

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024  
FOR  
THORNGATE CHURCHER TRUST**

# **THORNGATE CHURCHER TRUST**

## **CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Page</b>
<b>Report of the Trustees</b>	<b>1 to 14</b>
<b>Report of the Independent Auditors</b>	<b>15 to 18</b>
<b>Statement of Financial Activities</b>	<b>19</b>
<b>Balance Sheet</b>	<b>20</b>
<b>Cash Flow Statement</b>	<b>21</b>
<b>Notes to the Cash Flow Statement</b>	<b>22</b>
<b>Notes to the Financial Statements</b>	<b>23 to 35</b>

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**OBJECTIVES AND ACTIVITIES**

**Principal Activities**

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

**Our Vision**

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

**Our Values**

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

**Public benefit**

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**FINANCIAL REVIEW**

**Business and Financial Review**

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

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

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

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

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

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

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

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

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

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

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

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

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

**Contribution from Volunteers**

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

**Reserves**

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

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

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

**Social Investment Policies**

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Fundraising Reporting Note**

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

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

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

**Financial Effect of Significant Events**

There was one significant event during the year:

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Governing Instrument**

**Recruitment and Training of Trustees**

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

**Pay and Remuneration of Key Personnel**

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

**Code of Governance**

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

**Risk assessment - principal risks and uncertainties**

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

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

1. **Income maintenance in the care home.** Following market research and a strategy day the Trust implemented a change in fees for new residents of the care home in 2022. Market research indicated that this fee structure should not result in excessive voids however this is being monitored. Hampshire County Council have introduced a new Care Home Framework after the year end. Initially the Trust declined to join, but subsequently has engaged and been accepted onto the Framework, and vacancies continue to be filled by both private and council funded service users.
2. **Cyber risk.** The Trust identified that, as a regulated body, it is vulnerable to a concerted cyber-attack. It has mitigated this by strengthening its IT investment and rolling out cyber training to all staff and trustees. The Trust has also completed the Digital Security and Protection Toolkit from NHS Digital. During the financial year the trust moved its main care planning software to a cloud based programme, followed by all its management folders. The Trust has commenced Cyber Essentials accreditation.
3. **CQC Inspection.** A CQC inspection of the care home is due in 2024. While major compliance steps are taken continuously, visit from the regulator constitute a risk however well managed. The updated care plan software package referred to above assists with compliance and the management team undertake training to maintain their understanding of CQC compliance.

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Internal controls**

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

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

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**  
**Thorngate's VFM Statement**

**Introduction:**

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

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

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

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

**PART 1**

**Industry-wide Value for Money Metrics**

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

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

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

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

**a) Operating Margin Overall**

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

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**b) Operating Margin Social Housing Lettings.**

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

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

(2020 figures included some grant from Homes England)

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

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

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

**Metric 2 Gearing and Supply**

**a) Gearing (RSH and Scorecard measure)**

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

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

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

**b) New supply delivered (social housing units)**

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

Thorngate's measure is 0%. This is because we had delivered substantial schemes in 2015-18 and are now underway on a new site of 30 homes in 2024.

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

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

**Metric 3 Reinvestment**

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

Thorngate's measure is 6.73%

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

**Metric 4 Return on Capital Employed (ROCE)**

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

Thorngate's measure 4.84%

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

**Metric 5 Headline social housing cost per unit**

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

**PART 2**

**Thorngate's Metrics**

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

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

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

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

**1. Void Reporting**

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

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

**2. Procurement**

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

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

Year	Gas	% change on prior year	Electric	% change on prior year	Food (Care home per resident per annum)	% change on prior year
2012-13	£67,354		£36,604		£1,519	
2013-14	£56,061	-17%	£37,233	+2%	£1,542	+2%
2014-15	£59,257	+6%	£33,561	-10%	£1,510	-2%
2015-16	£52,013	-12%	£33,148	-1%	£1,446	-4%
2016-17	£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%
2022-23	£43,739	-5.54%	£48,418	-4.15%	£2,040	-5.73%
2023-24	£71,019	+62.4%	£45,425	-6.2%	£2,287	+12%

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

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

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

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**3. Increased reach**

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

**Development:**

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

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

The board has a stated aspiration that it will identify sites when they become available as follows:

To acquire further land in the Borough of Gosport to enhance the land bank available for future development if it becomes available and without erosion of reserves. The acquisition and development out of the Grove Road site indicates that Thorngate is delivering on these aspirations.

