern. Any significant changes are reported to the board monthly or quarterly as appropriate.

The three principal risks and uncertainties facing the charity and its mitigation strategies at present are:

1. **Income maintenance in the care home.** Following market research and a strategy day the Trust implemented a change in fees for new residents of the care home in 2022. Market research indicated that this fee structure should not result in excessive voids however this is being monitored. Hampshire County Council have introduced a new Care Home Framework after the year end. Initially the Trust declined to join, but subsequently has engaged and been accepted onto the Framework, and vacancies continue to be filled by both private and council funded service users.

2. **Cyber risk.** The Trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. The Trust has also completed the Digital Security and Protection Toolkit from NHS Digital. During the financial year the trust moved its main care planning software to a cloud based programme, followed by all its management folders. The Trust has commenced Cyber Essentials accreditation.

3. **CQC Inspection.** A CQC inspection of the care home is due in 2024. While major compliance steps are taken continuously, visit from the regulator constitute a risk however well managed. The updated care plan software package referred to above assists with compliance and the management team undertake training to maintain their understanding of CQC compliance.

The board are not aware of any irregularities, including fraud, involving management or employees of the Trust: nor are they aware of any instances of actual or possible non-compliance with loan covenants, laws, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

Internal controls

The board of Trustees is ultimately responsible for the Trust's systems of internal financial controls which are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The board has through its quarterly meeting and reporting procedures reviewed the effectiveness of the Trust's internal financial control system for the period from 1 April 2021 to the date of this report.

The board of Trustees, through its adoption of policies and procedures is constantly reviewing the Trust's internal financial controls and has introduced the following mechanisms designed to provide effective internal control:

- Defined management and reporting structures, including segregation of financial management tasks
- Employment of a Chief Executive Officer and Finance Manager qualified as a chartered certified accountants.
- Use of professional IT consultants to ensure updates of all IT systems including financial control.
- Management information and accounting systems and software, including with cash flow forecasts, annual budgets, business recovery plans and business plans. Board reports are prepared monthly, covering both financial and operational matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Thorngate's VFM Statement

Introduction:

This is produced in accordance with the standard issued by the Regulator of Social Housing.

The purpose of the standard is to ask housing bodies to report on a set of standard metrics, and where these results are outliers for the organisation to report the reasons why this might be. Thorngate has an untypical profile, being both a provider of supported housing for older people and also a care home provider, which will inevitably distort some of our metric results.

Additionally the regulator asks the provider to provide a set of metrics relevant to their own business plan and operations, that they can measure themselves against in successive years and are also reflected in our reports to residents, staff and other stakeholders. For the purposes of transparency and for users of the accounts who may wish to check for consistency these reports will include those listed below, however as one or more of these may be confidential, they may not be publicly available on our website but would be available to users of the accounts (such as funders and regulators) on request:

- Annual Report to Residents 2023-24 (due to be published by 1 October 2024)

PART 1

Industry-wide Value for Money Metrics

The regulator has defined five key metrics around margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit that must be reported by every registered provider for the financial year that is being audited.

Our approach to satisfying this is to utilise our membership of the Acuity benchmarking group where both the regulator's metrics, sector scorecard and other benchmarking data is entered. Accordingly this report reflects our data and that of other relevant organisations in the benchmarking group.

Further the year that we have had, involving receipt of grants through fundraising and also government grants has distorted the calculations, particularly around margin on our normal day to day operations, which have to be done according to the relevant formulae.

Metric 1 Operating Margin and Earnings before interest, tax, depreciation and amortisation (EBITDA)

a) Operating Margin Overall

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

On the regulator's formula Thorngate's margin is as follows:

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Operating Margin Overall	12.35%	4.57%	10.86%	10.55%	6.33%	5	10.9%

STRUCTURE, GOVERNANCE AND MANAGEMENT

b) Operating Margin Social Housing Lettings.

This is the same as above but only including social housing.

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Operating Margin Social Housing Lettings	19.97%	418.1%	12.89%	15.5%	17.9%	2	10.9%

(2020 figures included some grant from Homes England)

c) Earnings before interest, tax, depreciation and amortisation (EBITDA)

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
EBITDA MRI	13.8 times	3.23 times	16.6 times	12.1 times	8.4 times	Not avail	8.55

Metric 2 Gearing and Supply

a) Gearing (RSH and Scorecard measure)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of an organisation's appetite for growth. The ratio shows the proportion of borrowing in relation to the size of a provider's asset base.

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Gearing	13.85%	14.57%	15.66%	11.06%	12.01%	Not avail	8.55

Thorngate increased its borrowing in 2021-22 to fund the purchase of the Grove Road Gosport site.

b) New supply delivered (social housing units)

Housing supply delivered as a percentage of stock owned, during the period April - March
Thorngate's measure is 0%. This is because we had delivered substantial schemes in 2015-18 and are now underway on a new site of 30 homes in 2024.

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
New supply delivered (Social Housing)	0	0	0	0	0	2	0

STRUCTURE, GOVERNANCE AND MANAGEMENT

c) New supply delivered (non-social housing units) 0%

No other units (care) were started or completed during the year and the Trust has no plans for any further care units. Other providers in the peer group also did not deliver non-housing new supply.

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
New supply delivered (Non-Social Housing)	0	0	0	0	0	1	0

Metric 3 Reinvestment

a) This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

Thorngate's measure is 6.73%

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Reinvestment %	6.73%	7.97%	9.6%	4.73%	2.91%	4	3.83%

Metric 4 Return on Capital Employed (ROCE)

a) When looking at operating surplus figures, gain/loss on disposal of property, plant and equipment is not included. However these items are included in this measure as they can be considered to form part of the return on the capital investment in either fixed assets (or joint ventures).

Thorngate's measure 4.84%

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Return on capital employed	4.84%	1.62%	3.83%	3.62%	2.07%	1	1.92%

Metric 5 Headline social housing cost per unit

This is a total of costs attributable to social housing property. This includes component depreciation. Our slightly higher than average figure reflects higher component depreciation due to new properties, as well as some higher grade management roles because of the care services we manage as well as housing. It should also be noted that we have been recognised for providing high quality housing that residents want to live in, by the receipt of two awards voted for by residents in 2019. We believe (reflected in our residents' survey and long waiting list of approximately two years) that our offering of well-maintained stock and especially our support through on-site wardens delivers a service that residents and prospective residents want.

When compared to other care providing organisations in the peer group we were the only organisation to enter data.

STRUCTURE, GOVERNANCE AND MANAGEMENT

	TCT 2024	TCT 2023	TCT 2022	TCT 2021	TCT 2020	Position in Peer Group (out of 24)	Peer Group Median
Headline social housing cost per unit	£7,392	£6,627	£6,224	£6,715	£5,867	8	£7,368

PART 2

Thorngate's Metrics
The metrics we have chosen and have consistently reported on for the last few years are a mixture of both hard financial data and targets related to social impact, given that our mission defined by our charitable objects are:

The Objects of the Charity are to relieve the needs of Residents who are in need by providing social housing in the form of almshouse accommodation and such other charitable relief for the benefit of such Residents (or other persons who are in need by reason of their age) as the Trustees think fit; and for the benefit of this clause, "Residents" shall mean poor persons of not less than 50 years of age.

This translates into a number of monthly key performance indicators that the executive reports on monthly, procurement measures that we review periodically, and forward looking targets which reflect our forward focused business plan to 2023, as well as systematically examining our governance. The metrics reported below cover the following areas:

- Void Reporting
- Procurement
- Increased reach
- Governance and Board Development

1. Void Reporting

Both housing and care home voids are reported monthly to board and Thorngate sets its own targets on voids. Thorngate also benchmarks itself against the Smaller Providers Benchmarking Group, and this figure has been reported on where relevant below.

We report voids on a percentage basis monthly and on a lost revenue basis annually. Our target is 2.5% or less voids. This can be affected by for example, increased development or major repairs, if this means more transfers of residents or decanting.

Void pro-rata 12m	**Thorngate 2023-24**	**Thorngate 2022-23**	**Thorngate 2021-22**	**Thorngate 2020-21**	**Thorngate 2019-20**	**Peer group 2023-24**
Housing%	0.14%	0.23%	0.22%	0.27%	0.25%	1.19%
Housing Value £	£1,394	£2,319	£2,058	£2,423	£2,120	
Housing (excl new schemes see note below)	0.14%	0.23%	0.22%	0.27%	0.25%	1.19%
Housing Value £	£1,394	£2,319	£2,058	£2,423	£2,120	
Care %	4.08%	4.67%	1.70%	3.90%	1.17%	N/A
Care Value £	£109,271	£108,208	£35,688	£72,296	£20,043	

STRUCTURE, GOVERNANCE AND MANAGEMENT

We have once again turned in an excellent performance on housing voids and are ranked in the **first quartile yet again** in the peer group of smaller similar housing associations. This reflects just how desirable our combined package of high-quality housing and high-quality housing support delivered by on-site staff are to residents. This is also reflected in our very long waiting list for units (currently around 120 applications for 124 flats) with a wait time of around two years. Our care voids for 2023-2024 have stayed approximately constant despite the refurbishments in Russell Churcher Court.

2. Procurement

Since the VFM standard was first introduced, Thorngate has reported its performance against prior years in a number of areas. This has shown useful trends and this has been continued this year. The focus areas continue to be gas and electric purchases, and care home food costs. These have been chosen because almost all our properties have gas included in the weekly maintenance charges, communal electricity is a large costs and for our care home, food is one of the largest costs. These figures can only be considered year on year within the same organisation because of different characteristics between different providers.
While we seek to reduce our utility costs, we seek to at least maintain our food cost budget per person level, as there is a correlation between quality and cost and the case of food for care home residents, and nutrition is a key part of caring for frail residents.

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17 (pro rata)	£47,100	-9%	£33,252	0%	£1,371	-5%
2017-18 (pro rata)	£45,363	-4%	£36,872	+11%	£1,651	+20%
2018-19	£51,551	+14%	£42,669	+16%	£1,687	+2%
2019-20	£63,471	+23%	£46,916	+10%	£1,516	-10%
2020-21	£61,045	-3.8%	£49,983	+6.5%	£1,404	-31%
2021-22	£46,305	-24.1%	£50,515	+1.1%	£2,164	+54%
2022-23	£43,739	-5.54%	£48,418	-4.15%	£2,040	-5.73%
2023-24	£71,019	+62.4%	£45,425	-6.2.%	£2,287	+12%

On gas and electric procurement we go to the market and our three year deal on gas ended in December 2023, with electricity ending in June 2024. We were extremely lucky to get a good deal in Spring/Summer 2020. A new contract has been negotiated which while competitive is nevertheless higher than the very low-priced deal we came out of. Gas is used for heating and hot water in both housing and care homes and only the new developments of Lucas Court, Garden View and Station Road buy their own gas. It should be noted that if housing residents had to buy their own gas or electric they would not be able to buy this as competitively as we do, however of course they would have more control over usage.

Gas: Our spend on gas has increased dramatically this year. This is due to the ending of our advantageous gas contracts in December 2023, and the start of a good but nonetheless more expensive (270% increase) contract in January 2024. Further our actual unit usage increased by 5.3%.

Electric: Spend on electricity has decreased this year. Given that our price has not changed this is the result of using fewer units. Overall unit usage dropped by 12%

Food: The cost of food increased during the year due to continuing inflation. We work hard to buy as competitively as possible but the market has been challenging throughout 2023-24. The longer-term food cost environment remains uncertain and the current budget for 2024-2025 period is £2,518 per person.

STRUCTURE, GOVERNANCE AND MANAGEMENT

3. Increased reach

Thorngate considers, in line with its objects, it can increase its reach in the following two key ways: either development of new homes and facilities, and increased engagement of "persons who are in need by reason of their age"

Development:

Although we have not completed any new flats in 2023-24, we concluded a sizeable building programme for us in 2018-19. During 2021-22 we secured planning consent on a new site which we then acquired by completing the option agreement negotiated in 2021. Throughout 2023-4 we progressed further towards a start on site and this commenced in April 2024.

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Units completed	0	0	0	0	0	10	4
Increase in stock % of current stock at start of year	0%	0%	0%	0%	0%	9%	3%

The board has a stated aspiration that it will identify sites when they become available as follows:
To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves. The acquisition and development out of the Grove Road site indicates that Thorngate is delivering on these aspirations.

4. Governance & Board Development

For a well-run organisation the board recognises it must ensure it is well equipped in terms of skills and continuous professional development.

Consequently, the board undertakes training and strategic board days normally twice a year in addition to board meetings and monthly (at least) briefings from the Chief Executive.

In 2023-24 the board has undertaken training looking at its regulators, energy and data based decision making.

Target:

The target for 2024-25 which we can be measured against is at least one board day including strategy sessions.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
09953572 (England and Wales)

Registered Charity number
1169965

Registered office
Administration Office
Clare House Melrose Gardens
Station Road
Gosport
Hampshire
PO12 3BZ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Trustees
Mark Hook (Chairman)
Christopher Matthews
James Gilhooley
Julie Palmer
Reeta Ram
John Clark
Oliver Zaki
David Popoola-Smith

Registered Provider of Social Housing Number
4839

Chief Executive Officer and Clerk to the Trustees
A Taylor FCCA

Company Secretary
A Taylor FCCA

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors
Winckworth Sherwood
Arbor, 255 Blackfriars Rd,
London
SE1 9AX

Bankers
Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

Investment Managers
CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Thorngate Churcher Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Board Meeting.

Approved by order of the board of trustees on 22 August 2024 and signed on its behalf by:

.....

M Hook - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Opinion
We have audited the financial statements of Thorngate Churcher Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

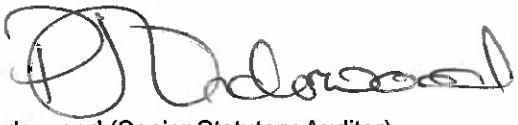
Management assessed there is no going concern risk.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 28 August 2024

THORNGATE CHURCHER TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	4,610	-	-	4,610	1,211
Charitable activities	4					
Housing for older people		1,048,309	-	-	1,048,309	948,999
Care home		2,582,726	-	-	2,582,726	2,210,955
Investment income	3	2,739	-	-	2,739	620
Total		3,638,384	-	-	3,638,384	3,161,785
EXPENDITURE ON						
Charitable activities	5					
Housing for older people		844,834	-	-	844,834	782,691
Care home		2,345,956	-	-	2,345,956	2,239,005
Total		3,190,790	-	-	3,190,790	3,021,696
Net gains/(losses) on investments		48,892	-	-	48,892	(3,609)
NET INCOME		496,486	-	-	496,486	136,480
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		(88,000)	-	-	(88,000)	(44,987)
Net movement in funds		408,486	-	-	408,486	91,493
RECONCILIATION OF FUNDS						
Total funds brought forward		7,406,179	-	40,503	7,446,682	7,355,189
TOTAL FUNDS CARRIED FORWARD		7,814,665	-	40,503	7,855,168	7,446,682

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	13	8,611,540	8,403,518
Investments	14	496,901	448,009
		9,108,441	8,851,527
CURRENT ASSETS			
Stocks	15	7,415	8,871
Debtors	16	104,724	105,408
Cash at bank		440,291	302,735
		552,430	417,014
CREDITORS			
Amounts falling due within one year	17	(354,701)	(861,181)
NET CURRENT ASSETS		197,729	(444,167)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,306,170	8,407,360
CREDITORS			
Amounts falling due after more than one year	18	(1,140,775)	(666,193)
PROVISIONS FOR LIABILITIES	21	(310,227)	(294,485)
NET ASSETS		7,855,168	7,446,682
FUNDS	23		
Unrestricted funds		7,814,665	7,406,179
Endowment funds		40,503	40,503
TOTAL FUNDS		7,855,168	7,446,682

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22 August 2024 and were signed on its behalf by:

.....
M Hook - Trustee

The notes form part of these financial statements

THORNGATE CHURCHER TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	614,890	300,307
Interest paid		(37,286)	(36,078)
Finance costs paid		(13,014)	(8,014)
Net cash provided by operating activities		564,590	256,215
Cash flows from investing activities			
Purchase of tangible fixed assets		(406,244)	(454,112)
Purchase of fixed asset investments		-	(41,639)
Interest received		2,739	620
Net cash used in investing activities		(403,505)	(495,131)
Cash flows from financing activities			
New loans in year		500,000	-
Loan repayments in year		(523,529)	(23,415)
Net cash used in financing activities		(23,529)	(23,415)
Change in cash and cash equivalents in the reporting period		137,556	(262,331)
Cash and cash equivalents at the beginning of the reporting period		302,735	565,066
Cash and cash equivalents at the end of the reporting period		440,291	302,735

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	496,486	136,480
Adjustments for:		
Depreciation charges	176,824	181,459
(Gain)/losses on investments	(48,892)	3,609
Loss on disposal of fixed assets	21,398	6,218
Interest received	(2,739)	(620)
Interest paid	37,286	36,078
Finance costs	13,014	8,014
Decrease/(increase) in stocks	1,456	(2,186)
Decrease/(increase) in debtors	684	(16,733)
(Decrease)/increase in creditors	(8,369)	14,251
Difference between pension charge and cash contributions	(72,258)	(66,263)
Net cash provided by operations	614,890	300,307

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank	302,735	137,556	440,291
	302,735	137,556	440,291
Debt			
Debts falling due within 1 year	(527,624)	498,112	(29,512)
Debts falling due after 1 year	(666,193)	(474,582)	(1,140,775)
	(1,193,817)	23,530	(1,170,287)
Total	(891,082)	161,086	(729,996)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity recognises grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that the monies would become repayable if the properties were sold. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Finance and administration costs are apportioned to specified headings of expenditure whereas employees are charged directly to specified headings. Other administration costs are allocated as considered appropriate.

Pension costs and other post-retirement benefits
The Trust participates in a multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to the individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Structure	1%
Roofs	1.4%
Windows and Doors	3.3%
Boilers	6.7%
Kitchens	5%
Bathrooms	3.3%
Mechanical Systems	3.3%
Electrical Systems	2.5%
Lifts	5%
Furniture and equipment	25%
Computers and office equipment	25%

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Individual fixed assets costing £250 or more are capitalised at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

continued...

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	4,610	1,211

3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	2,739	620

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
Social housing maintenance contributions	Housing for older people	1,048,309	948,999
Residential care home	Care home	2,573,997	2,208,879
Grants	Care home	8,729	2,076
		3,631,035	3,159,954

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Hampshire County Council	-	2,076
PCS System Dev Grant	5,729	-
International Recruitment Grant	3,000	-
	8,729	2,076

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Housing for older people	614,327	230,507	844,834
Care home	2,113,226	232,730	2,345,956
	2,727,553	463,237	3,190,790

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Services	2,275,171	2,116,950
Day to day maintenance	140,182	147,252
Cyclical maintenance	41,184	53,660
Extraordinary maintenance	47,035	64,582
Other costs	2,473	6,217
Depreciation	171,208	176,110
Interest payable and similar charges	50,300	44,092
	2,727,553	2,608,863

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Housing for older people	228,371	2,136	230,507
Care home	227,842	4,888	232,730
	456,213	7,024	463,237

Support costs, included in the above, are as follows:

Management

	Housing for older people	Care home	2024 Total activities	2023 Total activities
	£	£	£	£
IT expenses	15,271	15,272	30,543	32,342
Personnel	544	4,686	5,230	4,400
Building and office costs	19,631	6,965	26,596	26,382
PR and advertising costs	6,023	14,017	20,040	15,573
Management costs	186,902	186,902	373,804	324,978
	228,371	227,842	456,213	403,675

Governance costs

	Housing for older people	Care home	2024 Total activities	2023 Total activities
	£	£	£	£
Auditors' remuneration	1,824	4,326	6,150	6,030
Auditors' remuneration for non audit work	250	500	750	750
Governance costs	62	62	124	2,378
	2,136	4,888	7,024	9,158

continued...

