

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**

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FOR THE YEAR ENDED 31 MARCH 2022**

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**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
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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.

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**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 sight 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.

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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.

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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.

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**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 levels 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 emerge 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 accreditation as soon as possible in 2022 or 2023

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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.

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**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%

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**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

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**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

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**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.

<b>Void pro-rata 12m</b>	<b>Thorngate 2021-22</b>	<b>Thorngate 2020-21</b>	<b>Thorngate 2019-20</b>	<b>Thorngate 2018-19</b>	<b>Thorngate 2017-18</b>	<b>Peer group 2021-2022</b>
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.

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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	£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%
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.

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**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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Trustees**

James Gilhooly (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).

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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.

## **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.

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](http://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 £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	7,208	-	-	7,208	7,647
<b>Charitable activities</b>	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
<b>Total</b>		<b>2,988,190</b>	<b>111,578</b>	<b>-</b>	<b>3,099,768</b>	<b>2,847,336</b>
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>	5					
Housing for older people		770,616	-	-	770,616	780,792
Care home		1,852,750	111,578	-	1,964,328	1,794,469
<b>Total</b>		<b>2,623,366</b>	<b>111,578</b>	<b>-</b>	<b>2,734,944</b>	<b>2,575,261</b>
Net gains on investments		42,221	-	-	42,221	71,026
<b>NET INCOME</b>		<b>407,045</b>	<b>-</b>	<b>-</b>	<b>407,045</b>	<b>343,101</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		65,005	-	-	65,005	(289,126)
<b>Net movement in funds</b>		<b>472,050</b>	<b>-</b>	<b>-</b>	<b>472,050</b>	<b>53,975</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>6,842,636</b>	<b>-</b>	<b>40,503</b>	<b>6,883,139</b>	<b>6,829,164</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>7,314,686</b>	<b>-</b>	<b>40,503</b>	<b>7,355,189</b>	<b>6,883,139</b>

The notes form part of these financial statements

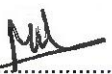
THORNGATE CHURCHER TRUST (REGISTERED NUMBER: 09953572)

**BALANCE SHEET**  
**31 MARCH 2022**

	Notes	2022 £	2021 as restated £
<b>FIXED ASSETS</b>			
Tangible assets	14	8,137,083	7,617,422
Investments	15	409,979	363,052
		<u>8,547,062</u>	<u>7,980,474</u>
<b>CURRENT ASSETS</b>			
Stocks	16	6,685	-
Debtors	17	88,675	91,037
Cash at bank		565,066	267,795
		<u>660,426</u>	<u>358,832</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	(345,800)	(308,952)
<b>NET CURRENT ASSETS</b>		<u>314,626</u>	<u>49,880</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,861,688	8,030,354
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(1,190,738)	(717,540)
<b>PROVISIONS FOR LIABILITIES</b>	22	(315,761)	(429,675)
<b>NET ASSETS</b>		<u>7,355,189</u>	<u>6,883,139</u>
<b>FUNDS</b>	24		
Unrestricted funds		7,314,686	6,842,636
Endowment funds		40,503	40,503
<b>TOTAL FUNDS</b>		<u>7,355,189</u>	<u>6,883,139</u>

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

**THORNGATE CHURCHER TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		2022	2021 as restated £
	Notes	£	
<b>Cash flows from operating activities</b>			
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		<u>576,744</u>	<u>426,773</u>
<b>Cash flows from investing activities</b>			
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		<u>(703,684)</u>	<u>(207,437)</u>
<b>Cash flows from financing activities</b>			
New loans in year		500,000	-
Loan repayments in year		(75,789)	(74,190)
Net cash provided by/(used in) financing activities		<u>424,211</u>	<u>(74,190)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>297,271</u>	<u>145,146</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>267,795</u>	<u>122,649</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>565,066</u></u>	<u><u>267,795</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 2022**

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

	2022	2021 as restated
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	407,045	343,101
<b>Adjustments for:</b>		
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)
<b>Net cash provided by operations</b>	<u>621,159</u>	<u>467,767</u>

**2. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
<b>Net cash</b>			
Cash at bank	267,795	297,271	565,066
	<u>267,795</u>	<u>297,271</u>	<u>565,066</u>
<b>Debt</b>			
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)
	<u>(793,021)</u>	<u>(424,211)</u>	<u>(1,217,232)</u>
<b>Total</b>	<u>(525,226)</u>	<u>(126,940)</u>	<u>(652,166)</u>

The notes form part of these financial statements

## THORNGATE CHURCHER TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 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 2022

#### 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.

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**2. DONATIONS AND LEGACIES**

	2022	2021 as restated
	£	£
Gifts	1	2
Donations	7,207	7,645
	<u>7,208</u>	<u>7,647</u>

**3. INVESTMENT INCOME**

	2022	2021 as restated
	£	£
Deposit account interest	27	19
	<u>27</u>	<u>19</u>

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

**4. INCOME FROM CHARITABLE ACTIVITIES**

		2022	2021 as restated
	Activity	£	£
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
		<u>3,092,533</u>	<u>2,839,670</u>

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
	<u>111,578</u>	<u>165,736</u>

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**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
	<u>2,321,102</u>	<u>413,842</u>	<u>2,734,944</u>

**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
	<u>2,321,102</u>	<u>2,234,460</u>

**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
	<u>401,591</u>	<u>12,251</u>	<u>413,842</u>

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

**Management**

	2022	2021 as restated
Housing for older people		
£		
IT expenses	12,605	28,811
Personnel	417	-
Building and office costs	17,776	22,782
PR and advertising costs	11,157	7,566
Management costs	156,029	261,143
Future housing	-	10,845
	<u>197,984</u>	<u>331,147</u>

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**7. SUPPORT COSTS - continued**  
**Governance costs**

			2022	2021 as restated
	Housing for older people £	Care home £	Total activities £	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
	<u>4,847</u>	<u>7,404</u>	<u>12,251</u>	<u>9,654</u>

**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	<u>178,952</u>	<u>170,480</u>

**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
	<u>1,587,591</u>	<u>1,642,478</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 £96,834 (2021: £96,817). This does not include remuneration for trustees, all of which is reported as per note 9.

