

SHERBURN HOUSE CHARITY

England & Wales · Charity number 1177535

Details

Other names	CHRIST'S HOSPITAL IN SHERBURN, SHERBURN HOSPITAL
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Status	Registered
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Legal form	Charitable company
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Company number	11196374
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Registered	2018-03-13
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Register	View on the Charity Commission register
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Contact

Address	Ramsey House Durham DH1 2SE
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Phone	01913724985
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Website	www.sherburnhouse.org
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Activities

Objects: THE OBJECTS OF THE CHARITY ARE RESTRICTED TO THE FOLLOWING IN THE AREA OF BENEFIT:1. THE ADVANCEMENT OF RELIGION, BY THE PROVISION AND MAINTENANCE OF THE ON-SITE CHAPEL AND THE PROVISION AND APPOINTMENT OF A CHAPLAIN WHO SHALL BE A MINISTER OF THE CHURCH OF ENGLAND IN PRIEST'S ORDERS WHO SHALL BE RESPONSIBLE FOR THE SPIRITUAL WELFARE OF THE RESIDENTS AND STAFF OF THE CHARITY AND THE PROVISION OF A RESIDENCE FOR SAID CHAPLAIN ON-SITE AT SHERBURN HOUSE;2. THE RELIEF OF PERSONS IN NEED, BY REASON OF THEIR AGE, YOUTH, MENTAL OR PHYSICAL HEALTH, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES, BY THE PROVISION OF ACCOMMODATION, ITEMS, SERVICES OR FACILITIES TO RELIEVE THE NEED OF SUCH PERSONS;3. THE RELIEF OF FINANCIAL HARDSHIP AND THE ADVANCEMENT OF EDUCATION, EITHER GENERALLY OR INDIVIDUALLY OF PEOPLE, IN PARTICULAR BY MAKING GRANTS OF MONEY;4. THE PROVISION OF CHARITABLE SOCIAL HOUSING.

Activities: PROVISION OF RESIDENTIAL CARE AND SHELTERED HOUSING FOR OLDER PERSONS.GRANT MAKER.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Religious Activities, Arts/culture/heritage/science
- **Who:** Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Cumbria
- Darlington
- Durham
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,010,332	£3,463,526	£36,992,429	59
2024-03-31	£3,804,125	£3,624,867	£35,473,482	55
2023-03-31	£3,690,885	£3,079,147	£33,175,934	45
2022-03-31	£36,047,131	£1,496,024	£34,087,040	42
2021-03-31	£0	£0	-	-

Trustees

Name	Role	Appointed
Adrian Mark Timothy Massey		2025-02-11
George Adair		2021-12-08
Gillian Marshall		2021-12-08
Hayley Quinn		2021-12-08
Jeffery Paul Breen		2021-12-08
Joseph Wilkinson		2021-12-08
Laura Devaney		2023-02-07

Linked charities

- SHERBURN HOUSE CHARITY (1177535-1)

SHERBURN HOUSE CHARITY

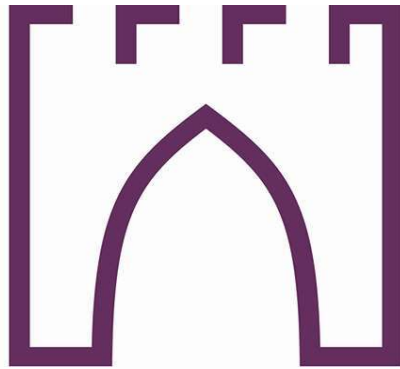
England & Wales - Charity number 1177535

Accounts

Sherburn House Charity

Trustees' Annual Report

**Board of Trustees' Report
and Operating and Financial Review
for the year ended
31 March 2025**



Sherburn House Charity

Registered Charity Number: 1177535

Homes England Registration Number: A3494

Companies House Registration number: 11196374

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Sherburn House Charity

Section 1

Reference and Administrative Details

Principal Office

Ramsey House
Sherburn Hospital
Durham
DH1 2SE

Registered Office

Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Legal Status

Registered with the Charities Commission
Reg. No. 1177535

Registered with Companies House
Reg. No. 11196374

Registered as a Social Landlord with
Homes England
Reg. No. A3494

BOARD OF TRUSTEES

Mr Joseph Wilkinson (Chair from 01.09.20)
Mr Jeffery Paul Breen - Appointed 03.09.19
Mrs Hayley Quinn - Appointed 01.09.20
Mrs Gillian Elizabeth Marshall - Appointed 08.12.20
Mr George Adair - Appointed 11.05.21
Mrs Laura Devaney - Appointed 07.02.23
Mr Adrian Mark Timothy Massey - Appointed 11.02.25

Nominated by

Co-opted
Co-opted
Co-opted
Co-opted
Co-opted
Co-opted
Co-opted

KEY MANAGEMENT PERSONNEL**Chief Executive**

Ms Pauline Bishop

Accountant

Mr Peter Pybus

Registered Manager

Mrs Tanya Porthouse

Housing & Maintenance Officer

Ms Josephine Marsden

ADVISORS**Auditor - External**

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Investment Manager

RBC Brewin Dolphin Ltd.
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Bankers

Lloyds Bank
19 Market Place
Durham
DH1 3NL

Solicitor

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Manager / Banker

UBS Wealth Management
2 St James' Gate
Newcastle upon Tyne
NE4 7JH

Sherburn House Charity

Section 2

Board of Trustees' report including Strategic Review including Director's report

The trustees, who are directors for the purposes of company law, present the annual report including Strategic Review together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Structure, governance and management

Nature of governing document

The Charity is a registered Charity under the Charities Act 2011 and is regulated by its Articles of Association. The Charity is also registered with Homes England as a Social Landlord under Section 1(2) of the Housing and Regeneration Act 2008. This status is further clarified in note 1 to the financial statements. The Charity is also registered with the Casre Quality Commission.

At the quarterly Board meetings, the Trustees agree the broad strategy and areas of activity for the company, including housing and residential care for older people, estate and property matters, personnel policies, grant making, finance, investment, reserves, risk management policies and health and safety.

Recruitment and appointment of trustees

Prior to any recruitment, the Chairman undertakes a skills gap analysis in order to find individuals with the skills and knowledge required to support the charity in its current work.

Applications to become a Trustee are welcomed from any individual who meets the recruitment criteria and can empathise with the objectives of Sherburn House Charity.

Applicants are given details of the history of the charity and the work we currently undertake, and they are supported to understand the governance requirements and what is expected of them in their role as a Trustee. Candidates meet with the Chief Executive initially to discuss the work of the charity and to discuss the requirements of the vacancy, if they decide to proceed to apply, they are interviewed by the Chair, who then makes a recommendation for the appointment to the board. Potential Trustees are invited to observe the next board meeting and are appointed at the end of the meeting if they still wish to proceed, and the trustees are happy with the proposal to appoint them. Trustees are appointed for a period of three years, with an option to extend by up to three more years. After a 6-year continuous term, a compulsory one-year break may be followed by a final three years.

Induction and training of trustees

Potential Trustees undertake a full induction and references, and DBS checks are taken up prior to their appointment. New Trustees receive a copy of the "Essential Trustee" and all Governance policies and procedures. All Trustees operate in a voluntary capacity and receive no benefits from the Charity. All expenses re-claimed from the charity are set out in the financial statements.

Remuneration Policy

Sherburn House Charity is committed to ensuring a proper balance between paying our staff fairly so that we attract and retain the best people for the job and careful management of our charity funds. In so doing we will ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries.

Sherburn House Charity will seek advice on remuneration from various sources, for comparable examples of posts within the care sector.

Sherburn House Charity commits to maintaining an open and honest policy on remuneration to assure its stakeholders and service users of the financial priorities of the charity.

A report on the actual remuneration and expenses received by the Chief Executive and Senior Management Team are prepared annually as part of the statutory accounts. Information is contained in Note 7 Employee Information.

In accordance with the Charity Commission's Statement on Recommended Practice 2019 (SORP) and guidance contained within the National Council for Voluntary Organisations' 'Report of the Inquiry into Charity Senior Executive Pay', Sherburn House Charity will include or disclose the following in its Annual Report and Accounts:

- a statement that summarises this remuneration policy
- any payments made to trustees
- the number of staff receiving more than £60,000 salary, in bands of £10,000
- a summary of pensions and other benefits receivable by staff
- any 'cost of living' changes to the payroll for all staff along with a brief justification of any such changes

Board of Trustees' Meetings

The Board of Trustees meet at least quarterly and at the meeting scheduled for 9 September 2025 the Trustees will be invited to:

- (a) Consider the Annual Trustees' Report (comprising the Board of Trustees' Report and Operating and Financial Review) for the year ended 31 March 2025; and
- (b) Approve the Statement of Trustees on internal financial controls (page 6) and the financial statements (page 11 onwards).

Sherburn House Charity
Section 2

Board of Trustees' report including Strategic Review
(continued)

Control

The Board of Trustees retains responsibility for a defined range of areas covering strategic, operational and financial elements.

The Board of Trustees has put in place an organisational structure which clearly defines lines of responsibility and delegations of authority. These are found in the Charity's financial regulations, standing orders, treasury management and risk management arrangements.

Information Reporting Systems

Financial reporting systems include regular reviews of an overall financial business plan, preparation of detailed annual budgets and the production of detailed monthly management accounts. These are prepared by the Executive Team and are considered and approved by the Board of Trustees.

Monitoring

A process of regular management monitoring on control issues provides assurance to senior managers and to the Board of Trustees. This includes a rigorous process for ensuring that corrective action is taken in relation to any significant control issues.

Risk Management

The Charity has a comprehensive risk management strategy which identifies risk management responsibilities. Risk management arrangements identify risks facing the Charity, the actions in place to mitigate these risks, the officers responsible for each risk and the monitoring arrangements.

The Board of Trustees has examined the major strategic and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Principal Activities

The principal activities of the Charity are:

- (a) Provision of housing and residential care for older people; and
- (b) "Relief in Need" through the provision of small grants to individuals, or groups who support people living within the beneficial area of the Charity.

Charitable Objectives

Our Mission is: To provide relief in need to people living in the beneficial area through the provision of care, housing and grant funding.
Our Vision is: To improve the quality of life for all vulnerable people.
Our Core Values of: Integrity, quality, care, dignity and respect, will influence the work we do and our attitudes to each other.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit and are confident our charitable purposes are undertaken to further the public benefit. We review our objectives and activities each year and trustees have referred to the Charity Commission Public Benefit guidance when planning future activities.

The Charity awards grants under the heading of Relief In Need:

The Charity entered into an arrangement with The Ballinger Charitable Trust for them to administer Grants on it's behalf to Organisations and to Individuals, running for one year from 1 April 2024.

Sherburn House Charity

Section 2

Board of Trustees' report including Strategic Review

(continued)

Achievements and Performance

Chair's Report

During the past year, like many other organisations, we have had to manage our financial resources carefully to ensure we continue to deliver quality services to our vulnerable residents. The Trustees monitor the horizon for opportunities that help us expand our mission and to identify any looming threats so that we may take swift action to avoid or minimise the impact of this on the organisation. I am pleased to report that, because of our prudent management we have successfully achieved our aims as set out in 2024 charity accounts.

I wish to give thanks to my fellow trustees. The board is made up of dedicated individuals who give up their own time in support of the Charity. The complex nature of the organisation requires multi-skilled individuals with a broad remit of skills and experience to steer the ship, often having to make difficult decisions for the long term benefit of the Charity. This year sees Mark Massey join the board, Marks professional experience as an Architect and his personal strengths makes him a strong addition to the team, I am grateful to everyone for their support and look forward to working with them all for the upcoming year as we progress the objectives of the 5 year Strategic Plan.

A review of last year's goals is:

Grants: 1. Provide small grants to people in financial need

From 1st April 2024 -31st March 2025, the Relief in Need, (RiN), programme was reviewed and in light of the ever increasing economic pressures the Trustees decided to temporarily reduce the amount of funding available for distribution. The Charity website shows some of the organisations that benefited from RiN funding distributed to charities working with older people across the North East. The Trustees are happy with the positive outcomes that were achieved for the beneficiaries and further funds will be allocated again this year. We would like to express our thanks to the Ballinger Trust for managing this on our behalf.

Care 2. Provide high quality, responsive & innovative care services to older people

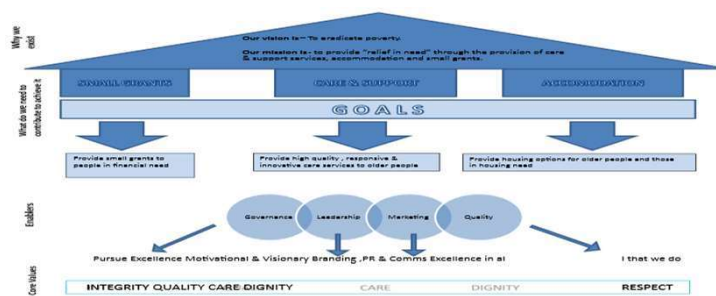
The care service continues to grow and evolve through the implementation of new technologies and focused quality improvement; we achieved excellent external audits from our regulators and Durham Council have recently awarded us an A* quality rating. As most other care providers would testify, recruiting people into the care sector is challenging, however, I am pleased to note that we continue to attract and retain a dedicated team of professionals who maintain the exemplary standards of care associated with Beddell House and this is reflected our excellent occupancy levels.