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	6,150	6,030
Other non-audit services	750	750
Depreciation - owned assets	176,824	181,459

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

During the period no trustees (2023.: one) were reimbursed for out of pocket expenses (2023: £118).

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,869,702	1,610,345
Social security costs	154,158	123,924
Employer's pension costs	142,707	61,749
	2,166,567	1,796,018

Key management remuneration

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charitable company were £109,430 (2023: £100,914). This does not include remuneration for trustees, all of which is reported as per note 9.

The average monthly number of employees during the year was as follows:

	2024	2023
Administration	4	4
Maintenance	4	4
Housing, support and care	63	63
	71	71

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-
	1	1

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,211	-	-	1,211
Charitable activities				
Housing for older people	948,999	-	-	948,999
Care home	2,210,955	-	-	2,210,955
Investment income	620	-	-	620
Total	3,161,785	-	-	3,161,785
EXPENDITURE ON				
Charitable activities				
Housing for older people	782,691	-	-	782,691
Care home	2,239,005	-	-	2,239,005
Total	3,021,696	-	-	3,021,696
Net gains/(losses) on investments	(3,609)	-	-	(3,609)
NET INCOME	136,480	-	-	136,480
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	(44,987)	-	-	(44,987)
Net movement in funds	91,493	-	-	91,493
RECONCILIATION OF FUNDS				
Total funds brought forward	7,314,686	-	40,503	7,355,189
TOTAL FUNDS CARRIED FORWARD	7,406,179	-	40,503	7,446,682

12. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

	2024	2023
	£	£
Charitable income - fees and maintenance contributions	3,622,306	3,160,033
Charitable income - donations and legacies	4,610	1,987
Charitable income - grants	8,729	-
Charitable expenditure	(3,190,790)	(3,022,551)
	444,855	139,469
Adjustment for pension funds, investments, maintenance reserve and capital grant	1,801	4,355
Charitable surplus	446,656	143,824

continued...

13. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2023	9,763,697	998,884	90,796	299,695	11,153,072
Additions	153,226	237,108	8,962	6,948	406,244
Disposals	(105,398)	(18,925)	(17,136)	(1,210)	(142,669)
At 31 March 2024	9,811,525	1,217,067	82,622	305,433	11,416,647
DEPRECIATION					
At 1 April 2023	2,439,169	-	68,674	241,711	2,749,554
Charge for year	137,818	-	14,136	24,870	176,824
Eliminated on disposal	(103,100)	-	(17,136)	(1,035)	(121,271)
At 31 March 2024	2,473,887	-	65,674	265,546	2,805,107
NET BOOK VALUE					
At 31 March 2024	7,337,638	1,217,067	16,948	39,887	8,611,540
At 31 March 2023	7,324,528	998,884	22,122	57,984	8,403,518

Included in cost or valuation of land and buildings is freehold land of £2,192,331 (2023 - £2,192,331) which is not depreciated.

Assets under construction includes disposals of £18,925. This represents the brought forward work on refurbishments in Russell Churcher Court Care Home, which during the year were completed and thus reclassified into freehold property.

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 April 2023	401,664	46,345	448,009
Revaluations	48,892	-	48,892
At 31 March 2024	450,556	46,345	496,901
NET BOOK VALUE			
At 31 March 2024	450,556	46,345	496,901
At 31 March 2023	401,664	46,345	448,009

The unlisted investments are solely made up of nitrate credits.

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2024 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2024	450,556	46,345	496,901

continued...

15. STOCKS

	2024	2023
	£	£
Stocks	7,415	8,871

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Arrears of maintenance contributions and care home fees	8,130	8,638
Other debtors	321	479
Prepayments and accrued income	96,273	96,291
	104,724	105,408

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 19)	27,006	525,694
Other loans (see note 19)	2,506	1,930
Trade creditors	113,230	114,744
Maintenance contributions and care home fees received in advance	119,037	102,581
Social security and other taxes	33,102	20,748
Other creditors	59,820	95,484
	354,701	861,181

	2024	2023
	£	£
Brought forward	102,581	135,923
Amount released to incoming resources	(102,581)	(135,923)
Amount deferred in year	119,037	102,581
Carried forward	119,037	102,581

Deferred income relates to maintenance contributions and care home fees received in advance.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans (see note 19)	1,129,395	652,307
Other loans (see note 19)	11,380	13,886
	1,140,775	666,193

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year		
Bank loans	27,006	525,694
Other loans	2,507	1,930
	29,513	527,624
Amounts falling due between two and five years		
Bank loans	110,795	106,021
Other loans	11,380	13,886
	122,175	119,907
Amounts falling due in more than five years		
Bank loans	1,018,600	546,286
Other loans	-	-
	1,018,600	546,286

The loan from the NAA included in other loans is interest free and being repaid over 10 years. In accordance with the SORP the loan has been discounted at a similar interest rate in line with other borrowings.

20. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	1,156,401	1,178,001

The bank loans are secured by a first and second charge over the Russell Churcher Court care home and Goyda House both situated in Melrose Gardens.

21. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Provisions	310,227	294,485

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was issued to employers in August 2021 and showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement, the Trust has recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

continued...

21. PROVISIONS FOR LIABILITIES - continued

Reconciliation of opening and closing provisions

	31 March 2024	31 March 2023
	£	£
Provision at start of period	294,000	315,000
Unwinding of the discount factor	13,000	8,000
Deficit contribution paid	(94,000)	(88,000)
Impact of change in assumptions	88,000	45,000
Current service cost	4,000	9,000
Expenses	5,000	5,000
SHPS Provision at end of period	310,000	294,000
TPT Retirement Solutions - The Growth Plan	227	485
Provision at end of period	310,227	294,485

Income and expenditure impact

	31 March 2024	31 March 2023
	£	£
Interest expense	13,000	8,000
Impact of change in assumptions & contribution schedule	88,000	45,000
Current service cost	4,000	9,000
Expenses	5,000	5,000

Assumptions

	31 March 2024	31 March 2023	31 March 2022
	% per annum	% per annum	% per annum
Rate of discount	4.89	4.88	2.79

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	Endowment fund	2024 Total funds	2023 Total funds
	£	£	£	£	£
Fixed assets	8,611,540	-	-	8,611,540	8,403,518
Investments	496,901	-	-	496,901	448,009
Current assets	511,927	-	40,503	552,430	417,014
Current liabilities	(354,701)	-	-	(354,701)	(861,181)
Long term liabilities	(1,140,775)	-	-	(1,140,775)	(666,193)
Provision for liabilities	(310,227)	-	-	(310,227)	(294,485)
	7,814,665	-	40,503	7,855,168	7,446,682

continued...

23. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	6,953,753	396,879	7,350,632
Cyclical maintenance reserve	307,223	16,539	323,762
Extraordinary repairs reserve	145,203	(4,932)	140,271
	7,406,179	408,486	7,814,665
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	7,446,682	408,486	7,855,168

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,638,384	(3,202,397)	(39,108)	396,879
Cyclical maintenance reserve	-	16,539	-	16,539
Extraordinary repairs reserve	-	(4,932)	-	(4,932)
	3,638,384	(3,190,790)	(39,108)	408,486
TOTAL FUNDS	3,638,384	(3,190,790)	(39,108)	408,486

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	6,850,654	103,099	6,953,753
Cyclical maintenance reserve	323,762	(16,539)	307,223
Extraordinary repairs reserve	140,270	4,933	145,203
	7,314,686	91,493	7,406,179
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	7,355,189	91,493	7,446,682

continued...

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,161,785	(3,010,090)	(48,596)	103,099
Cyclical maintenance reserve	-	(16,539)	-	(16,539)
Extraordinary repairs reserve	-	4,933	-	4,933
	3,161,785	(3,021,696)	(48,596)	91,493
TOTAL FUNDS	3,161,785	(3,021,696)	(48,596)	91,493

General fund - This reserve represents accumulated surpluses within the general fund. Within the general fund is an amortised balance of £3,601,197 (2023: £3,654,476) which represents the income recognised from the Social Housing Grants. The charity recognised grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that should the properties be sold (or in the case of Russell Churcher Court converted to another use) a crystallising event would occur which would result in any grant attached to that specific property being either repayable or allocated to one of the trust's other social housing properties. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties

Cyclical maintenance reserve - This reserve is established for regular maintenance including internal and external decoration.

Extraordinary repairs reserve - This reserve is established for long term modernisation and repairs.

Endowment reserve - This reserve represents assets which formed part of the original governing document.

24. RELATED PARTY DISCLOSURES

Mrs Julie Palmer, a Trustee is a committee member of the Lee on the Solent Residents' Association. No transactions between this organisation and the Trust have occurred during the year.

Mr Mark Hook, Chairman and Trustee, is a director of GS Building Services. Mr Hook is also a director of Court Barn Catering (Commercial) Ltd. No transactions between these companies and the Trust have occurred during the year.

Mr James Gilhooley, Trustee is a Trustee of University of 3rd Age (Solent) on 1 May 2023. No transactions between this organisation and the Trust have occurred during the year.

Mr Chris Matthews, Trustee is a solicitor and partner in the firm Churchers Solicitors LLP. No transactions occurred between Churchers Solicitors and the Trust during the year.

Ms Reeta Ram, Trustee is the sole director of DPR Housing Limited and Dementia Partners Limited. These are organisations that provide supported housing living schemes to support vulnerable adults to live in the community in London. No transactions between either of these companies and the Trust occurred during the year.

Mr John Clark, Trustee, is Executive Director of Orione Care, a housing and social care charity. Mr Clark is also a Non-Executive Director of Empower Housing Association and Chair of Epsom and Ewell Housing Association. There are no transactions between the Trust and these organisations.

Mr Oliver Zaki, Trustee is a solicitor and partner at Glanvilles LLP. No transactions occurred

continued...

24. RELATED PARTY DISCLOSURES - continued

between the Trust and Glanvilles Solicitors during the year. Mr Zaki's partner is a partner at Knights LLP. All transactions between the Trust and Knights are on normal commercial terms.

Mr David Popoola Smith is a social worker for Bromley Councils. There are no transactions between the Trust and these councils. Mr Popoola Smith is also a director of Danifab Ltd and Seacole Support Limited. There are no transactions between the Trust and these companies.

Ms Anne Taylor, Chief Executive and Company Secretary, is the Vice Chair of Trustees and Non-Executive Director of the Fusion21 Foundation, a grant giving charity. No transactions have occurred between this charity or its trading subsidiary Fusion21 Limited and the Trust during the year. Ms Taylor is a Trustee of Trust 2000, a community charity. Ms Taylor is also a director of John Taylor Motorsport Limited. No transactions have occurred between this charity or the limited company and the Trust during the year.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

27. POST BALANCE SHEET EVENT

On the 2nd of April 2024, the charitable company entered into a building contract in relation the Grove Road Development. The total build contract was £8,1million.

THORNGATE CHURCHER TRUST

England & Wales - Charity number 1169965

Accounts

REGISTERED COMPANY NUMBER: 09953572 (England and Wales)
REGISTERED CHARITY NUMBER: 1169965

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FOR

THORNGATE CHURCHER TRUST

Thorngate Churcher Trust

HOUSING AND CARE SINCE 1868

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THORNGATE CHURCHER TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the 12 months ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activities of the Trust continues to be the provision of almshouse accommodation in one hundred and twenty four one-bedroom flats for older people and the provision of a modern forty four bedroom care home. The Trust is a registered charity.

Our Vision

Providing comfort and security to those in need since 1868, and committed to developing the highest standards of housing and professional care in a supportive, respectful and friendly community.

Our Values

i. We seek to improve lives through passionately promoting excellence in support, care and housing
ii. We will each commit to take responsibility for our role in our teams encouraging, respecting and supporting each other
iii. We strive to be transparent, approachable, listening to each other and acting with empathy and consistency
iv. We will respect and support everyone as individuals, treating residents and colleagues with dignity and compassion, and behaving professionally whatever our role

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

FINANCIAL REVIEW

Business and Financial Review

During the financial year 2022-23, the Trustees continued to review the care and housing offered to residents, seeking continuous improvement. In addition the board have had regard to the requirements of its three regulators, the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Charity Commission, not least of which being the standard from the RSH to evidence value for money. The Trust is a provider of residential care services to Hampshire County Council for a number of residents in its Russell Churcher Court care home.

The board is pleased to report a surplus for the 12 month period of £136,480 (2022: £407,045).

The change in the year has mainly been due to increased costs in the care home particularly related to agency cover in the autumn of 2022. In 2022 there was also a significant gain on investments which dropped back in 2022 due to the economic climate and this change accounted for £45,830 difference. Income in 2021-2022 was also bolstered by Covid19 grants (£107,296) which were not awarded in 2022-23. We have benefitted from maintaining excellent occupancy levels in both housing and care, despite an extensive refurbishment programme in the care home.

Operational surpluses (i.e. just including housing and social care) for the periods excluding valuation adjustments on the pension fund, investments, and the adjustments made for the maintenance reserve figures were £143,824 (2022: £336,682) (see note 12).

During the year the Trust made steady progress on its strategy to acquire and build new social housing on a site at Grove Road Gosport. Grove Road was acquired in February 2022. During the year architectural plans, cost plans and the tender documents were prepared and released. After the year end a further planning application was submitted relating to the air source heat pumps and other minor matters. Progress however has been affected by inflation and the interest rate increases. The executive continues to work after the year end on determining the best financing structure for this development. In addition, the Trust's digital journey has continued with the monitoring of energy use and analysis of a number of metrics through Power BI dashboards.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Following the market research exercise in 2022 and the decision made to continue to invest in social care and upgrade rooms further over a period of four years to further enhance the Trust's position locally, refurbishment of the care home continued and remained ahead of schedule at the year end with 16 out of 44 rooms completed in a little over 13 months. Occupancy figures for the care home and housing remain among the best in our peer group.

Like recent years, Covid continue to dominate the financial year (restrictions were finally lifted in April 2023). We were able to cope through outbreaks and in the main we had excellent occupancy. Day-to-day operations were affected we maintained safe levels of staffing at all times in care and housing. Care staffing was however maintained for both filling vacancies and covering Covid19 outbreaks by the use of agency staffing at a heavy cost. These recruitment issues prompted the Trust to seek a Sponsorship Licence for non UK staff. This was granted in September 2022 and sponsored staff commenced employment in December 2022. A significant number of staff hours are now covered by sponsored employees.

The Trust maintained its accreditation under Real Living Wage Employer scheme.

The Trust has also sought to maintain its buildings to a high standard. Following the death of a child in Rochdale from mould the Trust immediately carried out a survey of its properties and established there were no damp issues. Further the Trust completed updated EPC assessments and established that it already meets the Regulator's targets of all properties being at EPC "C" or better by 2030.

Looking forward the Trust remains focussed on its principal aims of providing award winning social housing and excellent social care, its aim to be the employer of choice and the development of the Grove Road site while not losing site of its carbon reduction journey.

Our income from housing and care activities (excluding grants) increased month on month in 2022-23 by 6% to £3,160,033 over the 12 month period (2022: £2,980,955). Housing voids continued to be controlled with void properties accounting for lost income of £2,319 over 12 months (2022: £2,058).

CCLA continue to be engaged as investment managers. Loss on investments for the year was £3,609, (2022: Gain of £42,221) during difficult trading conditions during the year.

Freehold properties are held at historical cost, with component accounting applied to result in a depreciated property figure. Under the Charities SORP social housing grant (SHG) is no longer deducted as in years prior to 2016. The properties are shown in these accounts at their historic cost of £10,762,581 (2022: 10,397,313). After depreciation the net book value of housing properties held at historic cost is £8,323,412 (2022: £8,043,893). The valuation undertaken by Lloyds Bank plc in May 2016 valued the Russell Churcher Court care home at £2.25M. The Trust's qualified Property Services Manager, carried out an extensive impairment review in 2019 and a stock condition survey after the year end in summer 2023, neither of which evidenced any indications of impairment. Accordingly the trustees believe the current market value exceeds the book value.

The balance sheet shows a net current asset at 31 March 2023 of -£444,167 (2022: £314,626). This is as a result of the interest only loan negotiated to August 2023, for the purchase of the Grove Road development site, and is intended to be rolled into a long term loan for the construction of Grove Road. This has been extended to November 2023 and if the development is unduly delayed this will be converted into a longer term loan.

The trustees continue to be of the opinion that the overall financial position of the Trust is healthy and that it is able to meet its current and future commitments.

During the year there has been one change to the board members when Mrs Diane Searle retired in May 2022. Mr Mark Hook was appointed to be Chairman from May 2022. The board continued with training and strategy days using external consultants and qualified professionals to provide facilitation, guidance and expertise in specific topics. During the 22-23 financial year two board days covered net zero strategy, recruitment and innovation, were carried out as well as a review of the strategy of investment in care services at the Trust.

Contribution from Volunteers
The contribution from volunteers is not significant and does not affect the Trust's ability to carry out any of its activities.

Reserves
The Trustees have transferred monies to Reserve Funds in accordance with the Charity Commission Scheme over a long period in order to:

a) Provide Designated and Restricted Reserves, which include the minimum annual amounts for future Repairs and Maintenance, required by the Charity Commission Scheme, plus income thereon, less related expenditure.
b) Provide Unrestricted Reserves to:
   i. Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for one year ahead.
   ii. Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the minimum required by the Charity Commission Scheme.
   iii. Purchase investments which provide income that can indirectly make it possible to subsidise the weekly maintenance contributions charged to residents of the almshouses and care home; thus fulfilling one of its charitable objectives.

As at 31 March 2023 unrestricted reserves were £7,406,179 of which £452,426 are designated reserves. Endowment reserves are £40,503.

Social Investment Policies
The Trust has not made any social investments during the year.

Fundraising Reporting Note
Thorngate Churcher Trust does not normally carry out any significant fundraising activities. No fundraising has been done on behalf of the Trust by any other body. It does not employ a professional fundraiser or have a commercial participator arrangement. Accordingly the Trust has not registered with the Fundraising Regulator.

Within the Russell Churcher Court care home the activities team raise small amounts of money (typically less than £6,000 annually) through incidental raffles (i.e. not requiring a licence), from relatives to fund additional outings and entertainment for residents of the care home. Unconnected members of the general public are not approached, accordingly the Trust does not need to take measures to protect vulnerable members of the public.

No complaints were received by the charity in relation to fundraising.

Financial Effect of Significant Events
There were two significant events during the year:

1. Covid-19. This continued to be a dominant factor throughout the 2022-23 financial year, however despite the constraints, the Trust coped well, albeit having to utilise agency staffing.
2. Recruitment. The success in gaining a sponsorship licence enabled the Trust to widen the pool of possible employees and reduce agency costs very significantly.
3. The Trust pursued its ambition to develop the Grove Road site it acquired in the previous financial year. This is a long term strategy and costs were incurred during the year in drawing up plans with professional advisers and preparing tender documentation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and Training of Trustees

Trustees are recruited based on an analysis of skills gaps, and then this is publicised by adverts or through news articles/networking. Individuals are then interviewed, who may then, depending on the outcome be appointed. Trustee board days normally take place twice a year in addition to board meetings and encompass both strategy and training. In addition additional training is undertaken on an ad-hoc basis such as attendance at seminars as and when necessary or trustees are available, for example seminars given by local legal firms and by membership bodies.