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**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
	<u>70</u>	<u>70</u>

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

	2022	2021 as restated
£70,001 - £80,000	<u>1</u>	<u>1</u>

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated £
	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	7,647	-	-	7,647
<b>Charitable activities</b>				
Housing for older people	891,003	9,817	-	900,820
Care home	1,863,896	74,954	-	1,938,850
Investment income	19	-	-	19
<b>Total</b>	<u>2,762,565</u>	<u>84,771</u>	<u>-</u>	<u>2,847,336</u>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Housing for older people	770,975	9,817	-	780,792
Care home	1,719,515	74,954	-	1,794,469
<b>Total</b>	<u>2,490,490</u>	<u>84,771</u>	<u>-</u>	<u>2,575,261</u>
Net gains on investments	71,026	-	-	71,026
<b>NET INCOME</b>	<u>343,101</u>	<u>-</u>	<u>-</u>	<u>343,101</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	(289,126)	-	-	(289,126)
<b>Net movement in funds</b>	<u>53,975</u>	<u>-</u>	<u>-</u>	<u>53,975</u>

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated
	£	£	£	£
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	6,788,661	-	40,503	6,829,164
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>6,842,636</u>	<u>-</u>	<u>40,503</u>	<u>6,883,139</u>

**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)
	<u>364,796</u>	<u>272,056</u>
Adjustment for pension funds, investments, maintenance reserve and capital grant	(28,115)	3,078
Charitable surplus	<u>336,681</u>	<u>275,134</u>

# THORNGATE CHURCHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

### 14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
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 £
<b>MARKET VALUE</b>			
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
<b>NET BOOK VALUE</b>			
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

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**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
	<u>88,675</u>	<u>91,037</u>

**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
	<u>345,800</u>	<u>308,952</u>

	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
	<u>135,923</u>	<u>94,311</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 2022**

**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
	<u>1,190,738</u>	<u>717,540</u>

**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
	<u>26,494</u>	<u>75,481</u>
Amounts falling due between two and five years		
Bank loans	602,154	101,215
Other loans	12,602	9,661
	<u>614,756</u>	<u>110,876</u>
Amounts falling due in more than five years		
Bank loans	572,768	598,721
Other loans	3,214	7,943
	<u>575,982</u>	<u>606,664</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.

**21. SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021 as restated
	£	£
Bank loans	<u>1,199,628</u>	<u>773,437</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 2022

### 22. PROVISIONS FOR LIABILITIES

	2022	2021 as restated
	£	£
Provisions	<u>315,761</u>	<u>429,675</u>

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	<u>315,000</u>	<u>426,000</u>
TPT Retirement Solutions - The Growth Plan	<u>761</u>	<u>3,675</u>
Provision at end of period	<u>315,761</u>	<u>429,675</u>

#### 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.

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				2022	2021 as restated
	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £	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)
	<u>7,314,686</u>	<u>-</u>	<u>40,503</u>	<u>7,355,189</u>	<u>6,883,139</u>

**24. MOVEMENT IN FUNDS**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
<b>Unrestricted funds</b>			
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
	<u>6,842,636</u>	<u>472,050</u>	<u>7,314,686</u>
<b>Endowment funds</b>			
Endowment reserve	40,503	-	40,503
	<u>40,503</u>	<u>-</u>	<u>40,503</u>
<b>TOTAL FUNDS</b>	<u>6,883,139</u>	<u>472,050</u>	<u>7,355,189</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
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
	<u>2,988,190</u>	<u>(2,623,366)</u>	<u>107,226</u>	<u>472,050</u>
<b>Restricted funds</b>				
Coronavirus Support Fund	111,578	(111,578)	-	-
	<u>111,578</u>	<u>(111,578)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>3,099,768</u>	<u>(2,734,944)</u>	<u>107,226</u>	<u>472,050</u>

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 £
<b>Unrestricted funds</b>				
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
	<u>6,788,661</u>	<u>53,975</u>	<u>-</u>	<u>6,842,636</u>
<b>Endowment funds</b>				
Endowment reserve	40,503	-	-	40,503
	<u>40,503</u>	<u>-</u>	<u>-</u>	<u>40,503</u>
<b>TOTAL FUNDS</b>	<u>6,829,164</u>	<u>53,975</u>	<u>-</u>	<u>6,883,139</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,762,565	(2,495,620)	(218,100)	48,845
Cyclical maintenance reserve	-	5,599	-	5,599
Extraordinary repairs reserve	-	(469)	-	(469)
	<u>2,762,565</u>	<u>(2,490,490)</u>	<u>(218,100)</u>	<u>53,975</u>
<b>Restricted funds</b>				
Coronavirus Support Fund	84,771	(84,771)	-	-
	<u>84,771</u>	<u>(84,771)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>2,847,336</u>	<u>(2,575,261)</u>	<u>(218,100)</u>	<u>53,975</u>

## THORNGATE CHURCHER TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

#### 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 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.

#### 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.

## **THORNGATE CHURCHER TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022**

#### **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 became 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).