Housing & Estates 3. Provide high quality housing options for beneficiaries

Properties are set within the beautiful grounds of the charity and are maintained to the highest standards. The recent tenant survey shows us that customer satisfaction is very good, and people enjoy living here.

Plans for the Future

We have consolidated the strategic aims into three main strands and the objectives for the year ahead are incorporated into the table below.



Priorities for 2025-26		
Grants	1. Provide funding to organisations supporting vulnerable older people	•Work with Ballinger Trust to identify and distribute funds to groups across the North east
Care	2. Improve health & wellbeing outcomes for residents	•Deliver meaningful activities to residents •Improve operational efficiencies through digital care planning technologies and introduce medi care system
Housing & Estates	3. Maintain high quality housing on site Identify potential for additional housing within the Charity's Estates	•Achieve high customer satisfaction levels

The Trustees have reviewed the Charity's governing document and this is currently awaiting signoff by the Charity Commission. The new charity scheme will be adopted in the coming year.

Sherburn House Charity

Section 2

Board of Trustees' report including Strategic Review

(continued)

Operating Review

Performance in the Period

A summary of the main results is shown in the Table below.

	Notes	Housing activities £	Non Housing £	Total £	Prior Period Total £
Turnover	3	2,780,507	1,229,825	4,010,332	3,804,125
Operating costs	3	(2,527,413)	(936,113)	(3,463,526)	(3,624,867)
Operating surplus		253,094	293,712	546,806	179,258
Profit / (Loss) on sale of investments:					
Accumulated income fund investments	3 / 13		8,226	8,226	(1,278)
Capital fund investments (Brewin Dolphin)	3 / 13		(86,172)	(86,172)	13,770
Capital fund investments (UBS)	3 / 13		186,338	186,338	507,804
Profit on sale of fixed assets		-	86	86	15,499
Surplus for the period		253,094	402,190	655,284	715,053
<i>Unrealised gain on investment property values</i>	12			10,000	-
<i>Unrealised gain on investment portfolio values (Brewin Dolphin)</i>	13			268,477	1,623,120
<i>Unrealised gain on investment portfolio values (UBS)</i>	13			585,186	(40,625)
<i>Net movement in funds for the period</i>				<u>1,518,947</u>	<u>2,297,548</u>

The overall surplus for the period of £655,284, contained a deficit on the housing (sheltered accommodation) of -£2,262 (2024: deficit -£6,269).

Financial Review

The principal accounting policies are set out on pages 14 to 19 of the financial statements. These have been approved by the Board of Trustees.

Unrestricted funds Policy

The Unrestricted funds are to be used for the Charity's general charitable purposes. A reserve of £500,000 has been agreed as being an appropriate level. The level of these funds will be reviewed each year as part of the budgeting process.

Unrestricted funds at 31 March 2025 totalled £2,942,555, which included designated funds of £1,382,570 relating to Homes England Grants. The Charity aims to build back it's General undesignated funds to a value of £500,000, with any funds in excess of this utilised to support the operating and development activities of the Charity. Unrestricted funds increased in the year by £204,806

A transfer of £302,000 from the Charity's Unrestricted funds to it's Extraordinary repair fund has been made, largely reflecting the positive contribution made by the Care Home in the year, following the major refurbishment of Beddell House.

Investment Policy

In accordance with the regulatory scheme, the Board of Trustees has the power to invest in such stocks, shares, investments and property, as they see fit. The Board of Trustees has engaged RBC Brewin Dolphin Limited and UBS Wealth Management as Investment Managers to manage the investment portfolios on a discretionary basis within certain parameters for asset classes.

The Board of Trustees reviewed the Charity's investment principles in February 2009, and this was also reviewed again in 2024-25.

Similarly, the Board of Trustees engaged GSC Gray's, Chartered Surveyors, to manage the investment properties and the investment properties were subject to their independent property valuation as at March 2025.

Fixed Assets

Tangible Fixed Assets owned by the Charity were subject to an independent property valuation as at 31 March 1996.

KPI's

Goal	KPI	How	Result	2025-26 Targets
Improve Housing & Residential Care occupancy	Achieve 90% of budgeted occupancy levels in care & housing	Marketing & publicity of the service increase use of social media	2024-25 Residential Care Occupancy achieved 98.7% (2024: 100.1%) Housing Occupancy achieved 98.5% (2024: 103.1%)	90%

Statement of Board of Trustees on internal financial controls

Statement of Board of Trustees on internal financial controls

The Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks by the Charity is ongoing and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the report and financial statements.

Key elements of the control framework and sources of assurance include:

- * Clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- * Internal audit reports;
- * Risk management reports;
- * Performance reports;
- * External audit reports;
- * Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- * Formal recruitment, retention, training and development policies for all staff;
- * Established authorisation and appraisal procedures for significant new initiatives and commitments;
- * Regular reporting to the appropriate committee on key business objectives, targets and outcomes; and
- * Board of Trustees' approved whistle-blowing and anti-fraud policies covering prevention, detection and reporting, together with recoverability of assets.

There were no attempted or actual frauds during the year that required reporting to the Homes England.

The Board of Trustees cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Executive Team to regularly report on the effectiveness of the system of internal control.

Key policies and procedures have been established and are designed to provide effective internal control.

These key areas cover control, information reporting systems, monitoring and risk management.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Use of Volunteers

The charity has used nil volunteers during the period (2024: 1)

Sherburn House Charity

Section 4

Statement of Board of Trustees' responsibilities

The Board of Trustees, who are also the directors of Sherburn House Charity for the purposes of company law, are responsible for preparing the Trustee's Annual Report (including the Strategic Report) and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 Board of Trustees is required to:

- (a) Select suitable accounting policies and apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue operating;
- (d) Follow applicable United Kingdom Accounting Standards FRS 102, and the Charities SORP (FRS102); and
- (e) Observe the methods and principles in the Charities SORP 2019 (FRS 102).

The Board of Trustees are responsible for making the appropriate arrangements for keeping accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011 and Companies Act 2006, adapted to include disclosures required by the Housing and Regeneration Act 2008, FRS 102 and the Statement of Recommended Practice (SORP): accounting by Charity SORP and registered social housing providers 2018, and Accounting Direction for private registered providers of social housing in England 2022.

The Board of Trustees is 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.

The Board of Trustees is also responsible for the maintenance and integrity of the corporate and financial information on the Charity's website.

Provision of information to Auditors

So far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that they ought to have taken, as a Trustee, in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 9 September 2025 and signed on its behalf.



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion

We have audited the financial statements of Sherburn House Charity (the "charity") for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice), adapted to include additional disclosures required by the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion 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 Trustees' Report which includes the strategic report and the director's report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report included within the trustees' report.

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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specifies by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities (set out on page 7), 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 charity'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

[continued ...]

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**

(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

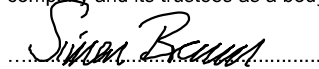
- Enquiries with management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing the published Care Quality Commission reports;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with Care Quality Commission and compliance with the UK Companies Act and Charities Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of Our Report

This report is made solely to the charitable companies trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 29-9-2015

Azets Audit Services is a trading name of Azets Audit Services Limited

Sherburn House Charity
Section 6

Statement of financial activities (including income & expenditure account)
for the year ended 31 March 2025

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior Period Total Funds
		£	£	£	£	£
Income from:						
Charitable Activities	3/4	2,777,038	3,469	-	2,780,507	2,643,380
Investments	4/8	1,189,825		40,000	1,229,825	1,160,745
Total		3,966,863	3,469	40,000	4,010,332	3,804,125
Expenditure on:						
Charitable activities	3/5	(2,523,944)	(3,469)	-	(2,527,413)	(2,423,258)
Other	3	(936,113)		-	(936,113)	(1,201,609)
Total		(3,460,057)	(3,469)	-	(3,463,526)	(3,624,867)
Surplus before gains on investments		506,806	-	40,000	546,806	179,258
Net gains on investments	12/13	-	-	972,055	972,055	2,102,791
Net income/(expenditure)		506,806	-	1,012,055	1,518,861	2,282,049
Transfers between funds	17	(302,000)	-	302,000	-	-
Other recognised gains/(losses):						
Profit on sale of fixed assets		-	-	86	86	15,499
Net Movement in funds:		204,806	-	1,314,141	1,518,947	2,297,548
Reconciliation of funds:						
Total funds brought forward		2,737,749	-	32,735,733	35,473,482	33,175,934
Total funds carried forward		2,942,555	-	34,049,874	36,992,429	35,473,482

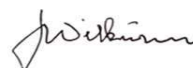
Continuing Operations

The results for the period relate wholly to continuing operations.

None of the Charity's activities were either acquired or discontinued during the financial years.

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 9 September 2025 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 6

Statement of financial activities (including income & expenditure account)
for the year ended 31 March 2024

(Prior year ended 31 March 2024)

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior Period Total Funds
		£	£	£	£	£
Income from:						
Charitable Activities	3/4	2,629,258	14,122	-	2,643,380	2,564,737
Investments	4/8	1,120,745		40,000	1,160,745	1,126,148
Total		3,750,003	14,122	40,000	3,804,125	3,690,885
Expenditure on:						
Charitable activities	3/5	(2,409,136)	(14,122)	-	(2,423,258)	(2,175,589)
Other	3	(1,201,609)		-	(1,201,609)	(903,558)
Total		(3,610,745)	(14,122)	-	(3,624,867)	(3,079,147)
Surplus before gains on investments		139,258	-	40,000	179,258	611,738
Net gains on investments	12/13	-	-	2,102,791	2,102,791	(1,522,844)
Net income/(expenditure)		139,258	-	2,142,791	2,282,049	(911,106)
Transfers between funds	17	1,469,444	-	(1,469,444)	-	-
Other recognised gains/(losses):						
Profit on sale of fixed assets		-	-	15,499	15,499	-
Net Movement in funds:		1,608,702	-	688,846	2,297,548	(911,106)
Reconciliation of funds:						
Total funds brought forward		1,129,047	-	32,046,887	33,175,934	34,087,040
Total funds carried forward		2,737,749	-	32,735,733	35,473,482	33,175,934

Sherburn House Charity
Section 7
Balance Sheet
as at 31 March 2025

	Notes	March 2025	March 2024
		£	
Fixed assets:			
Tangible assets	11	3,257,131	3,312,939
Investment properties	12	8,310,000	8,300,000
Investment portfolios	13(i), (ii)	29,579,430	29,211,157
<i>Total fixed assets</i>		<u>41,146,561</u>	<u>40,824,096</u>
Current assets:			
Stocks	14(i)	6,645	5,957
Debtors	14(ii)	167,568	165,738
Cash at bank and in hand		860,846	786,904
<i>Total current assets</i>		<u>1,035,059</u>	<u>958,599</u>
Liabilities:			
Creditors: amounts falling due within one year			
UBS Call Loan	15 /13(iii)	(4,444,792)	(5,695,433)
Other Creditors & Accruals	15	(744,399)	(613,780)
		<u>(5,189,191)</u>	<u>(6,309,213)</u>
<i>Net current liabilities</i>		<u>(4,154,132)</u>	<u>(5,350,614)</u>
<i>Total Assets less current liabilities</i>		<u>36,992,429</u>	<u>35,473,482</u>
Total net assets		<u>36,992,429</u>	<u>35,473,482</u>
The funds of the Charity:			
Endowment funds	17	21,548,955	19,655,111
Investment revaluation reserve	17	12,500,919	13,080,622
<i>Total endowment funds</i>		<u>34,049,874</u>	<u>32,735,733</u>
Restricted funds	17	-	-
Unrestricted funds	17	2,942,555	2,737,749
<i>Total unrestricted funds</i>		<u>2,942,555</u>	<u>2,737,749</u>
Total charity funds		<u>36,992,429</u>	<u>35,473,482</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 9 September 2025 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Companies House Reg. No. 11196374

Sherburn House Charity
Section 8
Statement of Cash Flows
for the year ended 31 March 2025

	Notes	March 2025	March 2024
		£	£
Cashflow from operating activities			
Net cash generated from operating activities	21	182,982	(90,963)
Cashflow from investing activities			
Dividends, interest and rents from investments		1,229,825	1,160,745
Purchase of tangible fixed assets	11	(82,092)	-
Proceeds from the sale of tangible fixed assets		86	15,499
Purchase of investments	13	(7,952,867)	(5,017,404)
Proceeds from sale of investments		7,946,649	4,532,558
Net cash generated from investing activities		1,141,601	691,397
Cashflow from financing activities			
Loans drawn from / (repaid to) UBS loan		(600,000)	(600,000)
Interest charges on UBS loan		297,766	360,950
Dividends received applied to UBS loan/Shares disposed of		(948,407)	(439,972)
Net cash generated from financing activities		(1,250,641)	(679,022)
Net change in cash and cash equivalents		73,942	(78,588)
Cash and cash equivalents at beginning of the year		786,904	865,492
Cash and cash equivalents at the end of the year		860,846	786,904

The notes on pages 14 to 28 form an integral part of these financial statements.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025

1.1 Status of Charity

Sherburn House Charity is a company limited by guarantee which was incorporated in England on 08.02.18, company number 11196374, and is registered with the Charity Commission, number 1177535.