Pay and Remuneration of Key Personnel

The Chief Executive's remuneration is set by means of an appraisal with a suitably qualified trustee, and taking into account salaries in comparable organisations and levels of skills, knowledge and experience required. Pay and remuneration decisions also take into account individual performance against organisational and personal targets.

Code of Governance

The trustees are pleased to report that the Trust complies with the Standards of Almshouse Management. The Trust also adopted the Charity Commission Code of Governance in 2014, and subsequently the new Code of Governance in 2018. No trustees have served more than nine years. Having given consideration to its effectiveness to make informed decisions, the board believes it does this because of the detailed information it considers, not just at board meetings but throughout the year through monthly management reporting packs and ad-hoc reports and notifications from the Chief Executive. The board continues to have challenging board days to ensure it refreshes its skills and knowledge and avoids "group think".

Risk assessment – principal risks and uncertainties

The Trustees have considered the major risks to which the Trust could be exposed and have reviewed the systems established to mitigate against such risks. A risk register is used to review key risks and is reviewed at board meetings and in addition on board days. The risks are recorded and assessed in terms of impact and probability and also uses a traffic light system to highlight areas of particular concern. Any significant changes are reported to the board monthly or quarterly as appropriate.

The four principal risks and uncertainties facing the charity and its mitigation strategies at present are:

1. **Income maintenance in the care home**. Following market research and a strategy day the Trust implemented a change in fees for new residents of the care home in 2022. Market research indicated that this fee structure should not result in excessive voids however this is being monitored. At the balance sheet date demand remained high.
2. **Covid-19 or other pandemic**. Covid-19 created both financial uncertainty and operational uncertainty within the care and social housing for older people sectors. The charity rose to the challenge by recruiting additional staff and having strong infection control procedures in both care and housing. Covid and other infections such as Norovirus remain a risk into 23-24 as new variants emerge and is still being treated as such.
3. **Cyber risk.** The Trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. The Trust has also completed the Digital Security and Protection Toolkit from NHS Digital. Most software packages are now cloud based but the Trust has identified that it needs to move its server based care plan system to the cloud which entails changing care plan software provider. This was researched in 2022-23, and is taking place in summer 2023. Once this is complete the remaining documents held on the server will be moved to cloud storage and the server decommissioned. The Trust intends to attain Cyber Essentials accreditation as soon as feasibly possible.
4. **Inflation and fuel costs.** In the year the Trust continued to benefit from low fuel costs previously negotiated. However from January 2024 fuel costs will increase when the current gas contract ends. This has been factored into future budgets. High levels of inflation have been resisted but some elements have come into costs for 2023-24. This has had a knock-on effect to charges to residents.
5. **CQC Inspection.** A CQC inspection of the care home is due in 2023. While major compliance steps are taken continuously, visit from the regulator constitute a risk however well managed.

The board are not aware of any irregularities, including fraud, involving management or employees of the Trust: nor are they aware of any instances of actual or possible non-compliance with loan covenants, laws, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

Internal controls

The board of Trustees is ultimately responsible for the Trust's systems of internal financial controls which are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The board has through its quarterly meeting and reporting procedures reviewed the effectiveness of the Trust's internal financial control system for the period from 1 April 2021 to the date of this report.

The board of Trustees, through its adoption of policies and procedures is constantly reviewing the Trust's internal financial controls and has introduced the following mechanisms designed to provide effective internal control:

- Defined management and reporting structures, including segregation of financial management tasks.
- Employment of a Chief Executive Officer and Finance Manager qualified as a chartered certified accountants.
- Use of professional IT consultants to ensure updates of all IT systems including financial control.
- Management information and accounting systems and software, including with cash flow forecasts, annual budgets, business recovery plans and business plans. Board reports are prepared monthly, covering both financial and operational matters.

Thorngate's VFM Statement

Introduction:

This is produced in accordance with the standard issued by the Regulator of Social Housing.

The purpose of the standard is to ask housing bodies to report on a set of standard metrics, and where these results are outliers for the organisation to report the reasons why this might be. Thorngate has an untypical profile, being both a provider of supported housing for older people and also a care home provider, which will inevitably distort some of our metric results.

Additionally the regulator asks the provider to provide a set of metrics relevant to their own business plan and operations, that they can measure themselves against in successive years and are also reflected in our reports to residents, staff and other stakeholders. For the purposes of transparency and for users of the accounts who may wish to check for consistency these reports will include those listed below, however as one or more of these may be confidential, they may not be publicly available on our website but would be available to users of the accounts (such as funders and regulators) on request:

- Annual Report to Residents 2022-23 (due to be published by 1 October 2023)
- Thorngate Business Plan

PART 1

Industry-wide Value for Money Metrics

The regulator has defined five key metrics around margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit that must be reported by every registered provider for the financial year that is being audited.

Our approach to satisfying this is to utilise our membership of the Acuity benchmarking group where both the regulator's metrics, sector scorecard and other benchmarking data is entered. Accordingly this report reflects our data and that of other relevant organisations in the benchmarking group.

Further the year that we have had, involving receipt of grants through fundraising and also government grants has distorted the calculations, particularly around margin on our normal day to day operations, which have to be done according to the relevant formulae.

Metric 1 Operating Margin and Earnings before interest, tax, depreciation and amortisation (EBITDA)

a) Operating Margin Overall.
The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.
On the regulator's formula Thorngate's margin is as follows:

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
Operating Margin Overall	4.57%	10.86%	10.55%	6.33%	8	7.6%

Overall operating margin fell significantly during 2022-23 due to issues within our care home related to recruitment and Covid19. These issues did not affect our housing provision.

b) **Operating Margin Social Housing Lettings.**
This is the same as above but only including social housing.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
Operating Margin Social Housing Lettings	18.1%	12.89%	15.5%	17.9%	2	13.18%

(2020 figures included some grant from Homes England)

c) **Earnings before interest, tax, depreciation and amortisation (EBITDA)**
The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
EBITDA MRI	3.23 times	16.6 times	12.1 times	8.4 times	Not avail	4.1

This is an acceptable position, but reflects that we increased borrowing to purchase Grove Road site, and also had a lower cash year due to issues with care home referred to above.

Metric 2 Gearing and Supply

a) **Gearing (RSH and Scorecard measure)**
This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of an organisation's appetite for growth. The ratio shows the proportion of borrowing in relation to the size of a provider's asset base.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
Gearing	14.57%	15.66%	11.06%	12.01%	Not avail	6.77

Thorngate increased its borrowing in 2021-22 to fund the purchase of the Grove Road Gosport site.

b) **New supply delivered (social housing units)**
Housing supply delivered as a percentage of stock owned, during the period April – March
Thorngate's measure is 0%. This is because we had delivered substantial schemes in 2015-18 and are preparing a new site for building in 2023-24.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
New supply delivered (Social Housing)	0	0	0	0	4	0

c) **New supply delivered (non-social housing units)** 0%
No other units (care) were started or completed during the year and the Trust has no plans for any further care units. Other providers in the peer group also did not deliver non-housing new supply.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
New supply delivered (Non- Social Housing)	0	0	0	0	4	0

Metric 3 Reinvestment

a) This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.
Thorngate's measure is 7.97%

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
Reinvestment %	7.97%	9.6%	4.73%	2.91%	4	4.02%

Metric 4 Return on Capital Employed (ROCE)

a) When looking at operating surplus figures, gain/loss on disposal of property, plant and equipment is not included. However these items are included in this measure as they can be considered to form part of the return on the capital investment in either fixed assets (or joint ventures).
Thorngate's measure 1.62%

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 23)	Peer Group Median
Return on capital employed)	1.62%	3.83%	3.62%	2.07%	4	1.2%

Metric 5 Headline social housing cost per unit

This is a total of costs attributable to social housing property. This includes component depreciation. Our slightly higher than average figure reflects higher component depreciation due to new properties, as well as some higher grade management roles because of the care services we manage as well as housing. It should also be noted that we have been recognised for providing high quality housing that residents want to live in, by the receipt of two awards voted for by residents in 2019. We believe (reflected in our residents' survey and long waiting list of more than two years) that our offering of well-maintained stock and especially our support through on-site wardens delivers a service that residents and prospective residents want.

When compared to other care providing organisations in the peer group we have the second lowest headline cost per unit.

	Thorngate 2023	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 5)	Peer Group Median
Headline social housing cost per unit	£6,627	£6,224	£6,715	£5,867	2	£5,755

PART 2

Thorngate's Metrics

The metrics we have chosen and have consistently reported on for the last few years are a mixture of both hard financial data and targets related to social impact, given that our mission defined by our charitable objects are:

The Objects of the Charity are to relieve the needs of Residents who are in need by providing social housing in the form of almshouse accommodation and such other charitable relief for the benefit of such Residents (or other persons who are in need by reason of their age) as the Trustees think fit; and for the benefit of this clause, "Residents" shall mean poor persons of not less than 50 years of age.

This translates into a number of monthly key performance indicators that the executive reports on monthly, procurement measures that we review periodically, and forward looking targets which reflect our forward focused business plan to 2023, as well as systematically examining our governance. The metrics reported below cover the following areas:

- Void Reporting
- Procurement
- Increased reach
- Governance and Board Development

1. **Void Reporting**

Both housing and care home voids are reported monthly to board and Thorngate sets its own targets on voids. Thorngate also benchmarks itself against the Smaller Providers Benchmarking Group, and this figure has been reported on where relevant below.

We report voids on a percentage basis monthly and on a lost revenue basis annually. Our target is 2.5% or less voids. This can be affected by for example, increased development or major repairs, if this means more transfers of residents or decanting.

Void pro-rata 12m	Thorngate 2022-23	Thorngate 2021-22	Thorngate 2020-21	Thorngate 2019-20	Peer group 2022-23
Housing %	0.23%	0.22%	0.27%	0.25%	1.15%
Housing Value £	£2,319	£2,058	£2,423	£2,120	
Housing % (excl new schemes)	0.23%	0.22%	0.27%	0.25%	1.15%
Housing Value £	£2,319	£2,058	£2,423	£2,120	
Care %	4.67%	1.70%	3.90%	1.17%	9.5%
Care Value £	E108,208	£35,688	£72,296	£20,043	

We have once again turned in an excellent performance on housing voids and are ranked in the **first quartile yet again** in the peer group of smaller similar housing associations. This reflects just how desirable our combined package of high quality housing and high quality housing support delivered by on-site staff are to residents. This is also reflected in our very long waiting list for units (currently around 90 applications for 124 flats) with a wait time of 18 months. Our care voids for 2022-2023 have risen due to the refurbishments in Russell Churcher Court.

2. Procurement

Since the VFM standard was first introduced, Thorngate has reported its performance against prior years in a number of areas. This has shown useful trends and this has been continued this year. The focus areas continue to be gas and electric purchases, and care home food costs. These have been chosen because almost all our properties have gas included in the weekly maintenance charges, communal electricity is a large costs and for our care home, food is one of the largest costs. These figures can only be considered year on year within the same organisation because of different characteristics between different providers.

While we seek to reduce our utility costs, we seek to at least maintain our food cost budget per person level, as there is a correlation between quality and cost and the case of food for care home residents, and nutrition is a key part of caring for frail residents.

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17 (pro rata)	£47,100	-9%	£33,252	0%	£1,371	-5%
2017-18 (pro rata)	£45,363	-4%	£36,872	+11%	£1,651	+20%
2018-19	£51,551	+14%	£42,669	+16%	£1,687	+2%
2019-20	£63,471	+23%	£46,916	+10%	£1,516	-10%
2020-21	£61,045	-3.8%	£49,983	+6.5%	£1,404	-31%
2021-22	£46,305	-24.1%	£50,515	+1.1%	£2,164	+54%
2022-23	£43,739	-5.54%	£48,418	-4.15%	£2,040	-5.73%

On gas and electric procurement we go to the market and we are currently in three year deals on both gas and electric, concluding in December 2023 and June 2024 respectively. We were extremely lucky to get a good deal in Spring/Summer 2020. We typically tender a host of suppliers, both brokers and direct and usually are looking at around 15 projections. Gas is used for heating and hot water in both housing and care homes and only the new developments of Lucas Court, Garden View and Station Road buy their own gas. It should be noted that if housing residents had to buy their own gas or electric they would not be able to buy this as competitively as we do, however of course they would have more control over usage.

Gas: Our spend on gas has fallen again this year. After the year end we have fitted new industrial boilers at Thorngate Court to operate our district heating systems as efficiently as possible. Overall unit usage dropped by 7.05%

Electric: Spend on electricity has decreased for the first time in six years. Given that our price has not changed this is the result of using fewer units. Our sensor project which monitors for unusual use of electricity has highlighted occasions when action needed to be taken and therefore reduced our usage. Overall unit usage dropped by 8.2%

Food: The cost of food increased during the year due to inflation however we employed a new catering manager midway through the year. This enabled us to have more control over budgets, resulting in more efficient purchasing. The longer term food cost environment remains uncertain and the current budget for 2023-2024 period is £2,196 per person.

3. Increased reach

Thorngate considers, in line with its objects, it can increase its reach in the following two key ways: either development of new homes and facilities, and increased engagement of "*persons who are in need by reason of their age*"

Development:

Although we have not completed any new flats in 2021-22, we concluded a sizeable building programme for us in 2018-19. During 2021-22 we secured planning consent on a new site which we then acquired by completing the option agreement negotiated in 2021. Throughout 2022-3 we

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Units completed	0	0	0	0	10	4
Increase in stock as % of current stock at start of year	0%	0%	0%	0%	9%	3%

The board has a stated aspiration that it will identify sites when they become available as follows:
To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves

4. Governance & Board Development

For a well-run organisation the board recognises it must ensure it is well equipped in terms of skills and continuous professional development.

Consequently, the board undertakes training and strategic board days normally twice a year in addition to board meetings and monthly (at least) briefings from the Chief Executive.

In 2022-23 the board has undertaken training over two separate board days looking at its care strategy, environmental strategy, and innovation.

Target:

The target for 2023-24 which we can be measured against is at least one board day including strategy and ESG sessions.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1169965
Company Registration Number
9953572
Registered Provider of Social Housing Number
4839

Principal address
Clare House
Melrose Gardens
Gosport
PO12 3BZ

Trustees

Mark Hook (Chairman)	Became Chairman on 20 May 2022
James Gilhooley	
Christopher Matthews	
Diane Searle	Retired on 19 May 2022
Julie Palmer	
Reeta Ram	
John Clark	
Oliver Zaki	
David Popoola Smith	

Chief Executive Officer and Clerk to the Trustees
Anne Taylor FCCA

Auditors
Morris Crocker Limited, Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors
Coffin Mew
1000 Lakeside
North Harbour
Portsmouth
PO6 3EN

Bankers
Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

Investment Managers
CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Thorngate Churcher Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Board Meeting.

Approved by order of the board of trustees on 24 August 2023 and signed on its behalf by:

.....
M Hook - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Opinion

We have audited the financial statements of Thorngate Churcher Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

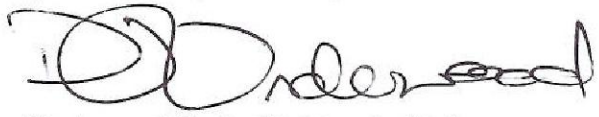
Management assessed there is no going concern risk.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 5 September 2023

THORNGATE CHURCHER TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,211	-	-	1,211	7,208
Charitable activities	4					
Housing for older people		948,999	-	-	948,999	918,723
Care home		2,210,955	-	-	2,210,955	2,173,810
Investment income	3	620	-	-	620	27
Total		3,161,785	-	-	3,161,785	3,099,768
EXPENDITURE ON						
Charitable activities	5					
Housing for older people		782,691	-	-	782,691	770,616
Care home		2,239,005	-	-	2,239,005	1,964,328
Total		3,021,696	-	-	3,021,696	2,734,944
Net gains/(losses) on investments		(3,609)	-	-	(3,609)	42,221
NET INCOME		136,480	-	-	136,480	407,045
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		(44,987)	-	-	(44,987)	65,005
Net movement in funds		91,493	-	-	91,493	472,050
RECONCILIATION OF FUNDS						
Total funds brought forward		7,314,686	-	40,503	7,355,189	6,883,139
TOTAL FUNDS CARRIED FORWARD		7,406,179	-	40,503	7,446,682	7,355,189

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	8,403,518	8,137,083
Investments	14	448,009	409,979
		8,851,527	8,547,062
CURRENT ASSETS			
Stocks	15	8,871	6,685
Debtors	16	105,408	88,675
Cash at bank		302,735	565,066
		417,014	660,426
CREDITORS			
Amounts falling due within one year	17	(861,181)	(345,800)
NET CURRENT ASSETS		(444,167)	314,626
TOTAL ASSETS LESS CURRENT LIABILITIES		8,407,360	8,861,688
CREDITORS			
Amounts falling due after more than one year	18	(666,193)	(1,190,738)
PROVISIONS FOR LIABILITIES	21	(294,485)	(315,761)
NET ASSETS		7,446,682	7,355,189
FUNDS	23		
Unrestricted funds		7,406,179	7,314,686
Endowment funds		40,503	40,503
TOTAL FUNDS		7,446,682	7,355,189

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

The financial statements were approved by the Board of Trustees and authorised for issue on 24 August 2023 and were signed on its behalf by:

.....
M Hook - Trustee

The notes form part of these financial statements

THORNGATE CHURCHER TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	300,307	621,159
Interest paid		(36,078)	(35,394)
Finance costs paid		(8,014)	(9,021)
Net cash provided by operating activities		256,215	576,744
Cash flows from investing activities			
Purchase of tangible fixed assets		(454,112)	(699,005)
Purchase of fixed asset investments		(41,639)	(4,706)
Interest received		620	27
Net cash used in investing activities		(495,131)	(703,684)
Cash flows from financing activities			
New loans in year		-	500,000
Loan repayments in year		(23,415)	(75,789)
Net cash (used in)/provided by financing activities		(23,415)	424,211
Change in cash and cash equivalents in the reporting period		(262,331)	297,271
Cash and cash equivalents at the beginning of the reporting period		565,066	267,795
Cash and cash equivalents at the end of the reporting period		302,735	565,066

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	136,480	407,045
Adjustments for:		
Depreciation charges	181,459	178,952
Losses/(gain) on investments	3,609	(42,221)
Loss on disposal of fixed assets	6,218	392
Interest received	(620)	(27)
Interest paid	36,078	35,394
Finance costs	8,014	9,021
Increase in stocks	(2,186)	(6,685)
(Increase)/decrease in debtors	(16,733)	2,362
Increase in creditors	14,251	85,835
Difference between pension charge and cash contributions	(66,263)	(48,909)
Net cash provided by operations	300,307	621,159

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	565,066	(262,331)	302,735
	565,066	(262,331)	302,735
Debt			
Debts falling due within 1 year	(26,494)	(501,130)	(527,624)
Debts falling due after 1 year	(1,190,738)	524,545	(666,193)
	(1,217,232)	23,415	(1,193,817)
Total	(652,166)	(238,916)	(891,082)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity recognises grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that the monies would become repayable if the properties were sold. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Finance and administration costs are apportioned to specified headings of expenditure whereas employees are charged directly to specified headings. Other administration costs are allocated as considered appropriate.

