

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

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FOR THE YEAR ENDED 31 MARCH 2021**

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THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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%

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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

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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

THORNGATE CHURCHER TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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 care 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	£47,100	-9%	£33,252	0%	£1,371	-5%
(pro rata)						
2017-18	£45,363	-4%	£36,872	+11%	£1,651	+20%
(pro rata)						
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"

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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
John Clark
Oliver Zaki

Appointed 28 July 2020
Appointed 28 July 2020
Appointed 19 August 2020

Registered Provider of Social Housing Number

4839

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

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

THORNGATE CHURCHER TRUST

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						
Housing for older people	4	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		<u>2,762,565</u>	<u>84,771</u>	<u>-</u>	<u>2,847,336</u>	<u>2,584,515</u>
EXPENDITURE ON						
Charitable activities						
Housing for older people	5	869,025	9,817	-	878,842	753,525
Care home		1,719,515	74,954	-	1,794,469	1,709,319
Total		<u>2,588,540</u>	<u>84,771</u>	<u>-</u>	<u>2,673,311</u>	<u>2,462,844</u>
Net gains/(losses) on investments		<u>71,026</u>	<u>-</u>	<u>-</u>	<u>71,026</u>	<u>(132)</u>
NET INCOME		<u>245,051</u>	<u>-</u>	<u>-</u>	<u>245,051</u>	<u>121,539</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>(289,126)</u>	<u>-</u>	<u>-</u>	<u>(289,126)</u>	<u>359,646</u>
Net movement in funds		<u>(44,075)</u>	<u>-</u>	<u>-</u>	<u>(44,075)</u>	<u>481,185</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>6,788,661</u>	<u>-</u>	<u>40,503</u>	<u>6,829,164</u>	<u>6,347,979</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>6,744,586</u></u>	<u><u>-</u></u>	<u><u>40,503</u></u>	<u><u>6,785,089</u></u>	<u><u>6,829,164</u></u>

The notes form part of these financial statements

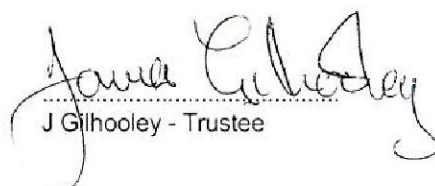
THORNGATE CHURCHER TRUST (REGISTERED NUMBER: 09953572)

**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
		<u>7,882,425</u>	<u>7,872,867</u>
CURRENT ASSETS			
Debtors	15	91,037	85,346
Cash at bank		267,795	122,649
		<u>358,832</u>	<u>207,995</u>
CREDITORS			
Amounts falling due within one year	16	(308,953)	(258,085)
		<u>49,879</u>	<u>(50,090)</u>
NET CURRENT ASSETS			
		<u>7,932,304</u>	<u>7,822,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	17	(717,540)	(792,259)
PROVISIONS FOR LIABILITIES	20	(429,675)	(201,354)
		<u>6,785,089</u>	<u>6,829,164</u>
NET ASSETS			
FUNDS	22		
Unrestricted funds		6,744,586	6,788,661
Endowment funds		40,503	40,503
		<u>6,785,089</u>	<u>6,829,164</u>
TOTAL FUNDS			

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

THORNGATE CHURCHER TRUST

**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)
	<u>328,724</u>	<u>112,338</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(109,407)	(69,892)
Interest received	19	25
	<u>(109,388)</u>	<u>(69,867)</u>
Cash flows from financing activities		
Loan repayments in year	(74,190)	(61,960)
	<u>(74,190)</u>	<u>(61,960)</u>
	<u> </u>	<u> </u>
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	<u>122,649</u>	<u>142,138</u>
Cash and cash equivalents at the end of the reporting period	<u><u>267,795</u></u>	<u><u>122,649</u></u>

The notes form part of these financial statements

THORNGATE CHURCHER TRUST

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	<u>369,718</u>	<u>165,397</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	<u>122,649</u>	<u>145,146</u>	<u>267,795</u>
	<u>122,649</u>	<u>145,146</u>	<u>267,795</u>
Debt			
Debts falling due within 1 year	(74,952)	(529)	(75,481)
Debts falling due after 1 year	<u>(792,259)</u>	<u>74,719</u>	<u>(717,540)</u>
	<u>(867,211)</u>	<u>74,190</u>	<u>(793,021)</u>
Total	<u>(744,562)</u>	<u>219,336</u>	<u>(525,226)</u>

THORNGATE CHURCHER TRUST

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%

THORNGATE CHURCHER TRUST

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.