On 01.10.21 all the activities and commitments of the unincorporated charity (Sherburn House Charity 217652) were transferred to the incorporated Charity, along with its assets and liabilities at their balance sheet values.

The incorporated Charity is the reporting charity for the Unincorporated charity (217652) to which it is linked.

1.2 Donation from Unincorporated Charity (217652)

The total net assets transferred on 01.10.21 from the unincorporated Charity (217652) amounted to £34,534,948, which was comprised of £33,288,948 Endowment funds, and £1,246,000 Unrestricted funds.

2 Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011 and are adapted to include disclosures required by the accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2022.

2.2 Basis of Preparation

The Charity remains registered with Homes England as a social landlord under the Housing and Regeneration Act 2008, as a small part of its activities are housing activities as defined in that Act.

As most of the activities of the Charity are not housing activities, the Charity has applied the Charities SORP (FRS102) in preparing its accounts, with some amendments to include additional requirements for Homes England.

The application of the Charities SORP (FRS102) is also required by the Charity Commission direction dated 08.12.21.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain Tangible Fixed Assets, Investment Properties and the Investment Portfolio. The financial statements are prepared in accordance with applicable accounting standards.

The financial statements include the income and expenditure and assets and liabilities of its associated charity, The Sherburn House Educational Foundation (Registered No. 527325).

The Charity is a Public Benefit Entity ('PBE') as defined in FRS 102.

These financial statements are prepared in sterling which is the functional currency of the entity.

The trustees have prepared budgets and forecasts which give them adequate comfort that the charity is a going concern. Therefore the trustees are of the view that the charity has sufficient resources for at least the next 12 months from the date of approving the financial statements. As a result, the charity's financial statements have been prepared on a going concern basis.

2.3 Finance

The financial statements have been prepared on the basis that any capital expenditure incurred on housing activities referred to in note 2.4 will be either grant aided, funded by loans, or where appropriate, financed from the Charity's non-housing resources.

2.4 Social Housing Grants (SHG)

SHG's are made by Homes England and are utilised to reduce the amount of mortgage loans approved for SHG to a level that can be financed from the equivalent fair rental income available. The grants are made direct to the lending authority and are reflected in the Charity's accounts only when payment has been made and the relevant mortgage loan reduced.

Under the Charities SORP (FRS102), grants are taken to income.

2.5 Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

2.6 Income

Charitable Activities

The rents of the housing stock and Care home fees are recognised for the period to which they relate.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment Income

Variable Royalties and Wayleaves are recognised when the Charity is informed of their values in June and December by Breedon Northern Limited.

Investment income from the portfolios is recognised when receivable.

2.7 Expenditure

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance Costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

2.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 Fixed Assets: Land and Buildings

Land and buildings at Sherburn House Charity related to the housing activities are reflected in the financial statements at their 'deemed cost' (based on a valuation prior to the transition to FRS102) as the original costs are not available.

Improvements to the properties are stated at cost or valuation.

The Charity provides accommodation for older people with care needs, in the form of housing accommodation and a residential care home. These properties have been held by the Charity for many years and have attracted SHG assistance in the past.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

2.10 Depreciation

Tangible fixed assets are written off over their estimated useful life, net of estimated disposal proceeds (that may be nothing).

Land:

Land is not depreciated, except for car park land which is depreciated at 10% on cost.

Buildings:

- (a) Depreciation is fully charged on cost; and
- (b) A charge is made to the income and expenditure account at 2% - 5% per annum of such cost.

Furniture, Fittings, Equipment and Vehicles:

Equipment	10% - 20% of cost
Computer equipment	25% of cost
Vehicles	20% of cost
Furniture and fittings	10% of cost

Property, Plant & Equipment : Housing activities

Up to 31.03.18 the total value of certain buildings utilised within the housing function of the Charity were depreciated at 2% per annum. In line with FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018 (8.16), an analysis of these buildings was undertaken in the year ended 31.03.19. The following components were established, and associated annual depreciation rates have been applied since:

Structure	1% of cost
Roof	3.3% of cost
Kitchen / Bathroom / Mechanical Systems / Electrics	5% of cost

SHG Assisted Schemes

The development cost of improvements to the housing property would include the following, as appropriate:

- a) Cost of acquired land and buildings;
- b) Development expenditure;
- c) Interest charged on the mortgage loan raised to finance the scheme; and
- d) Amount equal to the acquisition and development allowances receivable.

These costs are termed "qualifying costs" by Homes England for approved Housing Association grant schemes and are considered for mortgage loans by the relevant lending authorities and are not resourced from the Charity's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retention are included in the accounts for the period, provided that the date of issue or valuation is prior to the period end. Related mortgage advances receivable from the lending authorities are also included.

If certain SHG scheme expenditure does not qualify for Social Housing Grant, it is, nevertheless, capitalised and an equivalent amount is transferred from accumulated surplus to a property equity account.

Interest on the mortgage loan financing a development is capitalised up to the relevant date of interim HAG application. Interest on the residual mortgage loan after this date is charged to a separate revenue account. Relevant interim dates for each scheme are determined by the Department of the Environment in accordance with guidelines set down from time to time.

Housing land and buildings currently comprise 30 units located at Thornley House, Ferens House and the various units at Sherburn Hospital.

2.11 Fixed Assets: Equipment and Vehicles

Equipment and vehicles are capitalised in the Balance Sheet at cost.

2.12 Investment Portfolio

The investment portfolio, comprising listed investments and cash deposits, is stated at mid-market value. Profit / loss on the sale of investments is calculated on the basis of sale proceeds less book value at the point of disposal.

2.13 Investment Properties

The Board of Trustees has separately identified those properties that are held for their investment potential rather than for direct use within the Charity.

In accordance with FRS102 17.16, investment properties are revalued as at the 31 March each year and the aggregate surplus or deficit is transferred to an Investment Revaluation Reserve.

No depreciation is provided in respect of investment properties.

2.14 Pension Costs

The Charity operates a money purchase defined contribution pension scheme. Contributions payable to this scheme are charged to the Income and Expenditure Account in the period to which they relate. These contributions are invested separately from the Charity's assets.

2.15 Grants: Relief in Need

The Charity will repeat the arrangement with Ballinger Trust this year, to administer Grants on its behalf to organisations supporting vulnerable older people. This will be reviewed annually. The full cost of this commitment has been included in the results for the year ended March 2025.

2.16 Trade Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.18 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.20 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

2.21 Stocks

Stock is held at the lower of cost and net realisable value.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

2.22 Funds of the Charity

The Charity's funds are designated as either **Endowment funds**, **Restricted funds**, or **Unrestricted funds**, and sub analysed as follows:

Endowment funds

Endowment funds:

General	(Funds held to support the charity's objectives)
Extraordinary repair	(Renovation costs incurred for Beddell House less transfers from other funds)
Educational foundation	(Fund to provide financial assistance to pupils in County Durham for charity 527325)

Revaluation reserves:

Investment properties	(Difference between valuation of owned properties used for investments and cost)
Investment portfolio (Brewin Dolphin)	(Difference between valuation of shares and securities and cost)
Investment portfolio (UBS)	(Difference between valuation of shares and securities and cost)

Restricted funds

Hospital Discharge Grant	(Grants received from Durham County Council to support adult social care providers)
PDIF Falls Technology Funding	(Supporting the Provider Market Project Technology Improvement and Innovation Fund)

Unrestricted funds

Homes England Grants (Designated)	(Received to assist in the renovations of Beddell House, Ferens House & Thornley House)
General	(Unrestricted funds held by the charity)

These largely mirror the Reserves of the unincorporated Charity (217652).

Movements in the funds for the period are analysed in note 17.

The Fund values were established by the £34,534,948 Donation from the unincorporated Charity (217652) on the 01.10.21.

The Endowment fund, and Unrestricted funds have been aligned to their respective asset values by an adjustment between Unrestricted funds and Extraordinary repair fund in the period.

Notes to the financial statements
for the year ended 31 March 2025

(continued)

3 Turnover and Operating Surplus / (Deficit) for the Period

	March 2025			March 2024		
	Turnover	Cost of Sales	Surplus	Turnover	Cost of Sales	Surplus
	£	£	£	£	£	£
Income and expenditure						
Housing accommodation	297,858	(300,120)	(2,262)	300,411	(306,680)	(6,269)
Residential care	2,482,649	(2,227,293)	255,356	2,342,969	(2,116,578)	226,391
<i>Sub-total: Housing activities</i>	<i>2,780,507</i>	<i>(2,527,413)</i>	<i>253,094</i>	<i>2,643,380</i>	<i>(2,423,258)</i>	<i>220,122</i>
Non-housing (shown as Investments)	233,555	(936,113)	(702,558)	236,900	(1,201,609)	(964,709)
Total	3,014,062	(3,463,526)	(449,464)	2,880,280	(3,624,867)	(744,587)
Profit / (Loss) on disposal of fixed assets			86			15,499
Investment income - dividends			964,950			905,611
Investment income - profit on sales of investments			108,392			520,296
Other income			31,320			18,234
Surplus for the period			655,284			715,053
<i>Unrealised gain on investment property values</i>			10,000			-
<i>Unrealised gain on investment portfolio values (Brewin Dolphin)</i>			268,477			1,623,120
<i>Unrealised gain on investment portfolio values (UBS)</i>			585,186			(40,625)
Net movement in funds for the period			1,518,947			2,297,548

Rent losses from housing accommodation lettings due to voids were £47,158 (2024: £33,027) and bad debts £Nil (2024: £853).

4 Turnover

	March 2025	March 2024
	£	£
Residential charges (Housing activities)	2,780,506	2,643,380
Farm rents (shown as Investments)	149,358	140,669
Wayleaves and other estate income (shown as Investments)	84,197	96,231
	3,014,061	2,880,280

5 Cost of Sales

	March 2025				March 2024			
	Housing Accom.	Residential Care	Non Housing	Total	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£	£	£	£	£
Wages	27,062	1,489,794	346,554	1,863,410	27,915	1,477,311	350,757	1,855,983
Agency staff		88,615		88,615		59,904		59,904
Maintenance		34,358		34,358		17,369		17,369
Property management			72,871	72,871			82,854	82,854
Property costs	117,475			117,475	126,968			126,968
Repairs and renewals		78,962		78,962		82,906		82,906
Cleaning		38,331		38,331		35,102		35,102
Fixtures and fittings		8,525		8,525		4,062		4,062
Postage, printing & stationery		1,589	3,668	5,257		1,830	5,362	7,192
CQC registration fee		8,789		8,789		8,795		8,795
Sundries	1,725	34,937	11,833	48,495	1,063	28,930	28,254	58,247
Safety		8,940		8,940		24,909		24,909
Staff training & subsistence	-	9,128	963	10,091	-	6,542	215	6,757
Professional fees			225,663	225,663			307,576	307,576
Legal fees			21,974	21,974			24,407	24,407
Motor expenses		504		504		708		708
Computer expenditure		157	23,844	24,001		1,218	17,479	18,697
Residents' food		98,541		98,541		96,293		96,293
Light, heat & water		129,272	44,486	173,758		119,393	42,428	161,821
Telephone		(543)	19,459	18,916		137	22,847	22,984
Council tax		2,000		2,000		-		-
Insurances		35,699		35,699		31,222		31,222
Audit and accountancy fees			17,700	17,700			15,600	15,600
Management re-charges	51,636	129,192	(180,828)	-	49,692	91,896	(141,588)	-
Depreciation	92,234	30,503	15,160	137,897	92,234	28,051	20,718	141,003
Interest Paid			297,766	297,766			360,950	360,950
Financial and other costs	9,988			9,988	8,808			8,808
Relief in need			15,000	15,000			63,750	63,750
Total	300,120	2,227,293	936,113	3,463,526	306,680	2,116,578	1,201,609	3,624,867

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

Direct Costs Of Running Investments	March 2025	March 2024
	Total	Total
	£	£
Estate Running Costs	239,978	249,550
Investment Portfolio Charges	99,138	125,341
	<u>339,116</u>	<u>374,891</u>

Expenditure on Charitable Activities

	Direct	Support	Total		Direct	Support	Total
	£	£	£		£	£	£
Housing	248,484	51,636	300,120		256,988	49,692	306,680
Residential Care	2,098,101	129,192	2,227,293		2,024,682	91,896	2,116,578
Grant Making	15,000		15,000		63,750		63,750
Governance		581,997	581,997			762,968	762,968
	<u>2,361,585</u>	<u>762,825</u>	<u>3,124,410</u>		<u>2,345,420</u>	<u>904,556</u>	<u>3,249,976</u>