Pension costs and other post-retirement benefits
The Trust participates in a multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to the individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Structure	1%
Roofs	1.4%
Windows and Doors	3.3%
Boilers	6.7%
Kitchens	5%
Bathrooms	3.3%
Mechanical Systems	3.3%
Electrical Systems	2.5%
Lifts	5%
Furniture and equipment	25%
Computers and office equipment	25%

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Individual fixed assets costing £250 or more are capitalised at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

continued...

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	1,211	7,208

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	620	27

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Social housing maintenance contributions	Housing for older people	948,999	917,323
Grants	Housing for older people	-	1,400
Residential care home	Care home	2,208,879	2,063,632
Grants	Care home	2,076	110,178
		3,159,954	3,092,533

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Hampshire County Council	2,076	107,296
HMRC - CJRS and SSP Grants	-	4,282
	2,076	111,578

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Housing for older people	576,194	206,497	782,691
Care home	2,032,669	206,336	2,239,005
	2,608,863	412,833	3,021,696

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Services	2,116,950	1,917,196
Day to day maintenance	147,252	127,415
Cyclical maintenance	53,660	25,006
Extraordinary maintenance	64,582	32,804
Other costs	6,217	524
Depreciation	176,110	173,742
Interest payable and similar charges	44,092	44,415
	2,608,863	2,321,102

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Housing for older people	203,270	3,227	206,497
Care home	200,405	5,931	206,336
	403,675	9,158	412,833

Support costs, included in the above, are as follows:

Management

	Housing for older people	Care home	2023 Total activities	2022 Total activities
	£	£	£	£
IT expenses	16,171	16,171	32,342	25,210
Personnel	458	3,942	4,400	4,007
Building and office costs	19,472	6,910	26,382	24,083
PR and advertising costs	4,680	10,893	15,573	36,234
Management costs	162,489	162,489	324,978	312,057
	203,270	200,405	403,675	401,591

Governance costs

	Housing for older people	Care home	2023 Total activities	2022 Total activities
	£	£	£	£
Auditors' remuneration	1,788	4,242	6,030	5,904
Auditors' remuneration for non audit work	250	500	750	750
Governance costs	1,189	1,189	2,378	5,597
	3,227	5,931	9,158	12,251

continued...

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	6,030	5,904
Other non-audit services	750	750
Depreciation - owned assets	181,459	178,952

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the period one trustees (2022: Two) were reimbursed £118 (2022: £337) for out of pocket expenses.

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,610,345	1,445,644
Social security costs	123,924	97,457
Employer's pension costs	61,749	44,290
	1,796,018	1,587,391

Key management remuneration

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charitable company were £100,914 (2022: £96,834). This does not include remuneration for trustees, all of which is reported as per note 9.

The average monthly number of employees during the year was as follows:

	2023	2022
Administration	4	3
Maintenance	4	3
Housing, support and care	63	64
	71	70

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£70,001 - £80,000	1	1

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	7,208	-	-	7,208
Charitable activities				
Housing for older people	917,323	1,400	-	918,723
Care home	2,063,632	110,178	-	2,173,810
Investment income	27	-	-	27
Total	2,988,190	111,578	-	3,099,768
EXPENDITURE ON				
Charitable activities				
Housing for older people	770,616	-	-	770,616
Care home	1,852,750	111,578	-	1,964,328
Total	2,623,366	111,578	-	2,734,944
Net gains on investments	42,221	-	-	42,221
NET INCOME	407,045	-	-	407,045
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	65,005	-	-	65,005
Net movement in funds	472,050	-	-	472,050
RECONCILIATION OF FUNDS				
Total funds brought forward	6,842,636	-	40,503	6,883,139
TOTAL FUNDS CARRIED FORWARD	7,314,686	-	40,503	7,355,189

12. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

	2023	2022
	£	£
Charitable income - fees and maintenance contributions	3,160,033	2,980,955
Charitable income - donations and legacies	1,987	7,208
Charitable income - grants	-	111,578
Charitable expenditure	(3,022,551)	(2,734,944)
	139,469	364,797
Adjustment for pension funds, investments, maintenance reserve and capital grant	4,355	(28,115)
Charitable surplus	143,824	336,682

continued...

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2022	10,397,313	108,668	459,436	10,965,417
Additions	420,302	10,872	22,938	454,112
Disposals	(55,034)	(28,744)	(182,679)	(266,457)
At 31 March 2023	10,762,581	90,796	299,695	11,153,072
DEPRECIATION				
At 1 April 2022	2,353,420	79,563	395,351	2,828,334
Charge for year	135,676	17,315	28,468	181,459
Eliminated on disposal	(49,927)	(28,204)	(182,108)	(260,239)
At 31 March 2023	2,439,169	68,674	241,711	2,749,554
NET BOOK VALUE				
At 31 March 2023	8,323,412	22,122	57,984	8,403,518
At 31 March 2022	8,043,893	29,105	64,085	8,137,083

Included in cost or valuation of land and buildings is freehold land of £2,192,331 (2022 - £2,192,331) which is not depreciated.

Freehold property also includes schemes in progress with a net book value of £498,884 (2022: £230,120).

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 April 2022	405,273	4,706	409,979
Additions	-	41,639	41,639
Revaluations	(3,609)	-	(3,609)
At 31 March 2023	401,664	46,345	448,009
NET BOOK VALUE			
At 31 March 2023	401,664	46,345	448,009
At 31 March 2022	405,273	4,706	409,979

The unlisted investments are solely made up of nitrate credits.

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2023 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2023	401,664	46,345	448,009

continued...

15. STOCKS

	2023	2022
	£	£
Stocks	8,871	6,685

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Arrears of maintenance contributions and care home fees	8,638	13,326
Other debtors	479	8
Prepayments and accrued income	96,291	75,341
	105,408	88,675

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 19)	525,694	24,706
Other loans (see note 19)	1,930	1,788
Trade creditors	114,744	79,846
Maintenance contributions and care home fees received in advance	102,581	135,923
Social security and other taxes	20,748	26,241
Other creditors	95,484	77,296
	861,181	345,800

	2023	2022
	£	£
Brought forward	135,923	94,311
Amount released to incoming resources	(135,923)	(94,311)
Amount deferred in year	102,581	135,923
Carried forward	102,581	135,923

Deferred income relates to maintenance contributions and care home fees received in advance.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 19)	652,307	1,174,922
Other loans (see note 19)	13,886	15,816
	666,193	1,190,738

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year		
Bank loans	525,694	24,706
Other loans	1,930	1,788
	527,624	26,494
Amounts falling due between two and five years		
Bank loans	106,021	602,154
Other loans	13,886	12,602
	119,907	614,756
Amounts falling due in more than five years		
Bank loans	546,286	572,768
Other loans	-	3,214
	546,286	575,982

The loan from the NAA included in other loans is interest free and being repaid over 10 years. In accordance with the SORP the loan has been discounted at a similar interest rate in line with other borrowings.

20. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	1,178,001	1,199,628

The bank loans are secured by a first and second charge over the Russell Churcher Court care home and Goyda House both situated in Melrose Gardens.

21. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Provisions	294,485	315,761

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was issued to employers in August 2021 and showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement, the Trust has recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

continued...

21. PROVISIONS FOR LIABILITIES - continued

Reconciliation of opening and closing provisions

	31 March 2023	31 March 2022
	£	£
Provision at start of period	315,000	426,000
Unwinding of the discount factor	8,000	9,000
Deficit contribution paid	(88,000)	(83,000)
Impact of change in assumptions	45,000	(63,000)
Current service cost	9,000	21,000
Expenses	5,000	5,000
SHPS Provision at end of period	294,085	315,000
TPT Retirement Solutions - The Growth Plan	485	761
Provision at end of period	294,485	315,761

Income and expenditure impact

	31 March 2023	31 March 2022
	£	£
Interest expense	8,000	9,000
Impact of change in assumptions & contribution schedule	45,000	(63,000)
Current service cost	9,000	21,000
Expenses	5,000	5,000

Assumptions

	31 March 2023	31 March 2022	31 March 2021
	% per annum	% per annum	% per annum
Rate of discount	4.88	2.79	2.15

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	Endowment fund	2023 Total funds	2022 Total funds
	£	£	£	£	£
Fixed assets	8,403,518	-	-	8,403,518	8,137,083
Investments	448,009	-	-	448,009	409,979
Current assets	376,511	-	40,503	417,014	660,426
Current liabilities	(861,181)	-	-	(861,181)	(345,800)
Long term liabilities	(666,193)	-	-	(666,193)	(1,190,738)
Provision for liabilities	(294,485)	-	-	(294,485)	(315,761)
	7,406,179	-	40,503	7,446,682	7,355,189

continued...

23. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	6,850,654	103,099	6,953,753
Cyclical maintenance reserve	323,762	(16,539)	307,223
Extraordinary repairs reserve	140,270	4,933	145,203
	7,314,686	91,493	7,406,179
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	7,355,189	91,493	7,446,682

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,161,785	(3,010,090)	(48,596)	103,099
Cyclical maintenance reserve	-	(16,539)	-	(16,539)
Extraordinary repairs reserve	-	4,933	-	4,933
	3,161,785	(3,021,696)	(48,596)	91,493
TOTAL FUNDS	3,161,785	(3,021,696)	(48,596)	91,493

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	6,428,794	421,860	6,850,654
Cyclical maintenance reserve	289,368	34,394	323,762
Extraordinary repairs reserve	124,474	15,796	140,270
	6,842,636	472,050	7,314,686
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	6,883,139	472,050	7,355,189

continued...

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,988,190	(2,673,556)	107,226	421,860
Cyclical maintenance reserve	-	34,394	-	34,394
Extraordinary repairs reserve	-	15,796	-	15,796
	2,988,190	(2,623,366)	107,226	472,050
Restricted funds				
Coronavirus Support Fund	111,578	(111,578)	-	-
TOTAL FUNDS	3,099,768	(2,734,944)	107,226	472,050

General fund - This reserve represents accumulated surpluses within the general fund. Within the general fund is an amortised balance of £3,654,476 (2022: £3,707,755) which represents the income recognised from the Social Housing Grants. The charity recognised grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that should the properties be sold (or in the case of Russell Churcher Court converted to another use) a crystallising event would occur which would result in any grant attached to that specific property being either repayable or allocated to one of the trust's other social housing properties. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties

Capital reserve - This reserve is established for capital expenditure on property.

Cyclical maintenance reserve - This reserve is established for regular maintenance including internal and external decoration.

Extraordinary repairs reserve - This reserve is established for long term modernisation and repairs.

Endowment reserve - This reserve represents assets which formed part of the original governing document.

HMRC Covid Support Reserve - Being monies received form HMRC in relation to the Coronavirus Job Retention Scheme and Coronavirus Statutory Sick Pay Rebate Scheme to reimburse staff costs during the Covid 19 Pandemic and monies from Hampshire County Council in relation to the Infection Control Grant, Workforce Grant and Rapid Testing Grant.

24. RELATED PARTY DISCLOSURES

Mr Mark Hook became Chairman of the Trust on 20 May 22. Mr Hook was the Mayor of Gosport until 19 May 2022. All transactions with the council are on normal commercial terms and Mr Hook was not able to use his position to his advantage. Mr Hook is a director of GS Building Services. No transactions between this company and the Trust have occurred during the year.

Mr James Gilhooley, Trustee was Chairman until 20 May 2022, thereafter continuing as a trustee. Mr Gilhooley was appointed an ex-officio associate Trustee of University of 3Rd Age (Solent) on 1 May 2023. No transactions between this organisation and the Trust have occurred during the year.

Mr Chris Matthews, Trustee is a solicitor and partner in the firm Churchers Solicitors LLP. No transactions occurred between Churchers Solicitors and the Trust during the year.

continued...

24. RELATED PARTY DISCLOSURES - continued

Mrs Julie Palmer, a Trustee is a committee member of the Lee on the Solent Residents' Association. No transactions between this organisation and the Trust have occurred during the year.

Ms Reeta Ram, Trustee is the sole director of DPR Housing Limited and Dementia Partners Limited. These are organisations that provide supported housing living schemes to support vulnerable adults to live in the community in London. No transactions between either of these companies and the Trust occurred during the year.

John Clark, Trustee, is Executive Director of Orione Care, a housing and social care charity. There are no transactions between the Trust and this organisation.

Mr Oliver Zaki, Trustee is a solicitor and partner at Glanvilles LLP. No transactions occurred between the Trust and Glanvilles Solicitors during the year. Mr Zaki's partner is a partner at Knights LLP. All transactions between the Trust and Knights are on normal commercial terms.

Mr David Popoola Smith is a social worker for Bromley Councils. There are no transactions between the Trust and these councils. Mr Popoola Smith is also a director of Danifab Ltd and Seacole Support Limited. There are no transactions between the Trust and these companies.

Mrs Diane Searle was a trustee until her retirement on 19 May 2022. Mrs Searle was not associated with any other organisations.

Ms Anne Taylor, Chief Executive and Company Secretary, is the Vice Chair of Trustees and Non-Executive Director of the Fusion21 Foundation, a grant giving charity. No transactions have occurred between this charity or its trading subsidiary Fusion21 Limited and the Trust during the year. Ms Taylor is a Trustee of Trust 2000, a community charity. Ms Taylor is also a director of John Taylor Motorsport Limited. No transactions have occurred between this charity or the limited company and the Trust during the year.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

27. CAPITAL COMMITMENTS

As at 31 March 2023 the charitable company had contracted to purchase nitrate credits amounting to £nil (2022: £41,639).

As at 31 March 2023 the charitable company had contracted to professional services in relation the Grove Road Development with Andrews Newby Partnership (Structural and Civil Consulting Engineers) amounting to £2,148 and McCarty Bainbridge Ltd (Mechanical & Electrical Consultant Engineers) amounting to £8,275.

THORNGATE CHURCHER TRUST

England & Wales - Charity number 1169965

Accounts

REGISTERED COMPANY NUMBER: 09953572 (England and Wales)
REGISTERED CHARITY NUMBER: 1169965

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

FOR

THORNGATE CHURCHER TRUST

Thorngate Churcher Trust

HOUSING AND CARE SINCE 1868

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THORNGATE CHURCHER TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activities of the Trust continues to be the provision of almshouse accommodation in one hundred and twenty four one-bedroom flats for older people and the provision of a modern forty four bedroom care home. The Trust is a registered charity.

Our Vision

Providing comfort and security to those in need since 1868 and committed to developing the highest standards of housing and professional care in a supportive, respectful and friendly community.

Our Values

i. We seek to improve lives through passionately promoting excellence in support, care and housing
ii. We will each commit to take responsibility for our role in our teams encouraging, respecting and supporting each other supporting each other
iii. We strive to be transparent, approachable, listening to each other and acting with empathy and consistency
iv. We will respect and support everyone as individuals, treating residents and colleagues with dignity and compassion, and behaving professionally whatever our role

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW
Business and Financial Review

During the financial year 2021-22, the Trustees continued to review the care and housing offered to residents, seeking continuous improvement. In addition the board have had regard to the requirements of its three regulators, the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Charity Commission, not least of which being the standard from the RSH to evidence value for money. The Trust is a provider of residential care services to Hampshire County Council for a number of residents in its Russell Churcher Court care home.

Explanatory note: Many of the 2021 figures will appear restated. This is as a result of our acquisition of the Grove Road Gosport site. At the time of the preparation and signing of the 2021 accounts this site was still the subject of an option agreement and an ongoing planning application. Once this was completed in early 2022 allowable costs were capitalised and this resulted in some 2021 figures being restated.

The board is pleased to report a surplus for the 12 month period of £407,045 (2021 restated: £343,101).

The increase in the year has mainly been due to increased income in the care home from both increased fee levels and in particular covid-related grants. We have benefitted from maintaining excellent occupancy levels in both housing and care. There was also a small increase in the value of our investments.

Operational surpluses (i.e. just including housing and social care) for the periods excluding valuation adjustments on the pension fund, investments, and the adjustments made for the maintenance reserve figures were £336,681 (2021 restated: £275,134) (see note 13).

During the year the Trust made significant progress on its strategy to acquire further land for new social housing securing planning for 39 units on a site at Grove Road Gosport and completing the option agreement for this site. Grove Road was acquired in February 2022, and progress has been made both before and after the year end on the processes needed to develop this site for new social housing. Behind the scenes the Trust's digital transformation journey has continued with innovative uses of our existing systems and work on introduction of new systems.

The Trust conducted a market research exercise of care services during the financial year to inform the board's future strategy for social care. This research showed that our facilities were close to the top of the market and resulted in the decision to continue to invest in social care and upgrade rooms further over a period of four years to further enhance the Trust's position locally. Occupancy figures for the care home and housing remain among the best in our peer group.

Like last year, Covid continue to dominate the financial year. We were in receipt of a number of grants from government and these receipts did boost income. Through a strong leadership team and contingency planning we were able to cope through outbreaks and in the main we had excellent occupancy. Day-to-day operations in both housing continued to be impacted during 2021-22 in the sense that there remained a backlog of tasks to clear for example in maintenance, but all our main support functions continued and we maintained safe levels of staffing at all times in care and housing. Recruitment in social care continued to be extremely difficult due to market factors and agency use was higher than we would like. Recruitment continues to be an area of focus for the executive team.

A decision was also made to become an accredited Real Living Wage Employer and this came into effect on 1 April 2022.

Looking forward the Trust is focussed on its carbon reduction journey, its aim to be the employer of choice and the development of the Grove Road site while not losing site of its principal aims of providing award winning social housing and excellent social care.

Our income from housing and care activities (excluding grants) increased month on month in 2020-21 by 11.4% to £2,980,955 over the 12 month period (2021: £2,673,934). Housing voids continued to be controlled with void properties accounting for lost income of £2,058 over 12 months (2021: £2,423).

CCLA continue to be engaged as investment managers. Gain on investments for the year was £42,221, (2021: £71,026) during turbulent trading conditions in early 2022.

Freehold properties are held at historical cost, with component accounting applied to result in a depreciated property figure. Under the Charities SORP social housing grant (SHG) is no longer deducted as in years prior to 2016. The properties are shown in these accounts at their historic cost of £10,397,313 (2021 restated: £9,766,463). After depreciation the net book value of housing properties held at historic cost is £8,043,893 (2021 restated: £7,534,671). Given that the valuation undertaken by Lloyds Bank plc in May 2016 valued the Russell Churcher Court care home at £2.25M and that the Trust's qualified Property Services Manager, has carried out an extensive impairment review in 2019 and has continued to review continuously on weekly visits. He confirms he has found no indications of impairment, accordingly the trustees believe the current market value exceeds the book value.

The balance sheet shows a net current asset at 31 March 2022 of £314,626 (2021: £49,880).

The trustees continue to be of the opinion that the overall financial position of the Trust is healthy and that it is able to meet its current and future commitments.

During the year there have been changes to the board. Mr Andrew Gordon resigned from the board on 11 November 2021. Mr David Popoola Smith joined the board on 17 February 2022. The board continued with training and strategy days using external consultants and qualified professionals to provide facilitation, guidance and expertise in specific topics. During the 21-22 financial year three board days covered financing and architecture of the Grove Road new build housing, pensions, cyber security, recruitment of trustees and the executive team and two separate sessions on the future strategy of social care at the Trust.

Contribution from Volunteers
The contribution from volunteers is not significant and does not affect the Trust's ability to carry out any of its activities.