THORNGATE CHURCHER TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>7,647</u>	<u>-</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>19</u>	<u>25</u>

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

4. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
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	<u>155,919</u>	<u>-</u>
		<u>2,839,670</u>	<u>2,584,490</u>

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	<u>39,246</u>	<u>-</u>
	<u>165,736</u>	<u>22,500</u>

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	<u>1,632,552</u>	<u>161,917</u>	<u>1,794,469</u>
	<u>2,234,460</u>	<u>438,851</u>	<u>2,673,311</u>

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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
	<u>2,234,460</u>	<u>2,145,446</u>

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
	<u>429,197</u>	<u>9,654</u>	<u>438,851</u>

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

Management

			2021 Total activities £	2020 Total activities £
	Housing for older people £	Care home £		
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	-
	<u>273,213</u>	<u>155,984</u>	<u>429,197</u>	<u>308,509</u>

Governance costs

			2021 Total activities £	2020 Total activities £
	Housing for older people £	Care home £		
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
	<u>3,721</u>	<u>5,933</u>	<u>9,654</u>	<u>8,889</u>

THORNGATE CHURCHER TRUST

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
	<u>177,134</u>	<u>169,878</u>

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	Period
	01.04.20	01.03.19
	to	to
	31.3.21	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
	<u>1,642,478</u>	<u>1,482,794</u>

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
	<u>70</u>	<u>69</u>

THORNGATE CHURCHER TRUST

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	-
	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

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	<u>2,584,515</u>	<u>-</u>	<u>-</u>	<u>2,584,515</u>
EXPENDITURE ON				
Charitable activities				
Housing for older people	753,525	-	-	753,525
Care home	1,709,319	-	-	1,709,319
Total	<u>2,462,844</u>	<u>-</u>	<u>-</u>	<u>2,462,844</u>
Net gains/(losses) on investments	(132)	-	-	(132)
NET INCOME	<u>121,539</u>	<u>-</u>	<u>-</u>	<u>121,539</u>
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	359,646	-	-	359,646
Net movement in funds	<u>481,185</u>	<u>-</u>	<u>-</u>	<u>481,185</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	6,307,476	-	40,503	6,347,979
TOTAL FUNDS CARRIED FORWARD	<u>6,788,661</u>	<u>-</u>	<u>40,503</u>	<u>6,829,164</u>

THORNGATE CHURCHER TRUST

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)
	<u>174,006</u>	<u>121,646</u>
Adjustment for pension funds, investments, maintenance reserve and capital grant	3,078	25,469
	<u>177,084</u>	<u>147,115</u>

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	<u>9,668,414</u>	<u>110,081</u>	<u>414,118</u>	<u>10,192,613</u>
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	<u>2,231,792</u>	<u>64,904</u>	<u>376,544</u>	<u>2,673,240</u>
NET BOOK VALUE				
At 31 March 2021	<u>7,436,622</u>	<u>45,177</u>	<u>37,574</u>	<u>7,519,373</u>
At 31 March 2020	<u>7,500,508</u>	<u>35,448</u>	<u>44,885</u>	<u>7,580,841</u>

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).

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2020	292,026
Revaluations	<u>71,026</u>
At 31 March 2021	<u>363,052</u>
NET BOOK VALUE	
At 31 March 2021	<u>363,052</u>
At 31 March 2020	<u>292,026</u>

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2021 is represented by:

	Listed investments £
Valuation in 2021	<u>363,052</u>

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	<u>76,602</u>	<u>64,795</u>
	<u>91,037</u>	<u>85,346</u>

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	<u>50,131</u>	<u>49,892</u>
	<u>308,953</u>	<u>258,085</u>

	2021 £	2020 £
Brought forward	28,196	34,077
Amount released to incoming resources	(28,196)	(34,077)
Amount deferred in year	<u>94,311</u>	<u>28,196</u>
Carried forward	<u>94,311</u>	<u>28,196</u>

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

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

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
	<u>717,540</u>	<u>792,259</u>

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
	<u>75,481</u>	<u>74,952</u>
Amounts falling due between two and five years		
Bank loans	101,215	149,053
Other loans	9,661	8,204
	<u>110,876</u>	<u>157,257</u>
Amounts falling due in more than five years		
Bank loans	598,721	623,622
Other loans	7,943	11,380
	<u>606,664</u>	<u>635,002</u>

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	<u>773,437</u>	<u>844,977</u>

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.

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

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.

THORNGATE CHURCHER TRUST

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)
	<u>6,744,586</u>	<u>-</u>	<u>40,503</u>	<u>6,785,089</u>	<u>6,829,164</u>

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
	<u>6,788,661</u>	<u>(44,075)</u>	<u>-</u>	<u>6,744,586</u>
Endowment funds				
Endowment reserve	40,503	-	-	40,503
	<u>6,829,164</u>	<u>(44,075)</u>	<u>-</u>	<u>6,785,089</u>

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)
	<u>2,762,565</u>	<u>(2,588,540)</u>	<u>(218,100)</u>	<u>(44,075)</u>
Restricted funds				
Coronavirus Support Fund	84,771	(84,771)	-	-
	<u>2,847,336</u>	<u>(2,673,311)</u>	<u>(218,100)</u>	<u>(44,075)</u>

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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
	<u>6,307,476</u>	<u>481,185</u>	<u>6,788,661</u>
Endowment funds			
Endowment reserve	40,503	-	40,503
	<u>40,503</u>	<u>-</u>	<u>40,503</u>
TOTAL FUNDS	<u><u>6,347,979</u></u>	<u><u>481,185</u></u>	<u><u>6,829,164</u></u>

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)
	<u>2,584,515</u>	<u>(2,462,844)</u>	<u>359,514</u>	<u>481,185</u>
TOTAL FUNDS	<u><u>2,584,515</u></u>	<u><u>(2,462,844)</u></u>	<u><u>359,514</u></u>	<u><u>481,185</u></u>

THORNGATE CHURCHER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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 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 from 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.

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.

THORNGATE CHURCHER TRUST

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 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.

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.