Total charitable activities expenditure

3,463,526

3,624,867

Analysis of Support and Governance

	Finance	Staff	Other	Total		Finance	Staff	Other	Total
	Costs	Costs	Costs	Costs		Costs	Costs	Costs	Costs
	£	£	£	£		£	£	£	£
Housing			51,636	51,636				49,692	49,692
Residential Care			129,192	129,192				91,896	91,896
Governance	297,766	108,784	175,447	581,997		360,950	103,077	298,941	762,968
	<u>297,766</u>	<u>108,784</u>	<u>356,275</u>	<u>762,825</u>		<u>360,950</u>	<u>103,077</u>	<u>440,529</u>	<u>904,556</u>

Governance Costs

	Total	Total
	£	£
Audit	17,700	15,600
Legal	21,974	24,407
Staff Costs	108,784	103,077
Overhead allocation	433,539	619,884
	<u>581,997</u>	<u>762,968</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

6	Income and Expenditure Account: Housing Accommodation	March 2025	March 2024
		£	£
	Income		
	Residents' fees	134,320	144,180
	Accommodation charges	163,537	156,231
		<u>297,857</u>	<u>300,411</u>
	Expenditure		
	Wages	27,062	27,915
	Property costs	117,475	126,968
	General costs	1,725	1,064
	Financial & other costs	9,988	8,808
	Management charge	51,636	49,692
		<u>207,886</u>	<u>214,447</u>
	Depreciation	92,234	92,234
		<u>300,120</u>	<u>306,681</u>
	Deficit for the year	(2,263)	(6,270)
7	Employee Information	March 2025	March 2024
		No.	No.
	The average weekly number of persons employed (excluding the Trustees) during the period was	<u>59</u>	<u>55</u>
		£	£
	Salaries and wages	1,591,133	1,588,736
	Social security costs	144,315	139,102
	Pension costs	115,385	111,004
	Other benefits	12,577	17,142
		<u>1,863,410</u>	<u>1,855,984</u>
	The number of employees who earned more than £60,000 during the period to 31 March 2025	March 2025	March 2024
		No.	No.
	£120,001 to £130,000	1	
	£110,001 to £120,000		1
	£100,001 to £110,000		
	£60,001 to £70,000	1	1
	Key Management Personnel	March 2025	March 2024
		£	£
	Total compensation paid to Key Management Personnel during the period:		
	Gross Pay	269,022	261,685
	Employers Pension Costs	21,522	20,827
		<u>290,544</u>	<u>282,512</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

Payments to Trustees and Officers

No fees, remuneration or expenses were paid to anyone who was on the Board of Trustees apart from travelling expenses which are paid to certain Trustees for attendance at Trustees meetings, this amounted to £nil in the period.

Pension Costs

The Charity operates a money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £115,385 (2024: £111,004).

	March 2025	March 2024
	£	£
Pension costs outstanding at 31 March	28,723	15,655

8 Investment and Other Income

	March 2025	March 2024
	£	£
Royalties	40,000	40,000
Rent from farm rents, investment properties and wayleaves	266,516	268,100
Dividends and interest received	891,989	834,411
Other Income	31,320	18,234
	1,229,825	1,160,745

9 Surplus on Ordinary Activities

	March 2025	March 2024
	£	£
The surplus on ordinary activities is stated after charging / (crediting):		
Depreciation - tangible fixed assets	137,897	141,003
Auditor's remuneration - in their capacity as auditors	14,750	13,000
Relief in need - grants to individuals	15,000	63,750

10 Taxation

Sherburn House Charity is a registered charity and is, therefore, exempt from liability to taxation on its income and capital gains.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

11 Tangible Fixed Assets

	SHG Assisted Buildings	Land	Buildings	Equipment	Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2024	654,570	363,048	4,139,332	230,759	33,536	5,421,245
Additions	-	-	46,374	35,718	-	82,092
Disposals	-	-	-	-	(3)	(3)
At 31 March 2025	654,570	363,048	4,185,706	266,477	33,533	5,503,334
Depreciation						
At 1 April 2024	654,570	56,735	1,152,732	211,664	32,605	2,108,306
Charge for period	-	2,159	123,465	11,345	928	137,897
Disposals	-	-	-	-	-	-
At 31 March 2025	654,570	58,894	1,276,197	223,009	33,533	2,246,203
Net book value						
At 31 March 2025	-	304,154	2,909,509	43,468	-	3,257,131
At 1 April 2024	-	306,313	2,986,600	19,095	931	3,312,939

Tangible Fixed Assets: Net Book Value analysed by activity	Housing Accom. £	Residential Care £	Non Housing £	Total £
Land	75,000	50,000	179,154	304,154
Buildings	2,300,961	354,692	253,856	2,909,509
Equipment	-	43,468	-	43,468
Vehicles	-	-	-	-
Total	2,375,961	448,160	433,010	3,257,131

The net book value of:

Land contains £300,000 (2024: £300,000) which represents the value of land that is not depreciated; and
Buildings contains £2,300,961 (2024: £2,393,195) attributable to housing activities.

There is no record of the historical cost of the land and buildings held at deemed cost due to the length of ownership.

The freehold land and buildings were valued by Taylors, Chartered Surveyors, in October 1996 on an existing use basis.

The Charity has adopted the transitional rules of Financial Reporting Standard Number 15 and hence, the valuation will not be updated in future years having adopted the value as deemed historic cost.

Capital Commitments

None.

12 Investment Properties

	March 2025	March 2024
	£	£
Valuation as at 1 April	8,300,000	8,300,000
Additions	-	-
Disposals	-	-
Revaluation	10,000	-
Valuation as at 31 March	8,310,000	8,300,000

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

13	Investment Portfolio: Brewin Dolphin	Market Value					Market Value		Profit /
		as at					as at		(Loss)
		01 April 24	Additions	Disposals	Transfers	Revaluation	31 March 25	on sale	
		£	£	£		£	£	£	
	General capital fund	15,419,859	2,870,953	(2,990,506)	-	258,326	15,558,632	(86,172)	
	General accumulated income fund	1,651,444	319,689	(311,522)	-	8,103	1,667,713	8,226	
	Educational foundation fund	57,018	78	-	-	2,048	59,144	-	
(i)	Total investment portfolio	17,128,321	3,190,719	(3,302,028)	-	268,477	17,285,489	(77,946)	
	Value of investments								
	Listed	17,048,188					17,178,539		
	Cash / Unlisted	80,133					106,950		
	Total	17,128,321					17,285,489		
	Historical cost of investments	12,967,066					14,092,683		
	Revaluation	4,161,254					3,192,807		
	Total	17,128,321					17,285,489		

Investment Portfolio / Call Loan: UBS		Market Value					Market Value		Profit /
		as at					as at		(Loss)
		01 April 24	Additions	Disposals	Transfers	Revaluation	31 March 25	on sale	
		£	£	£	£	£	£	£	
(ii)	Investment portfolio	12,082,836	4,762,148	(4,187,822)	(948,407)	585,186	12,293,941	186,338	
(iii)	Call Loan	(5,695,434)	(297,765)	600,000	948,407	-	(4,444,792)		
Net Facility		6,387,403	4,464,383	(3,587,822)	-	585,186	7,849,149	186,338	
Value of investments									
	Listed	11,758,154					12,012,499		
	Cash / Unlisted	324,682					281,442		
	Total	12,082,836					12,293,941		
Historical cost of investments		11,427,945					11,260,297		
	Revaluation	654,891					1,033,644		
	Total	12,082,836					12,293,941		
Total Investments at Market Value							29,579,430		
No investment is greater than 5% of the total portfolio value									

14 Stocks & Debtors	March 2025	March 2024
	£	£
(i) Stock (spares held for maintenance)	6,645	5,957
Trade Debtors	51,871	57,682
Prepayments and accrued income	36,116	24,851
Other Debtors	79,581	83,205
(ii) Debtors	167,568	165,738

15 Creditors: amounts falling due within one year	March 2025	March 2024
	£	£
UBS Call Loan	4,444,792	5,695,433
Trade creditors	65,149	44,913
Other creditors	764	764
Rents in advance	249,935	233,582
Accruals and deferred income	244,681	286,908
Taxation and social security	57,796	31,863
Wages creditor	126,074	15,750
	5,189,191	6,309,213

16 Social Housing Grant Assisted Scheme - Housing Buildings	March 2025		
SHG is now released to income on receipt as required under the Charities SORP. This note is just a memo to show amounts received to date.	Housing Buildings	Homes England	Total
	£	£	£
Grant as at 1 April 2024	654,570	728,000	1,382,570
As at 31 March 2025	654,570	728,000	1,382,570

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

17 Reconciliation of movements in Funds

	Balance as at 01 Apr 24	Reclassification of Income Fund as Reserve	Surplus / (Deficit) for year	Profit / (Loss) on sale of investments	Release of Revaluation Reserve	Profit on sale of property/assets	Royalties Received	Revaluation / Addition	Extraordinary repair endowment fund	Balance as at 31 Mar 25
	£	£	£	£	£	£	£	£	£	£
(a) Endowment funds:										
General	23,971,842	-		108,392	1,443,366	87	40,000			25,563,686
Extraordinary repair (incl refurb)	(4,357,032)								302,000	(4,055,032)
Educational foundation	40,300			-						40,300
Total Endowment funds	19,655,111	-	-	108,392	1,443,366	87	40,000	-	302,000	21,548,955
(b) Revaluation reserves:										
Investment properties	8,264,477							10,000		8,274,477
Investment portfolio (Brewin Dolphin)	4,161,254				(1,236,924)			268,477		3,192,806
Investment portfolio (UBS)	654,891				(206,442)			585,186		1,033,636
Total revaluation reserves	13,080,622	-	-	-	(1,443,366)	-	-	863,663	-	12,500,919
(c) Restricted funds:										
Discharge / Technology fund			-							-
Total Homes & Communities Agency Grant	-	-	-	-	-	-	-	-	-	-
(d) Unrestricted funds:										
General	1,355,179	-	402,190	(108,392)	-	(87)	(40,000)		(302,000)	1,306,891
Housing accommodation	-		(2,262)							(2,262)
Residential care	-		255,356							255,356
Housing activities	-	-	253,094	-	-	-	-	-	-	253,094
Homes England Grants (Designated)	1,382,570									1,382,570
Total Unrestricted funds	2,737,749	-	655,284	(108,392)	-	(87)	(40,000)	-	(302,000)	2,942,555
Balance at 31 March 2025	35,473,482	-	655,284	-	-	-	-	863,663	-	36,992,429

(a) Endowment funds										
	General	Extraordinary repairs	Educational foundation							Total
	£	£	£							£
Balance at 1 April 2024	23,971,842	(4,357,032)	40,300							19,655,111
Reclassification of Income Fund as Reserve	-	-	-							-
Transfers from unrestricted funds:										
Royalties received	40,000									40,000
Refurb costs (Esh VAT credit)		-								-
Profit on sale of investments	108,392		-							108,392
Release from revaluation reserve	1,443,366		-							1,443,366
Profit on sale of property/assets	87									87
Extraordinary repairs funding		302,000								302,000
Balance at 31 March 2025	25,563,686	(4,055,032)	40,300							21,548,955

(b) Investment revaluation reserve										
	Properties	Portfolio								Total
	£	£								£
Balance at 1 April 2024	8,264,477	4,816,145								13,080,622
Unrealised (deficit) / surplus	10,000	853,663								863,663
Realisation of revaluation reserve	-	(1,443,366)								(1,443,366)
Balance at 31 March 2025	8,274,477	4,226,442								12,500,919

(c) Restricted reserves:										
	Discharge Grant	Technology Funding								Total
	£	£								£
Balance at 1 April 2024	-									-
Income	1,469	2,000								3,469
Expenditure	(1,469)	(2,000)								(3,469)
Balance at 31 March 2025	-	-								-

(d) Unrestricted funds										
	Unrestricted funds	Housing activities								Total
	£	£								£
Balance at 1 April 2024	2,737,749	-								2,737,749
Reclassification of Income Fund as Reserve	-									-
Net surplus for the year	402,190	253,094								655,284
Intra revenue reserve transfer	253,094	(253,094)								-
Transfers to capital funds:										
Royalties received	(40,000)									(40,000)
Profit on sale of investments	(108,392)									(108,392)
Profit on sale of property/assets	(87)									(87)
Extraordinary repairs funding	(302,000)									(302,000)
Balance at 31 March 2025	2,942,555	-								2,942,555

A description of the nature of each fund is contained in note 2.22

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

19 Related Parties

There were no related party transactions in the year (2024: sale of minibus £10,500)

20 Control

The Charity is under the control of its Board of Trustees.