Reserves
The Trustees have transferred monies to Reserve Funds in accordance with the Charity Commission Scheme over a long period in order to:

a) Provide Designated and Restricted Reserves, which include the minimum annual amounts for future Repairs and Maintenance, required by the Charity Commission Scheme, plus income thereon, less related expenditure.
b) Provide Unrestricted Reserves to:
    i. Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for one year ahead.
    ii. Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the minimum required by the Charity Commission Scheme.
    iii. Purchase investments which provide income that can indirectly make it possible to subsidise the weekly maintenance contributions charged to residents of the almshouses and care home; thus fulfilling one of its charitable objectives

As at 31 March 2022 unrestricted reserves were £7,314,686 of which £464,032 are designated reserves. Endowment reserves are £40,503.

Social Investment Policies
The Trust has not made any social investments during the year.

Fundraising Reporting Note
Thorngate Churcher Trust does not normally carry out any significant fundraising activities. No fundraising has been done on behalf of the Trust by any other body. It does not employ a professional fundraiser or have a commercial participator arrangement. Accordingly the Trust has not registered with the Fundraising Regulator.

Within the Russell Churcher Court care home the activities team raise small amounts of money (typically less than £6,000 annually) through incidental raffles (i.e. not requiring a licence), from relatives to fund additional outings and entertainment for residents of the care home. Unconnected members of the general public are not approached, accordingly the Trust does not need to take measures to protect vulnerable members of the public.

No complaints were received by the charity in relation to fundraising.

Financial Effect of Significant Events

There were two significant events during the year:

1. 1. Covid-19. This continued to be a dominant factor throughout the 2021-22 financial year, however despite the constraints, the Trust coped well. Grants originating from central government delivered via the local authority were helpful in ameliorating costs.
2. 2. The Trust concluded its successful planning application and completed the option agreement on the land at Grove Road to take possession of this site in February 2022. This secures land for development for approximately the next 4-5 years in line with the strategy of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Instrument

Recruitment and Training of Trustees

Trustees are recruited based on an analysis of skills gaps, and then this is publicised by adverts or through news articles/networking. Individuals are then interviewed, who may then, depending on the outcome be appointed. Trustee board days normally take place twice a year (three times during this financial year because one was delayed by Covid from the previous year) in addition to board meetings and encompass both strategy and training. In addition additional training is undertaken on an ad-hoc basis such as attendance at seminars as and when necessary or trustees are available, for example seminars given by local legal firms and by membership bodies.

Pay and Remuneration of Key Personnel

The Chief Executive's remuneration is set by means of an appraisal with a suitably qualified trustee, and taking into account salaries in comparable organisations and levels of skills, knowledge and experience required. Pay and remuneration decisions also take into account individual performance against organisational and personal targets.

Code of Governance

The trustees are pleased to report that the Trust complies with the Standards of Almshouse Management. The Trust also adopted the Charity Commission Code of Governance in 2014, and subsequently the new Code of Governance in 2018. If the predecessor organisation is taken into account, only one trustee, Diane Searle, has served more than nine years, but she has served only five in the current organisation. Having given consideration to its effectiveness to make informed decisions, the board believes it does this because of the detailed information it considers, not just at board meetings but throughout the year through monthly management reporting packs and ad-hoc reports and notifications from the Chief Executive. The board advertised for trustees during the year resulting in the appointment of David Popoola Smith in February 2022. The board continues to have challenging board days to ensure it refreshes its skills and knowledge and avoids "group think".

Risk assessment - principal risks and uncertainties

The Trustees have considered the major risks to which the Trust could be exposed and have reviewed the systems established to mitigate against such risks. A risk register is used to review key risks and is reviewed at board meetings and in addition on board days. The risks are recorded and assessed in terms of impact and probability and also uses a traffic light system to highlight areas of particular concern. Any significant changes are reported to the board monthly or quarterly as appropriate.

The four principal risks and uncertainties facing the charity and its mitigation strategies at present are:

1. **Staff recruitment**- This continues to be an issue particularly in care and housing. It is mitigated by excellent training but requires a good deal of focus at all levels of the organisation input led by the CEO to maintain staffing le vels and avoid expensive agency staffing wherever possible.

2. **Income maintenance in the care home-** Following market research and a strategy day the Trust implemented a change in fees for new residents of the care home in 2022. Market research indicated that this fee structure should not result in excessive voids however this is being monitored. A the balance sheet date demand remained high.

3. **Covid-19 or other pandemic-** Covid-19 created both financial uncertainty and operational uncertainty within the care and social housing for older people sectors. The charity rose to the challenge by recruiting additional staff and having strong infection control procedures in both care and housing. Covid remains a risk into 2022-23 as new variants em erge and is still being treated as such.

4. **Cyber risk**- The trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. The Trust has also completed the Digital Security and Protection Toolkit from NHS Digital. A desktop simulated cyber-attack was actioned during the 2020 in collaboration with our IT service providers and involved the senior leadership team. Further cyber attack simulation training is planned. IT Investment is expected to increase going forward both to increase security and invest in digital. The Trust intends to attain Cyber Essentials ac creditation as soon as possible in 2022 or 2023

The board are not aware of any irregularities, including fraud, involving management or employees of the Trust: nor are they aware of any instances of actual or possible non-compliance with loans, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

Internal controls

The board of Trustees is ultimately responsible for the Trust's systems of internal financial controls which are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The board has through its quarterly meeting and reporting procedures reviewed the effectiveness of the Trust's internal financial control system for the period from 1 April 2021 to the date of this report.

The board of Trustees, through its adoption of policies and procedures is constantly reviewing the Trust's internal financial controls and has introduced the following mechanisms designed to provide effective internal control:

- Defined management and reporting structures, including segregation of financial management tasks.
- Employment of a Chief Executive Officer and Finance Manager qualified as a chartered certified accountants.
- Use of professional IT consultants to ensure updates of all IT systems including financial control.
- Management information and accounting systems and software, including with cash flow forecasts, annual budgets, business recovery plans and business plans. Board reports are prepared monthly, covering both financial and operational matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Thorngate's VFM Statement

Introduction:

This is produced in accordance with the standard issued by the Regulator of Social Housing.

The purpose of the standard is to ask housing bodies to report on a set of standard metrics, and where these results are outliers for the organisation to report the reasons why this might be. Thorngate has an untypical profile, being both a provider of supported housing for older people and also a care home provider, which will inevitably distort some of our metric results.

Additionally the regulator asks the provider to provide a set of metrics relevant to their own business plan and operations, that they can measure themselves against in successive years and are also reflected in our reports to residents, staff and other stakeholders. For the purposes of transparency and for users of the accounts who may wish to check for consistency these reports will include those listed below, however as one or more of these may be confidential, they may not be publicly available on our website but would be available to users of the accounts (such as funders and regulators) on request:

- Annual Report to Residents 2021-22 (due to be published by 1 October 2022)
- Thorngate Business Plan

PART 1

Industry-wide Value for Money Metrics
The regulator has defined five key metrics around margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit that must be reported by every registered provider for the financial year that is being audited.

Our approach to satisfying this is to utilise our membership of the Acuity benchmarking group where both the regulator's metrics, sector scorecard and other benchmarking data is entered. Accordingly this report reflects our data and that of other relevant organisations in the benchmarking group.

Further the year that we have had, involving receipt of grants through fundraising and also government grants has distorted the calculations, particularly around margin on our normal day to day operations, which have to be done according to the relevant formulae.

Metric 1 Operating Margin and Earnings before interest, tax, depreciation and amortisation (EBITDA)

a) Operating Margin Overall
The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

On the regulator's formula Thorngate's margin is as follows:

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 12)	Peer Group Median
Operating Margin Overall	10.86%	10.55%	6.33%	5	7.95%

STRUCTURE, GOVERNANCE AND MANAGEMENT

b) Operating Margin Social Housing Lettings.

This is the same as above but only including social housing.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 11)	Peer Group Median
Operating Margin Social Housing Lettings	12.89%	15.5%	17.9%	5	9%

(2020 figures included some grant from Homes England)

c) Earnings before interest, tax, depreciation and amortisation (EBITDA)

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 9)	Peer Group Median
EBITDA MRI	16.6 times	12.1 times	8.4 times	Not Available	7.5

This is a healthy position, it reflects we are borrowing to invest but still have development capacity, and it still well in excess of the average SPBM figure of 2.5.

Metric 2 Gearing and Supply

a) Gearing (RSH and Scorecard measure)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of an organisation's appetite for growth. The ratio shows the proportion of borrowing in relation to the size of a provider's asset base.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer group (out of 10)	Peer Group Median
Gearing	15.66%	11.06%	12.01%	Not Available	1.43

Thorngate increased its borrowing in 2021-22 to fund the purchase of the Grove Road Gosport site. The SPBM median is 17.4%.

b) New supply delivered (social housing units)

Housing supply delivered as a percentage of stock owned, during the period April - March

Thorngate's measure is 0%. This is because we had delivered substantial schemes in the few years previously, and are preparing a new site for building in 2023.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 11)	Peer Group Median
New supply delivered (Social Housing)	0%	0%	0%	5	0

STRUCTURE, GOVERNANCE AND MANAGEMENT

c) New supply delivered (non-social housing units) 0%
No other units (care) were started or completed during the year and the Trust has no plans for any further care units. Other providers in the peer group also did not deliver non-housing new supply.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
New supply delivered (Non-Social Housing)	0	0	0	2	0

Metric 3 Reinvestment
a) a) This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

Thorngate's measure is 9%

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Reinvestment %	9.6%	4.73%	2.91%	2	2.78%

Metric 4 Return on Capital Employed (ROCE)
a) a) When looking at operating surplus figures, gain/loss on disposal of property, plant and equipment is not included. However these items are included in this measure as they can be considered to form part of the return on the capital investment in either fixed assets (or joint ventures).

Thorngate's measure 3.83%

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Return on Capital employed	3.83%	3.62%	2.07%	2	1.9%

Metric 5 Headline social housing cost per unit
This is a total of costs attributable to social housing property. This includes component depreciation. Our slightly higher than average figure reflects higher component depreciation due to new properties, as well as some higher grade management roles because of the care services we manage as well as housing. It should also be noted that we have been recognised for providing high quality housing that residents want to live in, by the receipt of two awards voted for by residents in 2019. We believe (reflected in our residents' survey and long waiting list of more than two years) that our offering of well-maintained stock and especially our support through on-site wardens delivers a service that residents and prospective residents want.

When compared to other care providing organisations in the peer group we have the lowest headline cost per unit.

	Thorngate 2022	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Headline social housing cost per unit	£6,224	£6,715	£5,867	7	£5,563

STRUCTURE, GOVERNANCE AND MANAGEMENT
PART 2

Thorngate's Metrics
The metrics we have chosen and have consistently reported on for the last few years are a mixture of both hard financial data and targets related to social impact, given that our mission defined by our charitable objects are:

The Objects of the Charity are to relieve the needs of Residents who are in need by providing social housing in the form of almshouse accommodation and such other charitable relief for the benefit of such Residents (or other persons who are in need by reason of their age) as the Trustees think fit; and for the benefit of this clause, "Residents" shall mean poor persons of not less than 50 years of age..

This translates into a number of monthly key performance indicators that the executive reports on monthly, procurement measures that we review periodically, and forward looking targets which reflect our forward focused business plan to 2023, as well as systematically examining our governance. The metrics reported below cover the following areas:

- Void Reporting
- Procurement
- Increased reach
- Governance and Board Development

1. Void Reporting
Both housing and care home voids are reported monthly to board and Thorngate sets its own targets on voids. Thorngate also benchmarks itself against the Smaller Providers Benchmarking Group, and this figure has been reported on where relevant below.

We report voids on a percentage basis monthly and on a lost revenue basis annually. Our target is 2.5% or less voids. This can be affected by for example, increased development or major repairs, if this means more transfers of residents or decanting.

Void pro-rata 12m	Thorngate 2021-22	Thorngate 2020-21	Thorngate 2019-20	Thorngate 2018-19	Thorngate 2017-18	Peer group 2021-2022
Housing%	0.22%	0.27%	0.25%	0.51%	1.04%	1.98%
Housing Value £	£2,058	£2,423	£2,120	£4,009	£7,562	
Housing (excl new schemes see note below)	0.22%	0.27%	0.25%	0.24%	0.36%	0.86%
Housing Value £	£2,058	£2,423	£2,120	£1,906	£2,297	
Care %	1.07%	3.90%	1.17%	1.98%	1.79%	18%
Care Value £	£35,688	£72,296	£20,043	£31,750	£22,713	

We have once again turned in an excellent performance on voids and are ranked first yet again in the peer group of smaller similar housing associations for both care and housing void control. This reflects just how desirable our combined package of high quality housing and high quality housing support delivered by on-site staff are to residents. This is also reflected in our very long waiting list for units (currently around 70 applications for 124 flats) with a wait time of 16 months.

2. Procurement
Since the VFM standard was first introduced, Thorngate has reported its performance against prior years in a number of areas. This has shown useful trends and this has been continued this year. The focus areas continue to be gas and electric purchases, and care home food costs. These have been chosen because almost all our properties have gas included in the weekly maintenance charges, communal electricity is a large costs and for our care home, food is one of the largest costs. These figures can only be considered year on year within the same organisation because of different characteristics between different providers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

While we seek to reduce our utility costs, we seek to at least maintain our food cost budget per person level, as there is a correlation between quality and cost and the case of food for care home residents, and nutrition is a key part of caring for frail residents.

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17 (pro rata)	£47,100	-9%	£33,252	0%	£1,371	-5%
2017-18 (pro rata)	£45,363	-4%	£36,872	+11%	£1,651	+20%
2018-19	£51,551	+14%	£42,669	+16%	£1,687	+2%
2019-20	£63,471	+23%	£46,916	+10%	£1,516	-10%
2020-21	£61,045	-3.8%	£49,983	+6.5%	£1,404	-31%
2021-22	£46,305	-24.1%	£50,515	+1.1%	£2,164	+54%

On gas and electric procurement we go to the market and we are currently in three year deals on both gas and electric, concluding in January 2024. We were extremely lucky to get a good deal in Spring/Summer 2020. We typically tender a host of suppliers, both brokers and direct and usually are looking at around 15 projections. Gas is used for heating and hot water in both housing and care homes and only the new developments of Lucas Court, Garden View and Bradbury House buy their own gas. It should be noted that if housing residents had to buy their own gas or electric they would not be able to buy this as competitively as we do, however of course they would have more control over usage.

Gas: Our spend on gas has fallen significantly this year. In summer 2020 we fitted a major new boiler system at Elizabeth Court, which has been in operation for the whole of this financial year. In June 2021 we have fitted boiler optimisers with digital data feeds to enhance the performance of our large communal boilers.

Overall usage dropped by 2% and this year is the first full year of the contract with extremely low unit rates (the previous year only had 2 months with these rates) The standing charges increased by 112% (£8,850) but unit rates per kwh decreased by 41.38%.

Electric: Spend on electricity has increased marginally year on year but less than inflation. Our sensor project continues to monitor for unusual uses of electricity and send alerts to our dashboards.

Overall usage dropped by 6.5% but in July 2021 we began a new three year contract with higher rates than previous year. Standing charges remain similar year on year however unit rates per kwh increased by 12.5%.

Food: Our care home food costs have increased significantly during the year. There was a drop during the height of the pandemic in 2020-21 because of restrictions and we expected costs to rise in this financial year. In addition we contracted out the care home catering for 6 months of the year because of staffing issues and this also resulted in unavoidable increased costs. Since December 2022 care home catering has been back in house and while food spend has now dropped back somewhat there has been a significant inflationary increase. The longer term food cost environment is uncertain although we are expecting to hold to the budget of £2,017 per resident per annum in 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

3. Increased reach

Thorngate considers, in line with its objects, it can increase its reach in the following two key ways: either development of new homes and facilities, and increased engagement of "persons who are in need by reason of their age".

Development:

Although we have not completed any new flats in 2021-22, we concluded a sizeable building programme for us in 2018-19. During 2021-22 we secured planning consent on a new site which we then acquired by completing the option agreement negotiated in 2021.

	2021-22	2020-21	2019-20	2018-19	2017-18
Units completed	0	0	0	10	4
Increase in stock as of current stock at start of year	0%	0%	0%	9%	3%

The board has a stated aspiration that it will identify sites when they become available as follows:
To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves

4. Governance & Board Development

For a well-run organisation the board recognises it must ensure it is well equipped in terms of skills and continuous professional development.

Consequently, the board undertakes training and strategic board days normally twice a year in addition to board meetings and monthly (at least) briefings from the Chief Executive.

In 2021-22 the board has undertaken training looking at its care strategy, pension schemes, proposed development including financing, cyber security and recruitment of trustees. Three sessions were achieved in 2021-22 because one was a postponed session from the previous financial period due to Covid19.

Target:

The target for 2022-23 which we can be measured against is a further two board days including strategy and ESG sessions.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
09953572 (England and Wales)

Registered Charity number
1169965

Registered office
Administration Office
Clare House Melrose Gardens
Station Road
Gosport
Hampshire
PO12 3BZ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Trustees

James Gilhooley (Chairman)	
Christopher Matthews	
Mark Hook	Became Chairman on 20 May 2022
Diane Searle	
Julie Palmer	
Andrew Gordon	Resigned 11 November 2021
Reeta Ram	
John Clark	
Oliver Zaki	
David Popoola-Smith	Appointed 17 February 2022

Registered Provider of Social Housing Number
4839

Chief Executive Officer and Clerk to the Trustees
A Taylor FCCA

Company Secretary
A Taylor FCCA

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors
Coffin Mew
1000 Lakeside
North Harbour
Portsmouth
PO6 3EN

Bankers
Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

Investment Managers
CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Thorngate Churcher Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Board Meeting.

Approved by order of the board of trustees on 25/8/22 and signed on its behalf by:

M Hook - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Opinion

We have audited the financial statements of Thorngate Churcher Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 auditors' 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.