**4. Governance & Board Development**

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

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

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

**Target:**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

09953572 (England and Wales)

**Registered Charity number**

1169965

**Registered office**

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Trustees**

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

**Registered Provider of Social Housing Number**  
4839

**Chief Executive Officer and Clerk to the Trustees**  
A Taylor FCCA

**Company Secretary**  
A Taylor FCCA

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

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

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

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

**THORNGATE CHURCHER TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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


In so far as the trustees are aware:

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

**AUDITORS**

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

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

  
.....  
M Hook - Trustee

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

### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **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: 28 August 2024

**THORNGATE CHURCHER TRUST**

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

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

The notes form part of these financial statements


**THORNGATE CHURCHER TRUST (REGISTERED NUMBER: 09953572)**

**BALANCE SHEET  
31 MARCH 2024**

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

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

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

  
.....  
M Hook - Trustee

**THORNGATE CHURCHER TRUST**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

### 2. ANALYSIS OF CHANGES IN NET DEBT

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

The notes form part of these financial statements

## THORNGATE CHURCHER TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 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 2024

#### 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 2024

### 2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>4,610</u>	<u>1,211</u>

### 3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>2,739</u>	<u>620</u>

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

### 4. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

### 5. CHARITABLE ACTIVITIES COSTS

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

# **THORNGATE CHURCHER TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 MARCH 2024**

### **6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

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

### **7. SUPPORT COSTS**

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

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

#### **Management**

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

#### **Governance costs**

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

# **THORNGATE CHURCHER TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 MARCH 2024**

### **8. NET INCOME/(EXPENDITURE)**

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

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

### **9. TRUSTEES' REMUNERATION AND BENEFITS**

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

#### **Trustees' expenses**

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

### **10. STAFF COSTS**

	2024	2023
	£	£
Wages and salaries	1,869,702	1,610,345
Social security costs	154,158	123,924
Employer's pension costs	<u>142,707</u>	<u>61,749</u>
	<u>2,166,567</u>	<u>1,796,018</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 £109,430 (2023: £100,914). This does not include remuneration for trustees, all of which is reported as per note 9.

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

	2024	2023
Administration	4	4
Maintenance	4	4
Housing, support and care	<u>63</u>	<u>63</u>
	<u>71</u>	<u>71</u>

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

	2024	2023
£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

# THORNGATE CHURCHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

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

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

### 12. INCOME AND EXPENDITURE FROM SOCIAL HOUSING ACTIVITIES

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

# THORNGATE CHURCHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

### 13. TANGIBLE FIXED ASSETS

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

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

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

### 14. FIXED ASSET INVESTMENTS

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

The unlisted investments are solely made up of nitrate credits.

There were no investments assets held outside the UK.

Cost or valuation at 31 March 2024 is represented by:

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

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2024**

**15. STOCKS**

	2024	2023
	£	£
Stocks	7,415	8,871
	<u>7,415</u>	<u>8,871</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

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

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

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

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

# **THORNGATE CHURCHER TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 MARCH 2024**

### **19. LOANS**

An analysis of the maturity of loans is given below:

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

### **20. SECURED DEBTS**

The following secured debts are included within creditors:

	2024 £	2023 £
Bank loans	<u>1,156,401</u>	<u>1,178,001</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.

### **21. PROVISIONS FOR LIABILITIES**

	2024 £	2023 £
Provisions	<u>310,227</u>	<u>294,485</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.

# **THORNGATE CHURCHER TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 MARCH 2024**

### **21. PROVISIONS FOR LIABILITIES - continued**

#### **Reconciliation of opening and closing provisions**

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

#### **Income and expenditure impact**

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

#### **Assumptions**

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

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

### **22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

**THORNGATE CHURCHER TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2024**

**23. MOVEMENT IN FUNDS**

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
<b>Unrestricted funds</b>			
General fund	6,953,753	396,879	7,350,632
Cyclical maintenance reserve	307,223	16,539	323,762
Extraordinary repairs reserve	145,203	(4,932)	140,271
	<u>7,406,179</u>	<u>408,486</u>	<u>7,814,665</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><u>7,446,682</u></u>	<u><u>408,486</u></u>	<u><u>7,855,168</u></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	3,638,384	(3,202,397)	(39,108)	396,879
Cyclical maintenance reserve	-	16,539	-	16,539
Extraordinary repairs reserve	-	(4,932)	-	(4,932)
	<u>3,638,384</u>	<u>(3,190,790)</u>	<u>(39,108)</u>	<u>408,486</u>
<b>TOTAL FUNDS</b>	<u><u>3,638,384</u></u>	<u><u>(3,190,790)</u></u>	<u><u>(39,108)</u></u>	<u><u>408,486</u></u>

**Comparatives for movement in funds**

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

## THORNGATE CHURCHER TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

#### 23. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

#### 24. RELATED PARTY DISCLOSURES

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

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

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

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

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

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

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

## **THORNGATE CHURCHER TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024**

#### **24. RELATED PARTY DISCLOSURES - continued**

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

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

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

#### **25. ULTIMATE CONTROLLING PARTY**

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

#### **26. LEGAL STATUS**

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

#### **27. POST BALANCE SHEET EVENT**

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