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<u>March 2025</u>	<u>March 2024</u>
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,518,861	2,282,049
Adjustments for:		
Depreciation	137,897	141,003
Losses / (Gains) on investments (sale of shares)	491,608	79,704
(Losses) / Gains on investments (property revaluation)	(10,000)	-
Gains /(losses) on investments (Brewin Dolphin)	(268,477)	(1,623,120)
(Gains) / Losses on investments (UBS)	(585,186)	40,625
Dividends, interest and rents from investments	(1,229,821)	(1,160,742)
Decrease / (Increase) in stocks	(688)	242
(Increase) / Decrease in debtors	(1,830)	16,094
Increase in creditors	130,619	133,183
Net cash provided by (used in) operating activities	182,982	(90,963)

22 Net debt

	<u>At 1 Apr 2024</u>	<u>Cash flows</u>	<u>March 2025</u>
Cash and cash equivalents			
Cash	786,904	73,942	860,846
	<u>786,904</u>	<u>73,942</u>	<u>860,846</u>
Borrowings			
Short term borrowings (UBS Call Loan)	(5,695,433)	1,250,641	(4,444,792)
	<u>(5,695,433)</u>	<u>1,250,641</u>	<u>(4,444,792)</u>
Net debt	(4,908,529)	1,324,583	(3,583,946)

Short term borrowings shown above are included for statutory disclosure purposes, however the borrowing is linked to the fixed asset investments and the "Net Debt" presented above would be more than offset by the value of the UBS investments (note 13)

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2025
(continued)

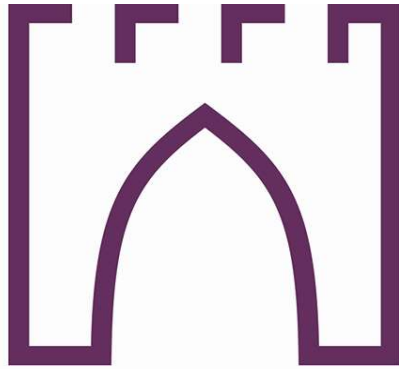
22 Analysis of movements in funds

		Unrestricted	Investment	Restricted	
	Notes	Funds	Endowment Funds	Revaluation Reserves	Reserves
Balance at 01 April 2024		2,737,749	19,655,111	13,080,622	- 35,473,482
Surplus for the year		655,284			655,284
Transfers to Endowment Funds in respect of Royalties received	17	(40,000)	40,000		-
Transfers to Endowment Funds in respect of Profit on sale of investments	17	(108,392)	108,392		-
Transfers to capital reserves in respect of Profit on sale of assets / property	17	(87)	87		-
Transfer from revaluation reserve Profit on sale of Shares prior year profit	17	-	1,443,366	(1,443,366)	-
Transfers to Endowment Funds in respect of Extraordinary repairs funding	17	(302,000)	302,000		-
Unrealised gain on investment property values	17			10,000	10,000
Unrealised gain on investment portfolio values (Brewin Dolphin)	17			268,477	268,477
Unrealised gain on investment portfolio values (UBS)	17			585,186	585,186
Balance at 31 Mar 2025		2,942,555	21,548,955	12,500,919	- 36,992,429

SHERBURN HOUSE CHARITY

England & Wales - Charity number 1177535

Accounts



Sherburn House

Charity

Registered Charity Number: 1177535
Homes England Registration Number: A3494
Companies House Registration number: 11196374

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Sherburn House Charity
Section 1
Reference and Administrative Details

Principal Office

Ramsey House
Sherburn Hospital
Durham
DH1 2SE

Registered Office

Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Legal Status

Registered with the Charities Commission
Reg. No. 1177535

Registered with Companies House
Reg. No. 11196374

Registered as a Social Landlord with
Homes England
Reg. No. A3494

BOARD OF TRUSTEES

Mr Joseph Wilkinson (Chair from 01.09.20)
Mr Jeffery Paul Breen - Appointed 03.09.19
Mrs Hayley Quinn - Appointed 01.09.20
Mrs Gillian Elizabeth Marshall - Appointed 08.12.20
Mr George Adair - Appointed 11.05.21
Mrs Laura Devaney - Appointed 07.02.23

Nominated by

Co-opted
Co-opted
Co-opted
Co-opted
Co-opted
Co-opted

KEY MANAGEMENT PERSONNEL

Chief Executive

Ms Pauline Bishop

Accountant

Mr Peter Pybus

Registered Manager

Mrs Tanya Porthouse

Housing & Maintenance Officer

Ms Josephine Marsden

ADVISORS

Auditor - External

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Investment Manager

RBC Brewin Dolphin Ltd.
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Bankers

Lloyds Bank
19 Market Place
Durham
DH1 3NL

Solicitor

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Manager / Banker

UBS Wealth Management
2 St James' Gate
Newcastle upon Tyne
NE4 7JH

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review including Director's report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

Structure, governance and management

Nature of governing document

The Charity is a registered Charity under the Charities Act 2011 and is regulated by its Articles of Association. The Charity is also registered with Homes England as a Social Landlord under Section 1(2) of the Housing and Regeneration Act 2008. This status is further clarified in note 1 to the financial statements.

At the quarterly Board meetings, the Trustees agree the broad strategy and areas of activity for the company, including sheltered housing and residential care for older people, estate and property matters, personnel policies, grant making, finance, investment, reserves, risk management policies and health and safety.

Recruitment and appointment of trustees

Prior to any recruitment, the Chairman undertakes a skills gap analysis in order to find individuals with the skills and knowledge required to support the charity in its current work.

Applications to become a Trustee are welcomed from any individual who meets the recruitment criteria and can empathise with the objectives of Sherburn House Charity.

Applicants are given details of the history of the charity and the work we currently undertake, and they are supported to understand the governance requirements and what is expected of them in their role as a Trustee. Candidates meet with the Chief Executive initially to discuss the work of the charity and to discuss the requirements of the vacancy, if they decide to proceed to apply, they are interviewed by the Chair, who then makes a recommendation for the appointment to the board. Potential Trustees are invited to observe the next board meeting and are appointed at the end of the meeting if they still wish to proceed, and the trustees are happy with the proposal to appoint them. Trustees are appointed for a period of three years, with an option to extend by up to three more years. After a 6-year continuous term, a compulsory one-year break may be followed by a final three years.

Induction and training of trustees

Potential Trustees undertake a full induction and references, and DBS checks are taken up prior to their appointment. New Trustees receive a copy of the "Essential Trustee" and all Governance policies and procedures. All Trustees operate in a voluntary capacity and receive no benefits from the Charity. All expenses re-claimed from the charity are set out in the financial statements.

Remuneration Policy

Sherburn House Charity is committed to ensuring a proper balance between paying our staff fairly so that we attract and retain the best people for the job and careful management of our charity funds. In so doing we will ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries.

Sherburn House Charity will seek advice on remuneration from various sources, for comparable examples of posts within the care sector.

Sherburn House Charity commits to maintaining an open and honest policy on remuneration to assure its stakeholders and service users of the financial priorities of the charity.

A report on the actual remuneration and expenses received by the Chief Executive and Senior Management Team are prepared annually as part of the statutory accounts. Information is contained in Note 7 Employee Information.

In accordance with the Charity Commission's Statement on Recommended Practice 2019 (SORP) and guidance contained within the National Council for Voluntary Organisations' 'Report of the Inquiry into Charity Senior Executive Pay', Sherburn House Charity will include or disclose the following in its Annual Report and Accounts:

- a statement that summarises this remuneration policy
- any payments made to trustees
- the number of staff receiving more than £60,000 salary, in bands of £10,000
- a summary of pensions and other benefits receivable by staff
- any 'cost of living' changes to the payroll for all staff along with a brief justification of any such changes

Board of Trustees' Meetings

The Board of Trustees meet quarterly and at the meeting scheduled for 10 September 2024 the Trustees will be invited to:

- (a) Consider the Annual Trustees' Report (comprising the Board of Trustees' Report and Operating and Financial Review) for the year ended 31 March 2024; and
- (b) Approve the Statement of Trustees on internal financial controls (page 6) and the financial statements (page 11 onwards).

Sherburn House Charity
Section 2

Board of Trustees' report and operating and financial review
(continued)

Control

The Board of Trustees retains responsibility for a defined range of areas covering strategic, operational and financial elements.

The Board of Trustees has put in place an organisational structure which clearly defines lines of responsibility and delegations of authority. These are found in the Charity's financial regulations, standing orders, treasury management and risk management arrangements.

Information Reporting Systems

Financial reporting systems include regular reviews of an overall financial business plan, preparation of detailed annual budgets and the production of detailed monthly management accounts. These are prepared by the Executive Team and are considered and approved by the Board of Trustees.

Monitoring

A process of regular management monitoring on control issues provides assurance to senior managers and to the Board of Trustees. This includes a rigorous process for ensuring that corrective action is taken in relation to any significant control issues.

Risk Management

The Charity has a comprehensive risk management strategy which identifies risk management responsibilities. Risk management arrangements identify risks facing the Charity, the actions in place to mitigate these risks, the officers responsible for each risk and the monitoring arrangements.

The Board of Trustees has examined the major strategic and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and activities

Our Strategic goals are split into our 3 main activities:

Grants	1. Provide small grants to people in financial need	•We will maximise grant impact by sourcing match funding from grant managers •Review Bi-annual reports to monitor impact & regional spread of funds
Care	2. Provide high quality, responsive & innovative care services to older people	•We will improve operational efficiencies within the care home by ensuring we have the right people with the skills required to maximise health & wellbeing outcomes for residents. •New models of care will be explored through partnerships and increased use of technology
Housing & Estates	3. Provide high quality housing options for beneficiaries.	•We will ensure all planned and unplanned repairs are timely and are of a high standard •Customer Satisfaction Survey /& quarterly residents meetings •We will identify opportunities for new housing solutions for people aged 55+.

Principal Activities

The principal activities of the Charity are:

- (a) Provision of sheltered accommodation and residential care for older people; and
- (b) Making of grants under the head of relief in need, within the beneficial area of the Charity.

Charitable Objectives

Our Mission is: To provide relief in need to people living in the beneficial area through the provision of care, housing and grant funding.
Our Vision is: To improve the quality of life for all vulnerable people.
Our Core Values of: Integrity, quality, care, dignity and respect, will influence the work we do and our attitudes to each other.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit.

The Charity provides residential care and sheltered housing for older people with care needs, without discrimination. Those unable to pay the fees in full are part-funded by local authorities following a process of assessment determined by government regulations.

The Charity awards grants under the heading of Relief In Need:

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on it's behalf to Organisations and to Individuals, running for one year from 1 April 2023.

Board of Trustees' report and operating and financial review

(continued)

Achievements and Performance

Chair's Report

I am ever grateful for the support and loyalty of my fellow Trustees, and for the skills and knowledge that they bring to the board table. They believe, as I do, in the charity's mission and strive to ensure it continues its historic journey to improve the quality of life for **all** vulnerable people within its remit.

I am pleased to report that we continue to progress the charity's objectives despite some obstacles in managing services during the cost of living crisis. High inflation has seen our outgoings soar alongside high interest charges on our loan repayments. Despite this we have managed to meet our financial and charitable commitments to society's most vulnerable groups.

As always, I wish to give my thanks to all the staff team, whether delivering front line care or working in the back office, they all contribute to positive outcomes for the beneficiaries.

Chief Executive's Report March 2024 (Progress Report on Goals)

Grants: 1. Provide small grants to people in financial need

From 1st April 2023 -31st March 2024 , the Fund mostly supported lone parents and children, benefitting more than 600 people. The grants were match funded by the County Durham Community Foundation (CDCF). This year marks the end of our successful partnership which ran from 2017 -2024. A new Relief in Need programme will be launched for 2024-25.

Care 2. Provide high quality, responsive & innovative care services to older people

We have made a number of key appointments that have had a significant impact on the charity's progress this year; from increased activities and events that improve our residents' quality of life to operational efficiencies gained through implementation of digitised HR management systems. Recruitment within the care sector continues to challenge us, however, we have recently made major strides forward in filling supervisory posts and our occupancy levels remain high.

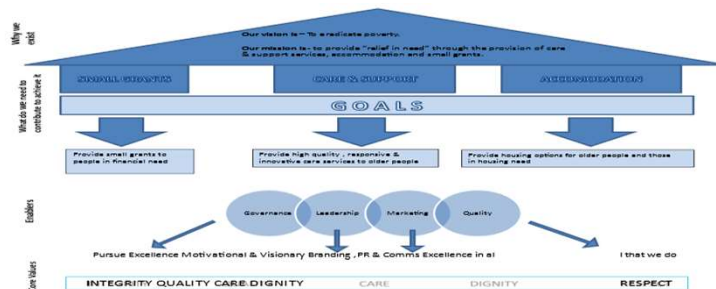
Housing & Estates 3. Provide high quality housing options for beneficiaries

Planned and unplanned maintenance & repairs are resolved to the highest standards. Occupancy levels are high and there is often a waiting list when properties do become vacant. Customer Satisfaction surveys show that people are satisfied with their accommodation and the service provided by the charity.