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 19 October 2022

THORNGATE CHURCHER TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2022 Total funds £	2021 Total funds as restated £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	7,208	-	-	7,208	7,647
Charitable activities	4					
Housing for older people		917,323	1,400	-	918,723	900,820
Care home		2,063,632	110,178	-	2,173,810	1,938,850
Investment income	3	27	-	-	27	19
Total		2,988,190	111,578	-	3,099,768	2,847,336
EXPENDITURE ON						
Charitable activities	5					
Housing for older people		770,616	-	-	770,616	780,792
Care home		1,852,750	111,578	-	1,964,328	1,794,469
Total		2,623,366	111,578	-	2,734,944	2,575,261
Net gains on investments		42,221	-	-	42,221	71,026
NET INCOME		407,045	-	-	407,045	343,101
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		65,005	-	-	65,005	(289,126)
Net movement in funds		472,050	-	-	472,050	53,975
RECONCILIATION OF FUNDS						
Total funds brought forward		6,842,636	-	40,503	6,883,139	6,829,164
TOTAL FUNDS CARRIED FORWARD		7,314,686	-	40,503	7,355,189	6,883,139

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2022

	Notes	2022 £	2021 as restated £
FIXED ASSETS			
Tangible assets	14	8,137,083	7,617,422
Investments	15	409,979	363,052
		8,547,062	7,980,474
CURRENT ASSETS			
Stocks	16	6,685	-
Debtors	17	88,675	91,037
Cash at bank		565,066	267,795
		660,426	358,832
CREDITORS			
Amounts falling due within one year	18	(345,800)	(308,952)
NET CURRENT ASSETS		314,626	49,880
TOTAL ASSETS LESS CURRENT LIABILITIES		8,861,688	8,030,354
CREDITORS			
Amounts falling due after more than one year	19	(1,190,738)	(717,540)
PROVISIONS FOR LIABILITIES	22	(315,761)	(429,675)
NET ASSETS		7,355,189	6,883,139
FUNDS	24		
Unrestricted funds		7,314,686	6,842,636
Endowment funds		40,503	40,503
TOTAL FUNDS		7,355,189	6,883,139

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25 August 2022 and were signed on its behalf by:

.....
M Hook - Trustee

The notes form part of these financial statements

THORNGATE CHURCHER TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 as restated £
Cash flows from operating activities			
Cash generated from operations	1	621,159	467,767
Interest paid		(35,394)	(36,896)
Finance costs paid		(9,021)	(4,098)
Net cash provided by operating activities		576,744	426,773
Cash flows from investing activities			
Purchase of tangible fixed assets		(699,005)	(207,456)
Purchase of fixed asset investments		(4,706)	-
Interest received		27	19
Net cash used in investing activities		(703,684)	(207,437)
Cash flows from financing activities			
New loans in year		500,000	-
Loan repayments in year		(75,789)	(74,190)
Net cash provided by/(used in) financing activities		424,211	(74,190)
Change in cash and cash equivalents in the reporting period		297,271	145,146
Cash and cash equivalents at the beginning of the reporting period		267,795	122,649
Cash and cash equivalents at the end of the reporting period		565,066	267,795

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	407,045	343,101
Adjustments for:		
Depreciation charges	178,952	170,480
Gain on investments	(42,221)	(71,026)
Loss on disposal of fixed assets	392	395
Interest received	(27)	(19)
Interest paid	35,394	36,896
Finance costs	9,021	4,098
Increase in stocks	(6,685)	-
Decrease/(increase) in debtors	2,362	(5,691)
Increase in creditors	85,835	50,338
Difference between pension charge and cash contributions	(48,909)	(60,805)
Net cash provided by operations	621,159	467,767

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	267,795	297,271	565,066
	267,795	297,271	565,066
Debt			
Debts falling due within 1 year	(75,481)	48,987	(26,494)
Debts falling due after 1 year	(717,540)	(473,198)	(1,190,738)
	(793,021)	(424,211)	(1,217,232)
Total	(525,226)	(126,940)	(652,166)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity recognises grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that the monies would become repayable if the properties were sold. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Finance and administration costs are apportioned to specified headings of expenditure whereas employees are charged directly to specified headings. Other administration costs are allocated as considered appropriate.

Pension costs and other post-retirement benefits
The Trust participates in a multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to the individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Structure	1%
Roofs	1.4%
Windows and Doors	3.3%
Boilers	6.7%
Kitchens	5%
Bathrooms	3.3%
Mechanical Systems	3.3%
Electrical Systems	2.5%
Lifts	5%
Furniture and equipment	25%
Computers and office equipment	25%

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Individual fixed assets costing £250 or more are capitalised at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

continued...

2. DONATIONS AND LEGACIES

	2022	2021 as restated
	£	£
Gifts	1	2
Donations	7,207	7,645
	7,208	7,647

3. INVESTMENT INCOME

	2022	2021 as restated
	£	£
Deposit account interest	27	19

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 as restated £
Social housing maintenance contributions	Housing for older people	917,323	891,003
Grants	Housing for older people	1,400	9,817
Residential care home	Care home	2,063,632	1,782,931
Grants	Care home	110,178	155,919
		3,092,533	2,839,670

Grants received, included in the above, are as follows:

	2022	2021 as restated
	£	£
Hampshire County Council	107,296	125,490
Surrey County Council	-	1,000
HMRC - CJRS and SSP Grants	4,282	39,246
	111,578	165,736

continued...

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Housing for older people	567,785	202,831	770,616
Care home	1,753,317	211,011	1,964,328
	2,321,102	413,842	2,734,944

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021 as restated
	£	£
Services	1,917,196	1,831,214
Day to day maintenance	127,415	131,148
Cyclical maintenance	25,006	53,801
Extraordinary maintenance	32,804	13,348
Other costs	40,902	31,798
Depreciation	133,364	132,157
Interest payable and similar charges	44,415	40,994
	2,321,102	2,234,460

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Housing for older people	197,984	4,847	202,831
Care home	203,607	7,404	211,011
	401,591	12,251	413,842

Support costs, included in the above, are as follows:

Management

	Housing for older people	Care home	2022 Total activities	2021 as restated Total activities
	£	£	£	£
IT expenses	12,605	12,605	25,210	28,811
Personnel	417	3,590	4,007	-
Building and office costs	17,776	6,307	24,083	22,782
PR and advertising costs	11,157	25,077	36,234	7,566
Management costs	156,029	156,028	312,057	261,143
Future housing	-	-	-	10,845
	197,984	203,607	401,591	331,147

continued...

7. SUPPORT COSTS - continued

Governance costs

	Housing for older people	Care home	2022 Total activities	2021 as restated Total activities
	£	£	£	£
Auditors' remuneration	1,799	4,105	5,904	5,904
Auditors' remuneration for non audit work	250	500	750	750
Governance costs	2,798	2,799	5,597	3,000
	4,847	7,404	12,251	9,654

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021 as restated
	£	£
Auditors' remuneration	5,904	5,904
Other non-audit services	750	750
Depreciation - owned assets	178,952	170,480

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the period two trustees (2021: one) were reimbursed £337 (2021: £76) for out of pocket expenses.

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	1,445,644	1,503,635
Social security costs	97,457	95,545
Employer's pension costs	44,490	43,298
	1,587,591	1,642,478

Key management remuneration

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charitable company were £96,834 (2021: £96,817). This does not include remuneration for trustees, all of which is reported as per note 9.

continued...

10. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2022	2021 as restated
Administration	3	3
Maintenance	3	3
Housing, support and care	64	64
	70	70

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021 as restated
£70,001 - £80,000	1	1

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	7,647	-	-	7,647
Charitable activities				
Housing for older people	891,003	9,817	-	900,820
Care home	1,863,896	74,954	-	1,938,850
Investment income	19	-	-	19
Total	2,762,565	84,771	-	2,847,336
EXPENDITURE ON				
Charitable activities				
Housing for older people	770,975	9,817	-	780,792
Care home	1,719,515	74,954	-	1,794,469
Total	2,490,490	84,771	-	2,575,261
Net gains on investments	71,026	-	-	71,026
NET INCOME	343,101	-	-	343,101
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	(289,126)	-	-	(289,126)
Net movement in funds	53,975	-	-	53,975

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated
	£	£	£	£
RECONCILIATION OF FUNDS				
Total funds brought forward	6,788,661	-	40,503	6,829,164
TOTAL FUNDS CARRIED FORWARD	6,842,636	-	40,503	6,883,139

12. PRIOR YEAR ADJUSTMENT

A prior year audit adjustment has been made to capitalise £98,050 of the future housing costs previously included within support costs in relation to the Grove Road housing development due to planning permission being probable as at 31 March 2021.

13. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

	2022	2021 as restated
	£	£
Charitable income - fees and maintenance contributions	2,980,955	2,673,934
Charitable income - donations and legacies	7,207	7,647
Charitable income - grants	111,578	165,736
Charitable expenditure	(2,734,944)	(2,575,261)
	364,796	272,056
Adjustment for pension funds, investments, maintenance reserve and capital grant	(28,115)	3,078
Charitable surplus	336,681	275,134

continued...

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	9,766,463	110,081	414,118	10,290,662
Additions	642,586	1,418	55,001	699,005
Disposals	(11,736)	(2,831)	(9,683)	(24,250)
At 31 March 2022	10,397,313	108,668	459,436	10,965,417
DEPRECIATION				
At 1 April 2021	2,231,792	64,904	376,544	2,673,240
Charge for year	133,364	17,465	28,123	178,952
Eliminated on disposal	(11,736)	(2,806)	(9,316)	(23,858)
At 31 March 2022	2,353,420	79,563	395,351	2,828,334
NET BOOK VALUE				
At 31 March 2022	8,043,893	29,105	64,085	8,137,083
At 31 March 2021	7,534,671	45,177	37,574	7,617,422

Included in cost or valuation of land and buildings is freehold land of £2,192,331 (2021 - £1,692,331) which is not depreciated.

Freehold property also includes schemes in progress with a net book value of £230,120 (2021: £98,938).

15. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 April 2021	363,052	-	363,052
Additions	-	4,706	4,706
Revaluations	42,221	-	42,221
At 31 March 2022	405,273	4,706	409,979
NET BOOK VALUE			
At 31 March 2022	405,273	4,706	409,979
At 31 March 2021	363,052	-	363,052

The unlisted investments are solely made up of nitrate credits.

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2022 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2022	405,273	4,706	409,979

continued...

16. STOCKS

	2022	2021 as restated
	£	£
Stocks	6,685	-

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Arrears of maintenance contributions and care home fees	13,326	11,557
Other debtors	8	2,878
Prepayments and accrued income	75,341	76,602
	88,675	91,037

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Bank loans and overdrafts (see note 20)	24,706	73,501
Other loans (see note 20)	1,788	1,980
Trade creditors	79,847	54,219
Maintenance contributions and care home fees received in advance	135,923	94,311
Social security and other taxes	26,241	20,236
Other creditors	77,295	64,705
	345,800	308,952

	2022	2021
	£	£
Brought forward	94,311	28,196
Amount released to incoming resources	(94,311)	(28,196)
Amount deferred in year	135,923	94,311
Carried forward	135,923	94,311

Deferred income relates to maintenance contributions and care home fees received in advance.

continued...

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021 as restated
	£	£
Bank loans (see note 20)	1,174,922	699,936
Other loans (see note 20)	15,816	17,604
	1,190,738	717,540

20. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year		
Bank loans	24,706	73,501
Other loans	1,788	1,980
	26,494	75,481
Amounts falling due between two and five years		
Bank loans	602,154	101,215
Other loans	12,602	9,661
	614,756	110,876
Amounts falling due in more than five years		
Bank loans	572,768	598,721
Other loans	3,214	7,943
	575,982	606,664

The loan from the NAA included in other loans is interest free and being repaid over 10 years. In accordance with the SORP the loan has been discounted at a similar interest rate in line with other borrowings.

21. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021 as restated
	£	£
Bank loans	1,199,628	773,437

The bank loans are secured by a first and second charge over the Russell Churcher Court care home and Goyda House both situated in Melrose Gardens.

continued...

22. PROVISIONS FOR LIABILITIES

	2022	2021 as restated
	£	£
Provisions	315,761	429,675

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was issued to employers in August 2021 and showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement, the Trust has recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provisions

	31 March 2022	31 March 2021
	£	£
Provision at start of period	426,000	197,000
Unwinding of the discount factor	9,000	4,000
Deficit contribution paid	(83,000)	(83,000)
Impact of change in assumptions	(63,000)	289,000
Current service cost	21,000	14,000
Expenses	5,000	5,000
SHPS Provision at end of period	315,000	426,000
TPT Retirement Solutions - The Growth Plan	761	3,675
Provision at end of period	315,761	429,675

Income and expenditure impact

	31 March 2022	31 March 2021
	£	£
Interest expense	9,000	4,000
Impact of change in assumptions & contribution schedule	(63,000)	289,000
Current service cost	21,000	14,000
Expenses	5,000	5,000

Assumptions

	31 March 2022	31 March 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	2.79	2.15	2.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

continued...

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	Endowment fund £	2022 Total funds £	2021 as restated Total funds £
Fixed assets	8,137,083	-	-	8,137,083	7,617,422
Investments	409,979	-	-	409,979	363,052
Current assets	617,847	2,076	40,503	660,426	358,832
Current liabilities	(343,724)	(2,076)	-	(345,800)	(308,952)
Long term liabilities	(1,190,738)	-	-	(1,190,738)	(717,540)
Provision for liabilities	(315,761)	-	-	(315,761)	(429,675)
	7,314,686	-	40,503	7,355,189	6,883,139

24. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	6,428,794	421,860	6,850,654
Cyclical maintenance reserve	289,368	34,394	323,762
Extraordinary repairs reserve	124,474	15,796	140,270
	6,842,636	472,050	7,314,686
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	6,883,139	472,050	7,355,189

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,988,190	(2,673,556)	107,226	421,860
Cyclical maintenance reserve	-	34,394	-	34,394
Extraordinary repairs reserve	-	15,796	-	15,796
	2,988,190	(2,623,366)	107,226	472,050
Restricted funds				
Coronavirus Support Fund	111,578	(111,578)	-	-
TOTAL FUNDS	3,099,768	(2,734,944)	107,226	472,050

continued...

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	6,251,237	48,845	128,712	6,428,794
Capital reserve	128,712	-	(128,712)	-
Cyclical maintenance reserve	283,769	5,599	-	289,368
Extraordinary repairs reserve	124,943	(469)	-	124,474
	6,788,661	53,975	-	6,842,636
Endowment funds				
Endowment reserve	40,503	-	-	40,503
TOTAL FUNDS	6,829,164	53,975	-	6,883,139

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,762,565	(2,495,620)	(218,100)	48,845
Cyclical maintenance reserve	-	5,599	-	5,599
Extraordinary repairs reserve	-	(469)	-	(469)
	2,762,565	(2,490,490)	(218,100)	53,975
Restricted funds				
Coronavirus Support Fund	84,771	(84,771)	-	-
TOTAL FUNDS	2,847,336	(2,575,261)	(218,100)	53,975

continued...

24. MOVEMENT IN FUNDS - continued

General fund - This reserve represents accumulated surpluses within the general fund. Within the general fund is an amortised balance of £3,707,755 (2021: £3,761,034) which represents the income recognised from the Social Housing Grants. The charity recognised grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that should the properties be sold (or in the case of Russell Churcher Court converted to another use) a crystallising event would occur which would result in any grant attached to that specific property being either repayable or allocated to one of the trust's other social housing properties. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell on e of the properties

Capital reserve - This reserve is established for capital expenditure on property.

Cyclical maintenance reserve - This reserve is established for regular maintenance including internal and external decoration.

Extraordinary repairs reserve - This reserve is established for long term modernisation and repairs.

Endowment reserve - This reserve represents assets which formed part of the original governing document.

HMRC Covid Support Reserve - Being monies received form HMRC in relation to the Coronavirus Job Retention Scheme and Coronavirus Statutory Sick Pay Rebate Scheme to reimburse staff costs during the Covid 19 Pandemic and monies from Hampshire County Council in relation to the Infection Control Grant, Workforce Gr ant and Rapid Testing Grant.

25. RELATED PARTY DISCLOSURES

Mr James Gilhooley, Trustee, was Chairman throughout the financial year, resigning as Chairman on 20 May 2022 but continuing as a trustee. Mr Gilhooley was a director of MorlanGil Human Resources until 31st December 2021 but has now retired. Mr Gilhooley was also a director and trustee of Solent Diabetic Association but concluded his term on 31st October 2021 No transactions occurred between the Trust and either of these organisations.

Mr Mark Hook, served as a Trustee throughout the financial year. Mr Hook became Chairman of the Trust on 20 May 2022. Mr Hook was Leader of Gosport Borough Council until 19 May 2021 when he served as Mayor of Gosport Borough Council until 19 May 2022. All transactions with the council are on normal commercial terms and Mr Hook was not able to use his position to his advantage. From 1 February 2022 Mr Hook became a director of GS Building Services. No transactions between this company and the Trust have occurred during the year.

Mrs Diane Searle was a trustee until 19 May 2022. Mrs Searle is not associated with any other organisations.

Mr Chris Matthews, a Trustee, is a solicitor and partner in the firm Churchers Solicitors. No transactions occurred between Churcher Solicitors and the Trust during the year.

Mrs Julie Palmer, a Trustee is a committee member of the Lee on the Solent Residents' Association. No transactions between this organisation and the Trust have occurred during the year.

Ms Reeta Ram, Trustee is the sole director of DPR Housing Limited and Dementia Partners Limited. These are organisations that provide supported housing living schemes to support vulnerable adults to live in the community in London. No transactions between either of these companies or the Trust occurred during the year.

continued...

25. RELATED PARTY DISCLOSURES - continued

John Clark, Trustee, was a Housing Manager for Abri Group until 9 January 2022. From 12 January 2022 Mr Clark because Executive Director of Orione Care, a social care charity. The Trust conducts business with Abri Group as part of the Wayfarer Housing Consortium on normal commercial terms and is an area unrelated to Mr Clark's former employment.

Mr Oliver Zaki, Trustee, is a Partnership Associate at Glanvilles Solicitors Fareham. No transactions between the Trust and Glanvilles Solicitors occurred during the year. Mr Zaki's partner is a partner at Coffin Mew Solicitors. All transactions between the Trust and Coffin Mew are on normal commercial terms.

Mr David Popoola Smith was appointed as a trustee on 17 February 2022. Mr Popoola Smith is a social worker for Bromley councils. There are no transactions between the Trust and these councils. Mr Popoola- Smith is also a director of Danifab Ltd and Seacole Support Ltd. There are no transactions between the Trust and these companies.

Mr Andrew Gordon, was a Trustee until 11 November 2021. Andrew Gordon conducts business as Andrew Gordon trading as Action Business, a training and people development consultancy. There have been no transactions between the Trust and this organisation during the year.

Ms Anne Taylor, Chief Executive and Company Secretary, was a director of Almshouse Consortium Limited (ACL) as a representative of the Trust until 31 March 2022. Transactions between the Trust and ACL were on normal commercial terms. Ms Taylor is a Trustee and Non-Executive Director of the Fusion21 Foundation, a grant giving charity. No transactions have occurred between this charity or its trading subsidiary Fusion21 Limited and the Trust during the year. Anne Taylor was also a trustee and director of CCABF, the Chartered Certified Accountants Benevolent Fund until 3 September 2021, and is a Trustee of Trust 2000, a community charity. Ms Taylor is also a director of John Taylor Motorsport Limited. No transactions have occurred between either of these charities or the limited company and the Trust during the year.

26. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

27. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

28. CAPITAL COMMITMENTS

As at 31 March 2022 the charitable company had contracted to purchase nitrate credits amounting to £41,639 (2021: £nil).

THORNGATE CHURCHER TRUST

England & Wales - Charity number 1169965

Accounts

REGISTERED COMPANY NUMBER: 09953572 (England and Wales)
REGISTERED CHARITY NUMBER: 1169965

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

FOR

THORNGATE CHURCHER TRUST

Thorngate Churcher Trust

HOUSING AND CARE SINCE 1868

THORNGATE CHURCHER TRUST

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FOR THE YEAR ENDED 31 MARCH 2021

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activities of the Trust continues to be the provision of almshouse accommodation in one hundred and twenty four one-bedroom flats for older people and the provision of a modern forty four bedroom care home. The Trust is a registered charity.

Our Vision

Providing comfort and security to those in need since 1868, and committed to developing the highest standards of housing and professional care in a supportive, respectful and friendly community.

Our Values

i. We seek to improve lives through passionately promoting excellence in support, care and housing
ii. We will each commit to take responsibility for our role in our teams encouraging, respecting and supporting each other
iii. We strive to be transparent, approachable, listening to each other and acting with empathy and consistency
iv. We will respect and support everyone as individuals, treating residents and colleagues with dignity and compassion, and behaving professionally whatever our role

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Business and Financial Review

During the financial year 2020-21, the Trustees continued to review the care and housing offered to residents, seeking continuous improvement. In addition the board have had regard to the requirements of its three regulators, the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Charity Commission, not least of which being the standard from the RSH to evidence value for money. The Trust is a provider of residential care services to Hampshire County Council for a number of residents in its Russell Churcher Court care home.