Plans for the Future

The new Five Year Plan has been adopted by the Trustees for the 2023-28 period.

We have consolidated the strategic aims into three main strands and the objectives for the year ahead are incorporated into the table below.



Grants	1. Provide small grants to people in financial need	•We will maximise grant impact by sourcing match funding from grant managers •Review Bi-annual reports to monitor impact & regional spread of funds
Care	2. Provide high quality, responsive & innovative care services to older people	•We will improve operational efficiencies within the care home by ensuring we have the right people with the skills required to maximise health & wellbeing outcomes for residents. •New models of care will be explored through partnerships and increased use of technology
Housing & Estates	3. Provide high quality housing options for beneficiaries.	•We will ensure all planned and unplanned repairs are timely and are of a high standard •Customer Satisfaction Survey /& quarterly residents meetings •We will identify opportunities for new housing solutions for people aged 55+.

In addition to the operational objectives, the trustees will review the governing document to ensure the charitable aims remain relevant for our beneficiaries. The trustees and I are excited to explore opportunities for further growth and development to ensure the charity works to its full potential.

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

(continued)

Operating Review

Performance in the Period

A summary of the main results is shown in the Table below.

	Notes	Housing activities £	Non Housing £	Total £	Prior Period Total £
Turnover	3	2,643,380	1,160,745	3,804,125	3,690,885
Operating costs	3	(2,423,258)	(1,201,609)	(3,624,867)	(3,079,147)
Operating surplus		220,122	(40,864)	179,258	611,738
Profit / (Loss) on sale of investments:					
Accumulated income fund investments	3 / 13		(1,278)	(1,278)	(7,264)
Capital fund investments (Brewin Dolphin)	3 / 13		13,770	13,770	(130,311)
Capital fund investments (UBS)	3 / 13		507,804	507,804	(21,334)
Profit on sale of fixed assets		10,499	5,000	15,499	-
Surplus for the period		230,621	484,432	715,053	452,829
<i>Unrealised gain on investment property values</i>	12			-	335,000
<i>Unrealised gain on investment portfolio values (Brewin Dolphin)</i>	13			1,623,120	(1,222,895)
<i>Unrealised (loss) on investment portfolio values (UBS)</i>	13			(40,625)	(476,040)
<i>Net movement in funds for the period</i>				<u>2,297,548</u>	<u>(911,106)</u>

The overall surplus for the period of £715,053, contained a deficit on the housing (sheltered accommodation) of -£6,269 (2023: deficit -£3,933).

Financial Review

The principal accounting policies are set out on pages 14 to 19 of the financial statements. These have been approved by the Board of Trustees.

Unrestricted funds Policy

The Unrestricted funds are to be used for the Charity's general charitable purposes. A reserve of £500,000 has been agreed as being an appropriate level. The level of these funds will be reviewed each year as part of the budgeting process.

A transfer of £1,651,444 from the Charity's Endowment Funds to its Unrestricted funds has been made. This reflects the correct classification of the Brewin Dolphin; General accumulated income fund, which had been treated as Endowment Funds on transfer to the Charity on 01.10.21.

Unrestricted funds at 31 March 2024 totalled £2,737,749, which included designated funds of £1,382,570 relating to Homes England Grants. The Charity aims to build back its General undesignated funds to a value of £500,000, with any funds in excess of this utilised to support the operating and development activities of the Charity. Unrestricted funds increased in the year by £1,608,702

A transfer of £182,000 from the Charity's Unrestricted funds to its Extraordinary repair fund has been made, largely reflecting the positive contribution made by the Care Home in the year, following the major refurbishment of Beddell House.

Investment Policy

In accordance with the regulatory scheme, the Board of Trustees has the power to invest in such stocks, shares, investments and property, as they see fit. The Board of Trustees has engaged Brewin RBS Dolphin Limited and UBS Wealth Management as Investment Managers to manage the investment portfolios on a discretionary basis within certain parameters for asset classes.

The Board of Trustees reviewed the Charity's investment principles in February 2009, and this was also reviewed again in 2019-20.

Similarly, the Board of Trustees engaged GSC Gray's, Chartered Surveyors, to manage the investment properties and the investment properties were subject to their independent property valuation as at March 2024.

Fixed Assets

Tangible Fixed Assets owned by the Charity were subject to an independent property valuation as at 31 March 1996.

Statement of Board of Trustees on internal financial controls

Statement of Board of Trustees on internal financial controls

The Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks by the Charity is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the report and financial statements.

Key elements of the control framework and sources of assurance include:

- * Clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- * Internal audit reports;
- * Risk management reports;
- * Performance reports;
- * External audit reports;
- * Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- * Formal recruitment, retention, training and development policies for all staff;
- * Established authorisation and appraisal procedures for significant new initiatives and commitments;
- * Regular reporting to the appropriate committee on key business objectives, targets and outcomes; and
- * Board of Trustees' approved whistle-blowing and anti-fraud policies covering prevention, detection and reporting, together with recoverability of assets.

There were no attempted or actual frauds during the year that required reporting to the Homes England.

The Board of Trustees cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Executive Team to regularly report on the effectiveness of the system of internal control.

Key policies and procedures have been established and are designed to provide effective internal control.

These key areas cover control, information reporting systems, monitoring and risk management.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Use of Volunteers

The charity has used **1** volunteer during the period

Sherburn House Charity

Section 4

Statement of Board of Trustees' responsibilities

The Board of Trustees, who are also the directors of Sherburn House Charity for the purposes of company law, is responsible for preparing the Trustee's Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 Board of Trustees is required to:

- (a) Select suitable accounting policies and apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue operating; and
- (d) Follow applicable United Kingdom Accounting Standards FRS 102, and the Charities SORP (FRS102): subject to any material departures disclosed and explained in the financial statements.
- (e) Observe the methods and principles in the Charities SORP 2019 (FRS 102).

The Board of Trustees is responsible for making the appropriate arrangements for keeping accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011 and Companies Act 2006, adapted to include disclosures required by the Housing and Regeneration Act 2008, FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing-2022.

The Board of Trustees is responsible for taking such steps as are reasonably open to it to safeguard the assets of the Charity and to prevent and detect fraud and breaches of the law and regulations.

The Board of Trustees is responsible for ensuring that the report of the Board of Trustees is prepared in accordance with FRS 102 and adapted to include disclosures required by the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2022.

The Board of Trustees is also responsible for the maintenance and integrity of the corporate and financial information on the Charity's website.

Provision of information to Auditors

So far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that he / she ought to have taken, as a Trustee, in order to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 10 September 2024 and signed on its behalf.



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion

We have audited the financial statements of Sherburn House Charity (the "charity") for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice), adapted to include additional disclosures required by the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion 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 Trustees' Report which includes the director's report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report included within the trustees' report.

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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities (set out on page 7), 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 charity'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Reviewing the published Care Quality Commission reports;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias

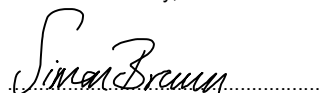
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; compliance with Care Quality Commission; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi>description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the charitable companies trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 13-9-2024

Azets Audit Services is a trading name of Azets Audit Services Limited

Sherburn House Charity
Section 6

Statement of financial activities (including income & expenditure account)
for the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Prior Period Total Funds £
Income from:						
Charitable Activities	3/4	2,629,258	14,122	-	2,643,380	2,564,737
Investments	4/8	1,120,745		40,000	1,160,745	1,126,148
Total		3,750,003	14,122	40,000	3,804,125	3,690,885
Expenditure on:						
Charitable activities	3/5	(2,409,136)	(14,122)	-	(2,423,258)	(2,175,589)
Other	3	(1,201,609)		-	(1,201,609)	(903,558)
Total		(3,610,745)	(14,122)	-	(3,624,867)	(3,079,147)
Surplus before gains on investments		139,258	-	40,000	179,258	611,738
Net gains on investments	12/13	-	-	2,102,791	2,102,791	(1,522,844)
Net income/(expenditure)		139,258	-	2,142,791	2,282,049	(911,106)
Transfers between funds	17	1,469,444	-	(1,469,444)	-	-
Other recognised gains/(losses):						
Profit on sale of fixed assets		-	-	15,499	15,499	-
Net Movement in funds:		1,608,702	-	688,846	2,297,548	(911,106)
Reconciliation of funds:						
Total funds brought forward		1,129,047	-	32,046,887	33,175,934	34,087,040
Total funds carried forward		2,737,749	-	32,735,733	35,473,482	33,175,934

Continuing Operations

The results for the period relate wholly to continuing operations.

None of the Charity's activities were either acquired or discontinued during the financial years.

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 10 September 2024 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 7
Balance Sheet
as at 31 March 2024

	Notes	March 2024	March 2023
		£	
Fixed assets:			
Tangible assets	11	3,312,939	3,453,944
Investment properties	12	8,300,000	8,300,000
Investment portfolios	13(i), (ii)	29,211,157	27,223,519
<i>Total fixed assets</i>		<u>40,824,096</u>	<u>38,977,463</u>
Current assets:			
Stocks	14(i)	5,957	6,199
Debtors	14(ii)	165,738	181,832
Cash at bank and in hand		786,904	865,492
<i>Total current assets</i>		<u>958,599</u>	<u>1,053,523</u>
Liabilities:			
Creditors: amounts falling due within one year			
UBS Call Loan	15 / 13(iii)	(5,695,433)	(6,374,455)
Other Creditors & Accruals	15	(613,780)	(480,597)
		<u>(6,309,213)</u>	<u>(6,855,052)</u>
<i>Net current liabilities</i>		<u>(5,350,614)</u>	<u>(5,801,529)</u>
<i>Total Assets less current liabilities</i>		<u>35,473,482</u>	<u>33,175,934</u>
Total net assets		<u>35,473,482</u>	<u>33,175,934</u>
The funds of the Charity:			
Endowment funds	17	19,655,111	20,685,988
Investment revaluation reserve	17	13,080,622	11,360,899
<i>Total endowment funds</i>		<u>32,735,733</u>	<u>32,046,887</u>
Restricted funds	17	-	-
Unrestricted funds	17	2,737,749	1,129,047
<i>Total unrestricted funds</i>		<u>2,737,749</u>	<u>1,129,047</u>
Total charity funds		<u>35,473,482</u>	<u>33,175,934</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 10 September 2024 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Companies House Reg. No. 11196374

Sherburn House Charity
Section 8
Statement of Cash Flows
for the year ended 31 March 2024

	Notes	March 2024	March 2023
		£	£
Cashflow from operating activities			
Net cash generated from operating activities	21	(90,963)	(356,624)
Cashflow from investing activities			
Dividends, interest and rents from investments		1,160,745	1,357,795
Purchase of tangible fixed assets	11	-	(90,495)
Proceeds from the sale of tangible fixed assets		15,499	-
Purchase of investments	13	(5,017,404)	(4,445,028)
Proceeds from sale of investments		4,532,558	4,265,205
Net cash generated from investing activities		691,397	1,087,477
Cashflow from financing activities			
Loans drawn from / (repaid to) UBS loan		(600,000)	(225,000)
Interest charges on UBS loan		360,950	213,454
Dividends received applied to UBS loan		(439,972)	(424,978)
Net cash generated from financing activities		(679,022)	(436,524)
Net change in cash and cash equivalents		(78,588)	294,329
Cash and cash equivalents at beginning of the year		865,492	571,163
Cash and cash equivalents at the end of the year		786,904	865,492

The notes on pages 14 to 28 form an integral part of these financial statements.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2024

1.1 Status of Charity

Sherburn House Charity is a company limited by guarantee which was incorporated in England on 08.02.18, company number 11196374, and is registered with the Charity Commission, number 1177535.

On 01.10.21 all the activities and commitments of the unincorporated charity (Sherburn House Charity 217652) were transferred to the incorporated Charity, along with its assets and liabilities at their balance sheet values.

The incorporated Charity is the reporting charity for the Unincorporated charity (217652) to which it is linked.

1.2 Donation from Unincorporated Charity (217652)

The total net assets transferred on 01.10.21 from the unincorporated Charity (217652) amounted to £34,534,948, which was comprised of £33,288,948 Endowment funds, and £1,246,000 Unrestricted funds.

2 Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011 and are adapted to include disclosures required by the accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2022.

2.2 Basis of Preparation

The Charity remains registered with Homes England as a social landlord under the Housing and Regeneration Act 2008, as a small part of its activities are housing activities as defined in that Act.

As most of the activities of the Charity are not housing activities, the Charity has applied the Charities SORP (FRS102) in preparing its accounts, with some amendments to include additional requirements for Homes England.

The application of the Charities SORP (FRS102) is also required by the Charity Commission direction dated 08.12.21.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain Tangible Fixed Assets, Investment Properties and the Investment Portfolio. The financial statements are prepared in accordance with applicable accounting standards.

The financial statements include the income and expenditure and assets and liabilities of its associated charity, The Sherburn House Educational Foundation (Registered No. 527325).

The Charity is a Public Benefit Entity ("PBE") as defined in FRS 102.

These financial statements are prepared in sterling which is the functional currency of the entity.

The trustees have prepared budgets and forecasts which give them adequate comfort that the charity is a going concern. Therefore the trustees are of the view that the charity has sufficient resources for at least the next 12 months from the date of approving the financial statements. As a result, the charity's financial statements have been prepared on a going concern basis.

2.3 Finance

The financial statements have been prepared on the basis that any capital expenditure incurred on housing activities referred to in note 2.4 will be either grant aided, funded by loans, or where appropriate, financed from the Charity's non-housing resources.

2.4 Social Housing Grants (SHG)

SHG's are made by Homes England and are utilised to reduce the amount of mortgage loans approved for SHG to a level that can be financed from the equivalent fair rental income available. The grants are made direct to the lending authority and are reflected in the Charity's accounts only when payment has been made and the relevant mortgage loan reduced.

Under the Charities SORP (FRS102), grants are taken to income.

2.5 Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

2.6 Income

Charitable Activities

The rents of the housing stock and Care home fees are recognised for the period to which they relate.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment Income

Variable Royalties and Wayleaves are recognised when the Charity is informed of their values in June and December by Breedon Northern Limited.

Investment income from the portfolios is recognised when receivable.

2.7 Expenditure

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance Costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

2.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 Fixed Assets: Land and Buildings

Land and buildings at Sherburn House Charity related to the housing activities are reflected in the financial statements at their 'deemed cost' (based on a valuation prior to the transition to FRS102) as the original costs are not available.

Improvements to the properties are stated at cost or valuation.

The Charity provides accommodation for older people with care needs, in the form of sheltered housing accommodation and a residential care home. These properties have been held by the Charity for many years and have attracted SHG assistance in the past.

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Notes to the financial statements
for the year ended 31 March 2024
(continued)

2.10 Depreciation

Tangible fixed assets are written off over their estimated useful life, net of estimated disposal proceeds (that may be nothing).

Land:

Land is not depreciated, except for car park land which is depreciated at 10% on cost.

Buildings:

- (a) Depreciation is fully charged on cost; and
- (b) A charge is made to the income and expenditure account at 2% - 5% per annum of such cost.

Furniture, Fittings, Equipment and Vehicles:

Equipment	10% - 20% of cost
Computer equipment	25% of cost
Vehicles	20% of cost
Furniture and fittings	10% of cost

Property, Plant & Equipment : Housing activities

Up to 31.03.18 the total value of certain buildings utilised within the housing function of the Charity were depreciated at 2% per annum. In line with FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018 (8.16), an analysis of these buildings was undertaken in the year ended 31.03.19. The following components were established, and associated annual depreciation rates have been applied since:

Structure	1% of cost
Roof	3.3% of cost
Kitchen / Bathroom / Mechanical Systems / Electrics	5% of cost

SHG Assisted Schemes

The development cost of improvements to the housing property would include the following, as appropriate:

- a) Cost of acquired land and buildings;
- b) Development expenditure;
- c) Interest charged on the mortgage loan raised to finance the scheme; and
- d) Amount equal to the acquisition and development allowances receivable.

These costs are termed "qualifying costs" by Homes England for approved Housing Association grant schemes and are considered for mortgage loans by the relevant lending authorities and are not resourced from the Charity's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retention are included in the accounts for the period, provided that the date of issue or valuation is prior to the period end. Related mortgage advances receivable from the lending authorities are also included.

If certain SHG scheme expenditure does not qualify for Social Housing Grant, it is, nevertheless, capitalised and an equivalent amount is transferred from accumulated surplus to a property equity account.

Interest on the mortgage loan financing a development is capitalised up to the relevant date of interim HAG application. Interest on the residual mortgage loan after this date is charged to a separate revenue account. Relevant interim dates for each scheme are determined by the Department of the Environment in accordance with guidelines set down from time to time.

Housing land and buildings currently comprise 30 units located at Thornley House, Ferens House and the various units at Sherburn Hospital.

2.11 Fixed Assets: Equipment and Vehicles

Equipment and vehicles are capitalised in the Balance Sheet at cost.

2.12 Investment Portfolio

The investment portfolio, comprising listed investments and cash deposits, is stated at mid-market value. Profit / loss on the sale of investments is calculated on the basis of sale proceeds less book value at the point of disposal.

2.13 Investment Properties

The Board of Trustees has separately identified those properties that are held for their investment potential rather than for direct use within the Charity.

In accordance with FRS102 17.16, investment properties are revalued as at the 31 March each year and the aggregate surplus or deficit is transferred to an Investment Revaluation Reserve.

No depreciation is provided in respect of investment properties.

2.14 Pension Costs

The Charity operates a money purchase defined contribution pension scheme. Contributions payable to this scheme are charged to the Income and Expenditure Account in the period to which they relate. These contributions are invested separately from the Charity's assets.

2.15 Grants: Relief in Need

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on its behalf to Organisations and to Individuals, running for one year from 1 April 2023. The full cost of this commitment has been included in the results for the year ended March 2024.

2.16 Trade Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.18 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.20 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

2.21 Stocks

Stock is held at the lower of cost and net realisable value.

Sherburn House Charity
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Notes to the financial statements
for the year ended 31 March 2024
(continued)

2.22 Funds of the Charity

The Charity's funds are designated as either **Endowment funds**, **Restricted funds**, or **Unrestricted funds**, and sub analysed as follows:

Endowment funds

Endowment funds:

General	(Funds held to support the charity's objectives)
Extraordinary repair	(Renovation costs incurred for Beddell House less transfers from other funds)
Educational foundation	(Fund to provide financial assistance to pupils in County Durham for charity 527325)

Revaluation reserves:

Investment properties	(Difference between valuation of owned properties used for investments and cost)
Investment portfolio (Brewin Dolphin)	(Difference between valuation of shares and securities and cost)
Investment portfolio (UBS)	(Difference between valuation of shares and securities and cost)

Restricted funds

MSIF Workforce Grant	(Grants received from Durham County Council to support adult social care providers)
PDIF Falls Technology Funding	(Supporting the Provider Market Project Technology Improvement and Innovation Fund)

Unrestricted funds

Homes England Grants (Designated)	(Received to assist in the renovations of Beddell House, Ferens House & Thornley House)
General	(Unrestricted funds held by the charity)

These largely mirror the Reserves of the unincorporated Charity (217652).

Movements in the funds for the period are analysed in note 17.

The Fund values were established by the £34,534,948 Donation from the unincorporated Charity (217652) on the 01.10.21.

The Endowment fund, and Unrestricted funds have been aligned to their respective asset values by an adjustment between Unrestricted funds and Extraordinary repair fund in the period.

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Notes to the financial statements
for the year ended 31 March 2024
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3 Turnover and Operating Surplus / (Deficit) for the Period

	March 2024			March 2023		
	Turnover	Cost of Sales	Surplus	Turnover	Cost of Sales	Surplus
	£	£	£	£	£	£
Income and expenditure						
Housing accommodation	300,411	(306,680)	(6,269)	295,549	(299,482)	(3,933)
Residential care	2,342,969	(2,116,578)	226,391	2,152,520	(1,876,107)	276,413
<i>Sub-total: Housing activities</i>	<i>2,643,380</i>	<i>(2,423,258)</i>	<i>220,122</i>	<i>2,448,069</i>	<i>(2,175,589)</i>	<i>272,480</i>
Non-housing (shown as Investments)	236,900	(1,201,609)	(964,709)	231,646	(903,558)	(671,912)
Total	2,880,280	(3,624,867)	(744,587)	2,679,715	(3,079,147)	(399,432)
Profit / (Loss) on disposal of fixed assets			15,499			-
Investment income - dividends			905,611			856,682
Investment income - profit on sales of investments			520,296			(158,909)
Other income			18,234			37,782
Interest receivable			-			38
Surplus for the period			715,053			336,161
<i>Unrealised gain on investment property values</i>			-			335,000
<i>Unrealised gain on investment portfolio values (Brewin Dolphin)</i>			1,623,120			(1,222,896)
<i>Unrealised (loss) on investment portfolio values (UBS)</i>			(40,625)			(476,040)
<i>Refurb costs (Esh VAT credit for Beddell House)</i>			-			116,668
Net movement in funds for the period			2,297,548			(911,106)

Rent losses from housing accommodation lettings due to voids were £33,027 (2023: £39,360) and bad debts £853 (2023: nil).

4 Turnover

	March 2024	March 2023
	£	£
Residential charges (Housing activities)	2,643,380	2,448,069
Farm rents (shown as Investments)	140,669	140,749
Wayleaves and other estate income (shown as Investments)	96,231	90,898
Total	2,880,280	2,679,716

5 Cost of Sales

	March 2024				March 2023			
	Housing Accom.	Residential Care	Non Housing	Total	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£	£	£	£	£
Wages	27,915	1,477,311	350,757	1,855,983	27,935	1,239,300	312,288	1,579,523
Agency staff		59,904		59,904		70,573		70,573
Maintenance		17,369		17,369		34,513		34,513
Property management			82,854	82,854			69,193	69,193
Property costs	126,968			126,968	121,658			121,658
Repairs and renewals		82,906		82,906		71,703		71,703
Cleaning		35,102		35,102		28,525		28,525
Fixtures and fittings		4,062		4,062		11,259		11,259
Postage, printing & stationery		1,830	5,362	7,192		1,675	3,848	5,523
CQC registration fee		8,795		8,795		12,090		12,090
Sundries	1,063	28,930	28,254	58,247	1,124	23,923	8,440	33,487
Safety		24,909		24,909		21,188		21,188
Staff training & subsistence	-	6,542	215	6,757	1,560	11,782	1,855	15,197
Professional fees			307,576	307,576			228,448	228,448
Legal fees			24,407	24,407			21,603	21,603
Motor expenses		708		708		2,000		2,000
Computer expenditure		1,218	17,479	18,697		-	18,520	18,520
Residents' food		96,293		96,293		91,182		91,182
Light, heat & water		119,393	42,428	161,821		108,778	42,440	151,218
Telephone		137	22,847	22,984		300	14,145	14,445
Council tax		-		-		3,669		3,669
Payments to livings			-	-			325	325
Insurances		31,222		31,222		29,608		29,608
Audit and accountancy fees			15,600	15,600			13,440	13,440
Management re-charges	49,692	91,896	(141,588)	-	45,048	86,916	(131,964)	-
Depreciation	92,234	28,051	20,718	141,003	94,158	27,123	23,774	145,055
Interest Paid			360,950	360,950			213,453	213,453
Financial and other costs	8,808			8,808	7,999			7,999
Relief in need			63,750	63,750			63,750	63,750
Total	306,680	2,116,578	1,201,609	3,624,867	299,482	1,876,107	903,558	3,079,147

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Notes to the financial statements
for the year ended 31 March 2024
(continued)

Direct Costs Of Running Investments	March 2024	March 2023
	Total £	Total £
Estate Running Costs	249,550	220,231
Investment Portfolio Charges	125,341	99,846
	<u>374,891</u>	<u>320,077</u>

Expenditure on Charitable Activities

	Direct £	Support £	Total £	Direct £	Support £	Total £
Housing	256,988	49,692	306,680	254,434	45,048	299,482
Residential Care	2,024,682	91,896	2,116,578	1,789,191	86,916	1,876,107
Grant Making	63,750		63,750	64,075		64,075
Governance		762,968	762,968		519,406	519,406
	<u>2,345,420</u>	<u>904,556</u>	<u>3,249,976</u>	<u>2,107,700</u>	<u>651,370</u>	<u>2,759,070</u>
Total charitable activities expenditure		<u>3,624,867</u>			<u>3,079,147</u>	

Analysis of Support and Governance

	Finance Costs £	Staff Costs £	Other Costs £	Total Costs £	Finance Costs £	Staff Costs £	Other Costs £	Total Costs £
Housing			49,692	49,692			45,048	45,048
Residential Care			91,896	91,896			86,916	86,916
Governance	360,950	103,077	298,941	762,968	213,453	90,841	215,112	519,406
	<u>360,950</u>	<u>103,077</u>	<u>440,529</u>	<u>904,556</u>	<u>213,453</u>	<u>90,841</u>	<u>347,076</u>	<u>651,370</u>

Governance Costs

	Total £	Total £
Audit	15,600	13,440
Legal	24,407	21,603
Staff Costs	103,077	90,841
Overhead allocation	<u>619,884</u>	<u>393,522</u>
	<u>762,968</u>	<u>519,406</u>

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Notes to the financial statements
for the year ended 31 March 2024
(continued)

6	Income and Expenditure Account: Housing Accommodation	March 2024	March 2023
		£	£
	Income		
	Residents' fees	144,180	138,400
	Accommodation charges	156,231	157,149
		<u>300,411</u>	<u>295,549</u>
	Expenditure		
	Wages	27,915	27,935
	Property costs	126,968	121,658
	General costs	1,064	2,684
	Financial & other costs	8,808	7,999
	Management charge	49,692	45,048
		<u>214,447</u>	<u>205,324</u>
	Depreciation	92,234	94,158
		<u>306,681</u>	<u>299,482</u>
	Deficit for the year	(6,270)	(3,933)
7	Employee Information	March 2024	March 2023
		No.	No.
	The average weekly number of persons employed (excluding the Trustees) during the period was	<u>55</u>	<u>45</u>
		£	£
	Salaries and wages	1,588,736	1,357,532
	Social security costs	139,102	116,870
	Pension costs	111,004	89,557
	Other benefits	17,142	15,564
		<u>1,855,984</u>	<u>1,579,523</u>
	The number of employees who earned more than £60,000 during the period to 31 March 2023	March 2024	March 2023
		No.	No.
	£110,001 to £120,000	1	
	£100,001 to £110,000		1
	£60,001 to £70,000	1	
	Key Management Personnel	March 2024	March 2023
		£	£
	Total compensation paid to Key Management Personnel during the period:		
	Gross Pay	261,685	243,594
	Employers Pension Costs	20,827	19,487
		<u>282,512</u>	<u>263,081</u>

Sherburn House Charity
Section 9
Notes to the financial statements
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(continued)

Payments to Trustees and Officers

No fees, remuneration or expenses were paid to anyone who was on the Board of Trustees apart from travelling expenses which are paid to certain Trustees for attendance at Trustees meetings, this amounted to £nil in the period.