The board is pleased to report a surplus for the 12 month period of £245,051 (2020: £121,539).

The increase in the year have been due to increased income in the care home from both increased fee levels and some covid-related grants, as well as an increase in the value of our investments.

Operational surpluses (i.e. just including housing and social care) for the periods excluding valuation adjustments on the pension fund, investments, and the adjustments made for the maintenance reserve figures were £177,084 (2020: £147,115) (see note 12).

During the year the Trust made progress on its strategy to acquire further land for new social negotiating an agreement for land in the Gosport area subject to planning.

Our income from housing and care activities (excluding grants) increased month on month in 2020-21 by 4.3% to £2,673,934 over the 12 month period (2020: £2,561,990). Housing voids continued to be controlled with void properties accounting for lost income of £2,423 over 12 months (2020: £2,120).

Covid has dominated the whole financial year and while we have been in receipt of some social care-related grants to assist with infection control costs our day-to-day operations in both housing and care have been impacted. We have however managed to maintain support in our housing schemes and have continued with a high level of safe care within our care home. We have had two service inspections by the CQC under their emergency covid framework and have passed both of these. We recruited heavily before the initial lockdown so this helped us significantly during the pandemic but once the main lockdown was eased we started to see the difficulties in recruitment returning. The impact of Covid-19 is covered in further detail under risks

CCLA continue to be engaged as investment managers. Gain on investments for the year was £71,026, showing a recovery from March 2020.

Freehold properties are held at historical cost, with component accounting applied to result in a depreciated property figure. Under the Charities SORP social housing grant (SHG) is no longer deducted as in years prior to 2016. The properties are shown in these accounts at their historic cost of £9,668,414 (2020: £9,625,621). After depreciation the net book value of housing properties held at historic cost is £7,436,622 (2020: £7,500,508). Given that the valuation undertaken by Lloyds Bank plc in May 2016 valued the Russell Churcher Court care home at £2.25M and that the Trust's qualified Property Services Manager, carried out an extensive impairment review in May/June 2019 and found no indications of impairment, the trustees believe the current market value exceeds the book value.

The balance sheet shows a net current asset at 31 March 2021 of £49,879 (2020: liability of £50,090).

The trustees continue to be of the opinion that the overall financial position of the Trust is healthy and that it is able to meet its current and future commitments.

During the year there have been changes to the board. Ms Reeta Ram, Mr John Clark and Mr Oliver Zaki joined the board in July and August 2020. The board continued with training and strategy days using external consultants to provide facilitation, guidance and expertise in specific topics. These were held with a mix of virtual and face to face sessions. During the 20-21 year they covered the care home challenges, digital innovation, and allocations in housing.

Contribution from Volunteers

The contribution from volunteers is not significant and does not affect the Trust's ability to carry out any of its activities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Reserves

The Trustees have transferred monies to Reserve Funds in accordance with the Charity Commission Scheme over a long period in order to:

a) Provide Designated and Restricted Reserves, which include the minimum annual amounts for future Repairs and Maintenance, required by the Charity Commission Scheme, plus income thereon, less related expenditure.

b) Provide Unrestricted Reserves to:
   i. Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for one year ahead.
   ii. Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the minimum required by the Charity Commission Scheme.
   iii. Purchase investments which provide income that can indirectly make it possible to subsidise the weekly maintenance contributions charged to residents of the Almshouses and care home; thus fulfilling one of its charitable objectives.

As at 31 March 2021 unrestricted reserves were £6,744,586 of which £413,842 are designated reserves. Endowment reserves are £40,503.

Social Investment Policies

The Trust has not made any social investments during the year.

Fundraising Reporting Note

Thorngate Churcher Trust does not normally carry out any significant fundraising activities. No fundraising has been done on behalf of the Trust by any other body. It does not employ a professional fundraiser or have a commercial participator arrangement. Accordingly the Trust has not registered with the Fundraising Regulator.

Within the Russell Churcher Court care home the activities team raise small amounts of money (typically less than £6,000 annually) through incidental raffles (i.e. not requiring a licence), from relatives to fund additional outings and entertainment for residents of the care home. Unconnected members of the general public are not approached, accordingly the Trust does not need to take measures to protect vulnerable members of the public.

No complaints were received by the charity in relation to fundraising.

Financial Effect of Significant Events

There were two significant events during the year:

1. Covid-19. Like other business and third sector organisations the Trust was affected by Covid-19. The main effect was that the senior management took the decision to recruit extra staff and also to lockdown the care home early. This ensured that the care home remained Covid-19 free until November 2020. The outbreak was well managed and the charity's prepared contingency plan was utilised.
2. The Trust negotiated an option agreement subject to satisfactory planning for a piece of land in Gosport. This was submitted to the planning authorities just before the year end.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Instrument

Recruitment and Training of Trustees

Trustees are recruited based on an analysis of skills gaps, and then this is publicised by adverts or through news articles/networking. Individuals are then interviewed, who may then, depending on the outcome be appointed. Trustee board days normally take place twice a year (once per year in 2020 due to covid) in addition to board meetings and encompass both strategy and training. In addition additional training is undertaken on an ad-hoc basis such as attendance at seminars as and when necessary or trustees are available, for example seminars given by local legal firms and by membership bodies.

Pay and Remuneration of Key Personnel

The Chief Executive's pay and remuneration is set by means of an appraisal with a suitably qualified trustee, and taking into account salaries in comparable organisations and levels of skills, knowledge and experience required. Pay and remuneration decisions also take into account individual performance against organisational and personal targets.

Code of Governance

The trustees are pleased to report that the Trust complies with the Standards of Almshouse Management. The Trust also adopted the Charity Commission Code of Governance in 2014, and subsequently the new Code of Governance in 2018. If the predecessor organisation is taken into account, only one trustee, Diane Searle, has served more than nine years, but she has served only four in the current organisation. Having given consideration to its effectiveness to make informed decisions, the board believes it does this because of the detailed information it considers, not just at board meetings but throughout the year through monthly management reporting packs and ad-hoc reports and notifications from the Chief Executive. The board advertised widely for trustees during the year resulting in the appointment of three trustees in July and August 2020. As a result of a skills audit it was determined that as trustee vacancies arise trustees should be sought with skills and knowledge in property management, technology, and finance. The board continues to have challenging board days to ensure it refreshes its skills and knowledge and avoids "group think".

Risk assessment - principal risks and uncertainties

The Trustees have considered the major risks to which the Trust could be exposed and have reviewed the systems established to mitigate against such risks. A risk register is used to review key risks and is reviewed at board meetings and in addition on board days. The risks are recorded and assessed in terms of impact and probability and also uses a traffic light system to highlight areas of particular concern. Any significant changes are reported to the board monthly or quarterly as appropriate.

The four principal risks and uncertainties facing the charity and its mitigation strategies at present are:

1. **Covid-19.** Covid-19 created both financial uncertainty and operational uncertainty within the care and social housing for older people sectors. The charity rose to the challenge by recruiting additional staff and having strong infection control procedures in both care and housing. Although an outbreak did occur in the care home the strength of the leadership team, the dedication of staff and the application of our contingency plan enabled the charity to come through. Income was not substantially affected. The trust does not use volunteers or fundraise to any significant extent so there has been no effect in these areas. Covid remains a risk into 2021-22 and is still being treated as such.
2. **Income maintenance in the care home.** The trust carefully monitors payments for care from both private fee payers and HCC to ensure it is not vulnerable to changes in financial position of privately funded residents or errors made by the council. Following on from negotiations in 2020 with Hampshire County Council the position has improved from 2019 however it still requires significant management input.
3. **Cyber risk.** The trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. A desktop simulated cyber-attack was actioned during the year in collaboration with our IT service providers and involved the senior leadership team. IT Investment is expected to increase going forward both to increase security and invest in digital.
4. **Staff recruitment**. This continues to be an issue in both care and housing. It is mitigated by excellent training but requires a good deal of focus at all levels of the organisation input led by the CEO to maintain staffing levels and avoid expensive agency staffing wherever possible.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The board are not aware of any irregularities, including fraud, involving management or employees of the Trust: nor are they aware of any instances of actual or possible non-compliance with loans, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

Internal controls

The board of Trustees is ultimately responsible for the Trust's systems of internal financial controls which are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The board has through its quarterly meeting and reporting procedures reviewed the effectiveness of the Trust's internal financial control system for the period from 1 April 2019 to the date of this report.

The board of Trustees, through its adoption of policies and procedures is constantly reviewing the Trust's internal financial controls and has introduced the following mechanisms designed to provide effective internal control:

- Defined management and reporting structures, including segregation of financial management tasks.
- Employment of a Chief Executive Officer and Finance Manager qualified as a chartered certified accountants.
- Use of professional IT consultants to ensure updates of all IT systems including financial control.
- Management information and accounting systems, including with cash flow forecasts, annual budgets, business recovery plans and business plans. Board reports are prepared monthly, covering both financial and operational matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Thorngate's VFM Statement

Introduction:

This is produced in accordance with the standard issued by the Regulator of Social Housing.

The purpose of the standard is to ask housing bodies to report on a set of standard metrics, and where these results are outliers for the organisation to report the reasons why this might be. Thorngate has an untypical profile, being both a provider of supported housing for older people and also a care home provider, which will inevitably distort some of our metric results.

Additionally the regulator asks the provider to provide a set of metrics relevant to their own business plan and operations, that they can measure themselves against in successive years and are also reflected in our reports to residents, staff and other stakeholders. For the purposes of transparency and for users of the accounts who may wish to check for consistency these reports will include those listed below, however as one or more of these may be confidential, they may not be publicly available on our website but would be available to users of the accounts (such as funders and regulators) on request:

- Annual Report to Residents 2020-21 (due to be published by 1 October 2021)
- Thorngate Business Plan

PART 1

Industry-wide Value for Money Metrics
The regulator has defined five key metrics around margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit that must be reported by every registered provider for the financial year that is being audited.

Our approach to satisfying this is to utilise our membership of the Acuity benchmarking group where both the regulator's metrics, sector scorecard and other benchmarking data is entered. Accordingly this report reflects our data and that of other relevant organisations in the benchmarking group.

Further the year that we have had, involving receipt of grants through fundraising and also government grants has distorted the calculations, particularly around margin on our normal day to day operations, which have to be done according to the relevant formulae.

Metric 1 Operating Margin and Earnings before interest, tax, depreciation and amortisation (EBITDA)

a) Operating Margin Overall
The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

On the regulator's formula Thorngate's margin is as follows:

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Operating Margin Overall	10.55%	6.33%	6	10.22%

STRUCTURE, GOVERNANCE AND MANAGEMENT

b) Operating Margin Social Housing Lettings.

This is the same as above but only including social housing.

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Operating Margin Social Housing Lettings	15.5%	17.9%	3	10.21%

(2020 figures included some grant from Homes England)

c) Earnings before interest, tax, depreciation and amortisation (EBITDA)

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
EBITDA MRI	12.1 times	8.4 times	Not Available	Not Available

This is a healthy position, it reflects we are borrowing to invest but still have development capacity, and it still well in excess of the average SPBM figure of 3.45. It assumes that the spend we have made during the year towards a new land acquisition and development will be capitalised once we acquire the land.

Metric 2 Gearing and Supply

a) Gearing (RSH and Scorecard measure)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of an organisation's appetite for growth. The ratio shows the proportion of borrowing in relation to the size of a provider's asset base.

	Thorngate 2021	Thorngate 2020	Position in Peer group (out of 10)	Peer Group Median
Gearing	11.06%	12.01%	Not Available	Not Available

Thorngate increased its borrowing significantly in 2017-2018 to fund new build schemes at Lucas Court, Garden View and Bradbury House. The board did not add any further borrowings from 2018-2021. However the charity has been in negotiation with several funders with a view to financing a scheme, in line with the charity's development plan, in 2021 and 2022. Unfortunately the SPBM peer group figure was not available for this measure. The SPBM median is 11.75%.

b) New supply delivered (social housing units)

Housing supply delivered as a percentage of stock owned, during the period April - March
Thorngate's measure is 0%. This is because we had delivered substantial schemes in the few years previously, and are negotiating on a new site from 2021-22.

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
New supply delivered (Social Housing)	0%	0%	3	0

STRUCTURE, GOVERNANCE AND MANAGEMENT

c) New supply delivered (non-social housing units) 0%

No other units (care) were started or completed during the year and the Trust has no plans for any further care units. Other providers in the peer group also did not deliver non-housing new supply.

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
New supply delivered (Non-Social Housing)	0	0	N/A	0

Metric 3 Reinvestment

a) This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

Thorngate's measure is 4.73%

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Reinvestment %	4.73%	2.91%	5	2.8%

Metric 4 Return on Capital Employed (ROCE)

a) When looking at operating surplus, gain/loss on disposal of property, plant and equipment is not included. However these items are included in this measure as they can be considered to form part of the return on the capital investment in either fixed assets (or joint ventures).

Thorngate's measure 3.62%

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Return on Capital employed	3.62%	2.07%	3	2.7%

Metric 5 Headline social housing cost per unit

This is a total of costs attributable to social housing property. This includes component depreciation. Our slightly higher than average figure reflects higher component depreciation due to new properties, as well as some higher grade management roles because of the care services we manage as well as housing. It should also be noted that we have been recognised for providing high quality housing that residents want to live in, by the receipt of two awards voted for by residents in 2019. We believe (reflected in our residents' survey and long waiting list of more than two years) that our offering of well-maintained stock and especially our support through on-site wardens delivers a service that residents and prospective residents want.

When compared to other care providing organisations in the peer group we have the lowest headline cost per unit.

	Thorngate 2021	Thorngate 2020	Position in Peer Group (out of 10)	Peer Group Median
Headline social housing cost per unit	£6,715	£5,867	8	£5,382

STRUCTURE, GOVERNANCE AND MANAGEMENT
PART 2

Thorngate's Metrics

The metrics we have chosen and have consistently reported on for the last few years are a mixture of both hard financial data and targets related to social impact, given that our mission defined by our charitable objects are:

The Objects of the Charity are to relieve the needs of Residents who are in need by providing social housing in the form of almshouse accommodation and such other charitable relief for the benefit of such Residents (or other persons who are in need by reason of their age) as the Trustees think fit; and for the benefit of this clause, "Residents" shall mean poor persons of not less than 50 years of age.

This translates into a number of monthly key performance indicators that the executive reports on monthly, procurement measures that we review periodically, and forward looking targets which reflect our forward focused business plan to 2023, as well as systematically examining our governance. The metrics reported below cover the following areas:

- Void Reporting
- Procurement
- Increased reach
- Governance and Board Development

1. Void Reporting

Both housing and care home voids are reported monthly to board and Thorngate sets its own targets on voids. Thorngate also benchmarks itself against the Smaller Providers Benchmarking Group, and this figure has been reported on where relevant below.

We report voids on a percentage basis monthly and on a lost revenue basis annually. Our target is 2.5% or less voids. This can be affected by for example, increased development or major repairs, if this means more transfers of residents or decanting.

Void pro-rata 12m	Thorngate 2020-21	Thorngate 2019-20	Thorngate 2018-19	Thorngate 2017-18	Thorngate 2016-17	SPBM 2019-20
Housing%	0.27%	0.25%	0.51%	1.04%	0.31%	0.86%
Housing Value £	£2,423	£2,120	£4,009	£7,562	£2,236	
Housing (excl new schemes see note below)	0.27%	0.25%	0.24%	0.36%	0.31%	0.86%
Housing Value £	£2,423	£2,120	£1,906	£2,297	£2,236	
Care %	3.90%	1.17%	1.98%	1.79%	1.53%	
Care Value £	£72,296	£20,043	£31,750	£22,713	£18,612	

We have once again turned in an excellent performance on voids and are ranked first in the peer group of smaller similar housing associations for both care and housing void control. This reflects just how desirable our combined package of high quality housing and high quality housing support delivered by on-site staff are to residents. This is also reflected in our very long waiting list for units (currently around 70 applications for 124 flats).

2. Procurement

Since the VFM standard was first introduced, Thorngate has reported its performance against prior years in a number of areas. This has shown useful trends and this has been continued this year. The focus areas continue to be gas and electric purchases, and care home food costs. These have been chosen because almost all our properties have gas included in the weekly maintenance charges, communal electricity is a large costs and for our care home, food is one of the largest costs. These figures can only be considered year on year within the same organisation because of different characteristics between different providers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

While we seek to reduce our utility costs, we seek to maintain our food costs around the £1,545 (3% increase on last year) per person level, as there is a correlation between quality and cost and the case of food for care home residents, and nutrition is a key part of caring for frail residents.

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17 (pro rata)	£47,100	-9%	£33,252	0%	£1,371	-5%
2017-18 (pro rata)	£45,363	-4%	£36,872	+11%	£1,651	+20%
2018-19	£51,551	+14%	£42,669	+16%	£1,687	+2%
2019-20	£63,471	+23%	£46,916	+10%	£1,516	-10%
2020-21	£61,045	-3.8%	£49,983	+6.5%	£1,404	-31%

On gas and electric procurement we go to the market and we are currently in two year deals on both gas and electric, gas concluding in February 2021 and electric in June 2021. We typically tender a host of suppliers, both brokers and direct and usually are looking at around 15 projections. Gas is used for heating and hot water in both housing and care homes and only the new developments of Lucas Court, Garden View and Station Road buy their own gas. It should be noted that if housing residents had to buy their own gas or electric they would not be able to buy this as competitively as we do, however of course they would have more control over usage.

Gas: Our spend on gas has fallen a little this year, which is of course good news. Last summer we fitted a major new boiler system at Elizabeth Court, this has already resulted in a 13% decrease in consumption on that site through more efficient operating. From June 2021 we have fitted boiler optimisers with digital data feeds again as part of our digital transformation programme, to enhance the performance of our large communal boilers. The good news is that in Russell Churcher court early indications are that the gas boilers are operating more efficiently. We intend to roll this out into Elizabeth Court later in 2021. In addition the deal we have agreed for the forthcoming three years on gas purchasing will result in a reduction in expense.

Electric: Spend on electricity has once again increased year on year. This has become an area of greater focus for us and we are using our digital transformation project to push forward on sensors to help us to understand why some areas are using larger amounts of electricity than we might have expected. Unfortunately the new contract we have negotiated which was the best on offer for July 2021 is at an increased rate per unit and reflects the current market in electricity.

Food: Our care home food costs have fallen during the year. This reflects a big push to utilise fresh food. However it also reflects that we just have not held the events in the care home we would normally expect to hold due to the covid pandemic. We expect this spend to move to levels seen pre-pandemic as restrictions ease.

3. Increased reach

Thorngate considers, in line with its objects, it can increase its reach in the following two key ways: either development of new homes and facilities, and increased engagement of "persons who are in need by reason of their age"

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Development:

Although we have not completed any new flats in 2020-21, we concluded a sizeable building programme for us in 2018-19. During 2020-21 we negotiated an option agreement subject to satisfactory planning approval for a site for a significant scheme of new units.

	2020-21	2019-20	2018-19	2017-18
Units completed	0	0	10	4
Increase in stock as of current stock at start of year	0%	0%	9%	3%

The board has a stated aspiration that it will identify sites when they become available as follows:
To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves

4. Governance & Board Development

For a well-run organisation the board recognises it must ensure it is well equipped in terms of skills and continuous professional development.

Consequently, the board undertakes training and strategic board days normally twice a year in addition to board meetings and monthly (at least) briefings from the Chief Executive.

In 20-21 the board has undertaken training looking at its care provision, housing allocations and digital. Due to covid only one board day was achieved in between lockdowns.

Target:

The target for 2021-22 which we can be measured against is a further two board days including strategy and digital sessions; one of these occurred in May 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
09953572 (England and Wales)

Registered Charity number
1169965

Registered office
Administration Office
Clare House Melrose Gardens
Station Road
Gosport
Hampshire
PO12 3BZ

Trustees

James Gilhooley (Chairman)	
Christopher Matthews	
Mark Hook	
Diane Searle	
Julie Palmer	
Andrew Gordon	
Reeta Ram	Appointed 28 July 2020
John Clark	Appointed 28 July 2020
Oliver Zaki	Appointed 19 August 2020

Registered Provider of Social Housing Number
4839

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary
A Taylor FCCA

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors
Coffin Mew
1000 Lakeside
North Harbour
Portsmouth
PO6 3EN

Bankers
Lloyds Bank plc
43 West Street
Fareham
Hampshire
PO16 0BE

Investment Managers
CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Thorngate Churcher Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Board Meeting.

Approved by order of the board of trustees on 26/08/2021 and signed on its behalf by:

J Gilhooley - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Opinion

We have audited the financial statements of Thorngate Churcher Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

Our responsibilities for the audit of the financial statements

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

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income at £56,900. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality of £51,200.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THORNGATE CHURCHER TRUST

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 auditors' 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.

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 31 August 2021

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	7,647	-	-	7,647	-
Charitable activities	4					
Housing for older people		891,003	9,817	-	900,820	886,280
Care home		1,863,896	74,954	-	1,938,850	1,698,210
Investment income	3	19	-	-	19	25
Total		2,762,565	84,771	-	2,847,336	2,584,515
EXPENDITURE ON						
Charitable activities	5					
Housing for older people		869,025	9,817	-	878,842	753,525
Care home		1,719,515	74,954	-	1,794,469	1,709,319
Total		2,588,540	84,771	-	2,673,311	2,462,844
Net gains/(losses) on investments		71,026	-	-	71,026	(132)
NET INCOME		245,051	-	-	245,051	121,539
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		(289,126)	-	-	(289,126)	359,646
Net movement in funds		(44,075)	-	-	(44,075)	481,185
RECONCILIATION OF FUNDS						
Total funds brought forward		6,788,661	-	40,503	6,829,164	6,347,979
TOTAL FUNDS CARRIED FORWARD		6,744,586	-	40,503	6,785,089	6,829,164

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	7,519,373	7,580,841
Investments	14	363,052	292,026
		7,882,425	7,872,867
CURRENT ASSETS			
Debtors	15	91,037	85,346
Cash at bank		267,795	122,649
		358,832	207,995
CREDITORS			
Amounts falling due within one year	16	(308,953)	(258,085)
NET CURRENT ASSETS		49,879	(50,090)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,932,304	7,822,777
CREDITORS			
Amounts falling due after more than one year	17	(717,540)	(792,259)
PROVISIONS FOR LIABILITIES	20	(429,675)	(201,354)
NET ASSETS		6,785,089	6,829,164
FUNDS	22		
Unrestricted funds		6,744,586	6,788,661
Endowment funds		40,503	40,503
TOTAL FUNDS		6,785,089	6,829,164

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26/05/2021 and were signed on its behalf by:

J Gilhooley - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	369,718	165,397
Interest paid		(36,896)	(40,059)
Finance costs paid		(4,098)	(13,000)
Net cash provided by operating activities		328,724	112,338
Cash flows from investing activities			
Purchase of tangible fixed assets		(109,407)	(69,892)
Interest received		19	25
Net cash used in investing activities		(109,388)	(69,867)
Cash flows from financing activities			
Loan repayments in year		(74,190)	(61,960)
Net cash used in financing activities		(74,190)	(61,960)
Change in cash and cash equivalents in the reporting period		145,146	(19,489)
Cash and cash equivalents at the beginning of the reporting period		122,649	142,138
Cash and cash equivalents at the end of the reporting period		267,795	122,649

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	245,051	121,539
Adjustments for:		
Depreciation charges	170,480	162,236
(Gain)/losses on investments	(71,026)	132
Loss on disposal of fixed assets	395	3,136
Interest received	(19)	(25)
Interest paid	36,896	40,059
Finance costs	4,098	13,000
Increase in debtors	(5,691)	(19,803)
Increase/(decrease) in creditors	50,339	(111,577)
Difference between pension charge and cash contributions	(60,805)	(43,300)
Net cash provided by operations	369,718	165,397

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	122,649	145,146	267,795
	122,649	145,146	267,795
Debt			
Debts falling due within 1 year	(74,952)	(529)	(75,481)
Debts falling due after 1 year	(792,259)	74,719	(717,540)
	(867,211)	74,190	(793,021)
Total	(744,562)	219,336	(525,226)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity recognises grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that the monies would become repayable if the properties were sold. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell one of the properties.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Finance and administration costs are apportioned to specified headings of expenditure whereas employees are charged directly to specified headings. Other administration costs are allocated as considered appropriate.

Pension costs and other post-retirement benefits

The Trust participates in a multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). For the SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to the individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Structure	1%
Roofs	1.4%
Windows and Doors	3.3%
Boilers	6.7%
Kitchens	5%
Bathrooms	3.3%
Mechanical Systems	3.3%
Electrical Systems	2.5%
Lifts	5%
Furniture and equipment	25%
Computers and office equipment	25%

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	7,647	-

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	19	25

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Social housing maintenance contributions	Housing for older people	891,003	863,780
Grants	Housing for older people	9,817	22,500
Residential care home	Care home	1,782,931	1,698,210
Grants	Care home	155,919	-
		2,839,670	2,584,490

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Homes England	-	22,500
Hampshire County Council	125,490	-
Surrey County Council	1,000	-
HMRC - CJRS and SSP Grants	39,246	-
	165,736	22,500

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Housing for older people	601,908	276,934	878,842
Care home	1,632,552	161,917	1,794,469
	2,234,460	438,851	2,673,311

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Services	1,831,214	1,717,620
Day to day maintenance	131,148	127,535
Cyclical maintenance	53,801	68,726
Extraordinary maintenance	13,348	18,925
Other costs	31,798	29,706
Depreciation	132,157	129,875
Interest payable and similar charges	40,994	53,059
	2,234,460	2,145,446

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Housing for older people	273,213	3,721	276,934
Care home	155,984	5,933	161,917
	429,197	9,654	438,851

Support costs, included in the above, are as follows:

Management

	Housing for older people	Care home	2021 Total activities	2020 Total activities
	£	£	£	£
IT expenses	14,406	14,405	28,811	29,406
Personnel	-	-	-	2,285
Building and office costs	16,815	5,967	22,782	20,903
PR and advertising costs	2,525	5,041	7,566	7,364
Management costs	130,572	130,571	261,143	248,551
Future housing	108,895	-	108,895	-
	273,213	155,984	429,197	308,509

Governance costs

	Housing for older people	Care home	2021 Total activities	2020 Total activities
	£	£	£	£
Auditors' remuneration	1,971	3,933	5,904	5,892
Auditors' remuneration for non audit work	250	500	750	750
Governance costs	1,500	1,500	3,000	2,247
	3,721	5,933	9,654	8,889

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,904	5,892
Other non-audit services	750	750
Depreciation - owned assets	170,480	162,236

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

During the period one trustees (2020: nil) were reimbursed £76 (2020: £nil) for out of pocket expenses.

10. STAFF COSTS

	Year 01.04.20 to 31.3.21	Period 01.03.19 to 31.03.20
	£	£
Wages and salaries	1,503,635	1,350,534
Social security costs	95,545	87,513
Employer's pension costs	43,298	44,747
	1,642,478	1,482,794

Key management remuneration

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charitable company were £96,817 (2020: £82,259). This does not include remuneration for trustees, all of which is reported as per note 9.

The average monthly number of employees during the year was as follows:

	2021	2020
Administration	3	3
Maintenance	3	3
Housing, support and care	64	63
	70	69

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

10. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	1	1

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	-	-	-
Charitable activities				
Housing for older people	886,280	-	-	886,280
Care home	1,698,210	-	-	1,698,210
Investment income	25	-	-	25
Total	2,584,515	-	-	2,584,515
EXPENDITURE ON				
Charitable activities				
Housing for older people	753,525	-	-	753,525
Care home	1,709,319	-	-	1,709,319
Total	2,462,844	-	-	2,462,844
Net gains/(losses) on investments	(132)	-	-	(132)
NET INCOME	121,539	-	-	121,539
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	359,646	-	-	359,646
Net movement in funds	481,185	-	-	481,185
RECONCILIATION OF FUNDS				
Total funds brought forward	6,307,476	-	40,503	6,347,979
TOTAL FUNDS CARRIED FORWARD	6,788,661	-	40,503	6,829,164

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

	Year 1.4.20 to 31.3.21 £	Period 1.4.19 to 31.3.20 £
Charitable income - fees and maintenance contributions	2,673,934	2,556,224
Charitable income - donations and legacies	7,647	5,766
Charitable income - grants	165,736	22,500
Charitable expenditure	(2,673,311)	(2,462,844)
	174,006	121,646
Adjustment for pension funds, investments, maintenance reserve and capital grant	3,078	25,469
Charitable surplus	177,084	147,115

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2020	9,625,621	84,177	405,501	10,115,299
Additions	68,270	27,760	13,377	109,407
Disposals	(25,477)	(1,856)	(4,760)	(32,093)
At 31 March 2021	9,668,414	110,081	414,118	10,192,613
DEPRECIATION				
At 1 April 2020	2,125,113	48,729	360,616	2,534,458
Charge for year	132,156	17,960	20,364	170,480
Eliminated on disposal	(25,477)	(1,785)	(4,436)	(31,698)
At 31 March 2021	2,231,792	64,904	376,544	2,673,240
NET BOOK VALUE				
At 31 March 2021	7,436,622	45,177	37,574	7,519,373
At 31 March 2020	7,500,508	35,448	44,885	7,580,841

Included in cost or valuation of land and buildings is freehold land of £1,692,331 (2020 - £1,692,331) which is not depreciated.

Freehold property also includes schemes in progress with a net book value of £888 (2020: £888).

continued...

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2020	292,026
Revaluations	71,026
At 31 March 2021	363,052
NET BOOK VALUE	
At 31 March 2021	363,052
At 31 March 2020	292,026

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2021 is represented by:

	Listed investments £
Valuation in 2021	363,052

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Arrears of maintenance contributions and care home fees	11,557	19,092
Other debtors	2,878	1,459
Prepayments and accrued income	76,602	64,795
	91,037	85,346

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 18)	73,501	72,302
Other loans (see note 18)	1,980	2,650
Trade creditors	54,220	72,864
Maintenance contributions and care home fees received in advance	94,311	28,196
Social security and other taxes	34,810	32,181
Other creditors	50,131	49,892
	308,953	258,085

	2021 £	2020 £
Brought forward	28,196	34,077
Amount released to incoming resources	(28,196)	(34,077)
Amount deferred in year	94,311	28,196
Carried forward	94,311	28,196

Deferred income relates to maintenance contributions and care home fees received in advance.

continued...

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 18)	699,936	772,675
Other loans (see note 18)	17,604	19,584
	717,540	792,259

18. LOANS

An analysis of the maturity of loans is given below:

	2020	2020
	£	£
Amounts falling due within one year		
Bank loans	73,501	72,302
Other loans	1,980	2,650
	75,481	74,952
Amounts falling due between two and five years		
Bank loans	101,215	149,053
Other loans	9,661	8,204
	110,876	157,257
Amounts falling due in more than five years		
Bank loans	598,721	623,622
Other loans	7,943	11,380
	606,664	635,002

The loan from the NAA included in other loans is interest free and being repaid over 10 years. In accordance with the SORP the loan has been discounted at a similar interest rate in line with other borrowings.

19. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	773,437	844,977

The bank loans are secured by a first and second charge over the Russell Churcher Court care home and Goyda House both situated in Melrose Gardens.

continued...

20. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Provisions	429,675	201,354

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was issued to employers in October 2018 and showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement, the Trust has recognised a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provisions

	31 March 2021	31 March 2020
	£	£
Provision at start of period	197,000	605,000
Unwinding of the discount factor	4,000	13,000
Deficit contribution paid	(83,000)	(78,000)
Impact of change in assumptions	289,000	(364,000)
Current service cost	14,000	14,000
Expenses	5,000	5,000
SHPS Provision at end of period	426,000	197,000
TPT Retirement Solutions - The Growth Plan	3,675	2,675
Provision at end of period	429,675	201,354

Income and expenditure impact

	31 March 2021	31 March 2020
	£	£
Interest expense	4,000	12,000
Impact of change in assumptions & contribution schedule	289,000	325,847
Current service cost	14,000	23,000
Expenses	5,000	5,000

Assumptions

	31 March 2021	31 March 2020	31 March 2019
	% per annum	% per annum	% per annum
Rate of discount	2.15	2.39	2.29

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
Fixed assets	7,519,373	-	-	7,519,373	7,580,841
Investments	363,052	-	-	363,052	292,026
Current assets	318,329	-	40,503	358,832	207,995
Current liabilities	(308,953)	-	-	(308,953)	(258,085)
Long term liabilities	(717,540)	-	-	(717,540)	(792,259)
Provision for liabilities	(429,675)	-	-	(429,675)	(201,354)
	6,744,586	-	40,503	6,785,089	6,829,164

22. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	6,251,237	(49,205)	128,712	6,330,744
Capital reserve	128,712	-	(128,712)	-
Cyclical maintenance reserve	283,769	5,599	-	289,368
Extraordinary repairs reserve	124,943	(469)	-	124,474
	6,788,661	(44,075)	-	6,744,586
Endowment funds				
Endowment reserve	40,503	-	-	40,503
TOTAL FUNDS	6,829,164	(44,075)	-	6,785,089

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,762,565	(2,593,670)	(218,100)	(49,205)
Cyclical maintenance reserve	-	5,599	-	5,599
Extraordinary repairs reserve	-	(469)	-	(469)
	2,762,565	(2,588,540)	(218,100)	(44,075)
Restricted funds				
Coronavirus Support Fund	84,771	(84,771)	-	-
TOTAL FUNDS	2,847,336	(2,673,311)	(218,100)	(44,075)

continued...

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	5,754,679	496,557	6,251,236
Capital reserve	128,712	-	128,712
Cyclical maintenance reserve	293,096	(9,326)	283,770
Extraordinary repairs reserve	130,989	(6,046)	124,943
	6,307,476	481,185	6,788,661
Endowment funds			
Endowment reserve	40,503	-	40,503
TOTAL FUNDS	6,347,979	481,185	6,829,164

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,584,515	(2,447,472)	359,514	496,557
Cyclical maintenance reserve	-	(9,326)	-	(9,326)
Extraordinary repairs reserve	-	(6,046)	-	(6,046)
	2,584,515	(2,462,844)	359,514	481,185
TOTAL FUNDS	2,584,515	(2,462,844)	359,514	481,185

continued...

22. MOVEMENT IN FUNDS - continued

General fund - This reserve represents accumulated surpluses within the general fund. Within the general fund is an amortised balance of £3,761,034 (2020: £3,814,313) which represents the income recognised from the Social Housing Grants. The charity recognised grant income in relation to housing properties when the conditions of the grant contract have been performed. A condition of the grant is that should the properties be sold (or in the case of Russell Churcher Court converted to another use) a crystallising event would occur which would result in any grant attached to that specific property being either repayable or allocated to one of the trust's other social housing properties. A liability is not recognised in respect of this. The trustees will provide for a liability in the event of a decision being made to sell on e of the properties

Capital reserve - This reserve is established for capital expenditure on property.

Cyclical maintenance reserve - This reserve is established for regular maintenance including internal and external decoration.

Extraordinary repairs reserve - This reserve is established for long term modernisation and repairs.

Endowment reserve - This reserve represents assets which formed part of the original governing document.

HMRC Covid Support Reserve - Being monies received form HMRC in relation to the Coronavirus Job Retention Scheme and Coronavirus Statutory Sick Pay Rebate Scheme to reimburse staff costs during the Covid 19 Pandemic and monies from Hampshire County Council in relation to the Infection Control Grant, Workforce Gr ant and Rapid Testing Grant.

Transfers between funds

The transfer between funds represents the amounts set aside for the provision of cyclical maintenance.

23. RELATED PARTY DISCLOSURES

Mr James Gilhooley, Trustee, and Chairman is a director of MorlanGil Human Resources Limited. No transactions occurred between the Trust and this organisation. Mr Gilhooley is also a trustee and director of the Solent Diabetic Association, a registered charity. There have been no transactions during the year between the Trust and this organisation.

Mrs Diane Searle, Trustee, is not associated with any other organisations.

Mr Chris Matthews, a Trustee, is a solicitor and partner in the firm Churchers Solicitors. No transactions occurred between Churcher Solicitors and the Trust during the year.

Mrs Julie Palmer, a Trustee is not associated with any other organisations.

Mr Andrew Gordon, Trustee, was a part time employee of Amazon Filters Ltd Camberley until 31 December 2020. There have been no transactions between the Trust and this organisation. Andrew Gordon also conducts business as Andrew Gordon trading as Action Business, a training and people development consultancy. There have been no transactions between the Trust and this organisation during the year.

Mr Mark Hook, a Trustee, was the Leader of Gosport Borough Council until 19 May 2021. From 19 May 2021, Mr Hook became the Mayor of Gosport Borough Council. All transactions with the council are on normal commercial terms and Mr Hook is not able to use his position to his advantage.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

23. RELATED PARTY DISCLOSURES - continued

Ms Reeta Ram, Trustee was appointed on 28 July 2020. Ms Ram is a director of DPR Housing Limited and Dementia Partners Limited. These are organisations that provide supported housing living schemes to support vulnerable adults to live in the community in London. No transactions between DPR Housing Limited or Dementia Partners Limited and the Trust occurred during the year.

John Clark, Trustee was appointed on 28 July 2020. Mr Clark is a Housing Manager for Abri Group Ltd and there have been no transactions between the Trust and this organisation during the year.

Mr Oliver Zaki, Trustee, was appointed on 19 August 2020. Mr Zaki is an Associate as Glanvilles Solicitors Fareham. No transactions between the Trust and Glanvilles Solicitors occurred during eth year. Mr Zaki's partner is a partner at Coffin Mew Solicitors . All transactions between the Trust and Coffin Mew are on normal commercial terms.

Ms Anne Taylor, Chief Executive and Company Secretary, is a director of Almshouse Consortium Limited (ACL) as a representative of the Trust. Transactions between the Trust and ACL are on normal commercial terms. Ms Taylor is a Trustee and Non-Executive Director of the Fusion21 Foundation, a grant giving charity No transactions have occurred between this charity or its trading subsidiary Fusion21 Limited and the Trust during the year. Anne Taylor is also a trustee and director of CCABF, the Chartered Certified Accountants Benevolent Fund, and a Trustee of Trust 2000, a community charity. Ms Taylor is also a director of John Taylor Motorsport Limited. No transactions have occurred between either of these charities or the limited company and the Trust during the year.

24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.