Pension Costs

The Charity operates a money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £111,004 (2023: £89,557).

	March 2024	March 2023
	£	£
Pension costs outstanding at 31 March	15,655	13,989

8	Investment and Other Income	March 2024	March 2023
		£	£
	Royalties	40,000	40,000
	Rent from farm rents, investment properties and wayleaves	268,100	261,646
	Dividends and interest received	834,411	786,720
	Other Income	18,234	37,782
		1,160,745	1,126,148

9	Surplus on Ordinary Activities	March 2024	March 2023
	The surplus on ordinary activities is stated after charging / (crediting):	£	£
	Depreciation - tangible fixed assets	141,003	145,055
	Auditor's remuneration - in their capacity as auditors	13,000	10,000
	Relief in need - grants to individuals	63,750	63,750

10 Taxation

Sherburn House Charity is a registered charity and is, therefore, exempt from liability to taxation on its income and capital gains.

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Notes to the financial statements
for the year ended 31 March 2024
(continued)

11 Tangible Fixed Assets

	SHG Assisted Buildings	Land	Buildings	Equipment	Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2023	654,570	363,048	4,141,008	270,132	61,862	5,490,620
Additions	-	-	-	-	-	-
Disposals	-	-	(1,676)	(39,373)	(28,326)	(69,375)
At 31 March 2024	654,570	363,048	4,139,332	230,759	33,536	5,421,245
Depreciation						
At 1 April 2023	654,570	53,334	1,031,907	237,790	59,075	2,036,676
Charge for period	-	3,401	122,501	13,246	1,855	141,003
Disposals	-	-	(1,676)	(39,372)	(28,325)	(69,373)
At 31 March 2024	654,570	56,735	1,152,732	211,664	32,605	2,108,306
Net book value						
At 31 March 2024	-	306,313	2,986,600	19,095	931	3,312,939
At 1 April 2023	-	309,714	3,109,101	32,342	2,787	3,453,944

Tangible Fixed Assets: Net Book Value analysed by activity	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£
Land	75,000	50,000	181,313	306,313
Buildings	2,393,195	327,476	265,929	2,986,600
Equipment	-	19,095	-	19,095
Vehicles	-	-	931	931
Total	2,468,195	396,571	448,173	3,312,939

The net book value of:

Land contains £300,000 (2023: £300,000) which represents the value of land that is not depreciated; and
Buildings contains £2,393,195 (2023: £2,485,429) attributable to housing activities.

There is no record of the historical cost of the land and buildings held at deemed cost due to the length of ownership.

The freehold land and buildings were valued by Taylors, Chartered Surveyors, in October 1996 on an existing use basis.

The Charity has adopted the transitional rules of Financial Reporting Standard Number 15 and hence, the valuation will not be updated in future years having adopted the value as deemed historic cost.

Capital Commitments

The Board of Trustees had authorised a capital expenditure budget of £294,500 for the year 2024/25.

12 Investment Properties

	March 2024	March 2023
	£	£
Valuation as at 1 April	8,300,000	7,965,000
Additions	-	-
Disposals	-	-
Revaluation	-	335,000
Valuation as at 31 March	8,300,000	8,300,000

Sherburn House Charity
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Notes to the financial statements
for the year ended 31 March 2024
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13	Investment Portfolio: Brewin Dolphin	Market Value					Market Value	Profit /
		as at					as at	(Loss)
		01 April 23	Additions	Disposals	Transfers	Revaluation	31 March 24	on sale
		£	£	£	£	£	£	£
	General capital fund	13,983,068	1,444,365	(1,477,539)	-	1,469,965	15,419,859	13,770
	General accumulated income fund	1,503,407	88,001	(89,527)	-	149,562	1,651,444	(1,278)
	Educational foundation fund	53,522		(97)	-	3,593	57,018	-
(i)	Total investment portfolio	15,539,998	1,532,366	(1,567,163)	-	1,623,120	17,128,321	12,492

Value of investments

Listed	14,807,938						17,048,188	
Cash / Unlisted	732,059						80,133	
Total	15,539,998						17,128,321	

Historical cost of investments

	12,591,195						12,967,066	
Revaluation	2,948,803						4,161,254	
Total	15,539,998						17,128,321	

Investment Portfolio / Call Loan: UBS

Investment Portfolio / Call Loan: UBS		Market Value					Market Value	Profit /
		as at					as at	(Loss)
		01 April 23	Additions	Disposals	Transfers	Revaluation	31 March 24	on sale
		£	£	£	£	£	£	£
(ii)	Investment portfolio	11,683,521	3,485,038	(2,605,126)	(439,972)	(40,625)	12,082,836	507,804
(iii)	Call Loan	(6,374,456)	(360,950)	600,000	439,972	-	(5,695,434)	
	Net Facility	5,309,066	3,124,088	(2,005,126)	-	(40,625)	6,387,402	507,804

Value of investments

Listed	11,032,203						11,758,154	
Cash / Unlisted	651,319						324,682	
Total	11,683,521						12,082,836	

Historical cost of investments

	11,535,902						11,427,945	
Revaluation	147,619						654,891	
Total	11,683,521						12,082,836	

Total Investments at Market Value

No investment is greater than 5% of the total portfolio value

14 Stocks & Debtors	March 2024		March 2023	
	£		£	
(i) Stock (spares held for maintenance)	5,957		6,199	

Trade Debtors	57,682	47,350
Prepayments and accrued income	24,851	54,256
Other Debtors	83,205	80,226
(ii) Debtors	165,738	181,832

15	Creditors: amounts falling due within one year	March 2024	March 2023
		£	£
	UBS Call Loan	5,695,433	6,374,455
	Trade creditors	44,913	44,624
	Other creditors	764	764
	Rents in advance	233,582	212,737
	Accruals and deferred income	286,908	178,965
	Taxation and social security	31,863	29,404
	Wages creditor	15,750	14,103
		6,309,213	6,855,052

16 Social Housing Grant Assisted Scheme - Housing Buildings

SHG is now released to income on receipt as required under the Charities SORP. This note is just a memo to show amounts received to date.

Grant as at 1 April 2023
As at 31 March 2024

March 2024		
Housing Buildings	Homes England	Total
£	£	£
654,570	728,000	1,382,570
654,570	728,000	1,382,570

17 Reconciliation of movements in Funds

	Balance as at 01 Apr 23	Reclassification of Income Fund as Reserve	Surplus / (Deficit) for year	Profit / (Loss) on sale of investments	Release of Revaluation Reserve	Profit on sale of property/assets	Royalties Received	Revaluation / Addition	Extraordinary repair endowment fund	Balance as at 31 Mar 24
	£	£	£	£	£	£	£	£	£	£
(a) Endowment funds:										
General	25,184,720	(1,651,444)		520,296	(137,228)	15,499	40,000			23,971,842
Extraordinary repair (incl refurb)	(4,539,032)								182,000	(4,357,032)
Educational foundation	40,300			-						40,300
Total Endowment funds	20,685,988	(1,651,444)	-	520,296	(137,228)	15,499	40,000	-	182,000	19,655,111
(b) Revaluation reserves:										
Investment properties	8,264,477							-		8,264,477
Investment portfolio (Brewin Dolphin)	2,948,802				(410,668)			1,623,120		4,161,254
Investment portfolio (UBS)	147,620				547,896			(40,625)		654,891
Total revaluation reserves	11,360,899	-	-	-	137,228	-	-	1,582,495	-	13,080,622
(c) Restricted funds:										
MSIF / Technology fund				-						-
Total Homes & Communities Agency Grant	-	-	-	-	-	-	-	-	-	-
(d) Unrestricted funds:										
General	(253,523)	1,651,444	484,432	(520,296)	-	(15,499)	(40,000)		(182,000)	1,124,558
Housing accommodation	-		(6,269)							(6,269)
Residential care	-		236,890							236,890
Housing activities	-	-	230,621	-	-	-	-	-	-	230,621
Homes England Grants (Designated)	1,382,570									1,382,570
Total Unrestricted funds	1,129,047	1,651,444	715,053	(520,296)	-	(15,499)	(40,000)	-	(182,000)	2,737,749
Balance at 31 March 2023	33,175,934	-	715,053	-	-	-	-	1,582,495	-	35,473,482

(a) Endowment funds										
	General	Extraordinary repairs	Educational foundation							Total
	£	£	£							£
Balance at 1 April 2023	25,184,720	(4,539,032)	40,300							20,685,988
Reclassification of Income Fund as Reserve	(1,651,444)	-	-							(1,651,444)
Transfers from unrestricted funds:										
Royalties received	40,000									40,000
Refurb costs (Esh VAT credit)		-								-
Profit on sale of investments	520,296		-							520,296
Release from revaluation reserve	(137,228)		-							(137,228)
Profit on sale of property/assets	15,499									15,499
Extraordinary repairs funding		182,000								182,000
Balance at 31 March 2024	23,971,842	(4,357,032)	40,300							19,655,111

(b) Investment revaluation reserve										
	Properties	Portfolio								Total
	£	£								£
Balance at 1 April 2023	8,264,477	3,096,422								11,360,899
Unrealised (deficit) / surplus	-	1,582,495								1,582,495
Realisation of revaluation reserve	-	137,228								137,228
Balance at 31 March 2024	8,264,477	4,816,145								13,080,622

(c) Restricted reserves:										
	MSIF Workforce	Technology Funding								Total
	£	£								£
Balance at 1 April 2023	-									-
Income	12,696	1,426								14,122
Expenditure	(12,696)	(1,426)								(14,122)
Balance at 31 March 2024	-	-								-

(d) Unrestricted funds										
	Unrestricted funds	Housing activities								Total
	£	£								£
Balance at 1 April 2023	1,129,047	-								1,129,047
Reclassification of Income Fund as Reserve	1,651,444									1,651,444
Net surplus for the year	484,432	230,621								715,053
Intra revenue reserve transfer	230,621	(230,621)								-
Transfers to capital funds:										
Royalties received	(40,000)									(40,000)
Profit on sale of investments	(520,296)									(520,296)
Profit on sale of property/assets	(15,499)									(15,499)
Extraordinary repairs funding	(182,000)									(182,000)
Balance at 31 March 2024	2,737,749	-								2,737,749

A description of the nature of each fund is contained in note 2.22

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2024
(continued)

19 Related Parties

During the year the minibus owned by the Charity was sold to Mr Jeffery Paul Breen, a Trustee of the Charity for £10,500. The net book value of the asset was £1, and the sale value was in line with its market value.

20 Control

The Charity is under the control of its Board of Trustees.

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	March 2024	March 2023
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,282,049	(911,106)
Adjustments for:		
Depreciation	141,003	145,055
Losses / (Gains) on investments (sale of shares)	79,704	383,909
(Losses) / Gains on investments (property revaluation)	-	(335,000)
Gains /(losses) on investments (Brewin Dolphin)	(1,623,120)	1,222,895
Losses on investments (UBS)	40,625	476,040
Dividends, interest and rents from investments	(1,160,742)	(1,357,796)
Decrease / (Increase) in stocks	242	(6,199)
(Increase) / Decrease in debtors	16,094	(15,550)
Increase in creditors	133,183	41,129
Net cash provided by (used in) operating activities	(90,963)	(356,624)

22 Net debt

	At 1 Apr 2023	Cash flows	March 2024
Cash and cash equivalents			
Cash	865,492	(78,588)	786,904
	865,492	(78,588)	786,904
Borrowings			
Short term borrowings (UBS Call Loan)	(6,374,455)	679,022	(5,695,433)
	(6,374,455)	679,022	(5,695,433)
Net debt	(5,508,963)	600,434	(4,908,529)

Short term borrowings shown above are included for statutory disclosure purposes, however the borrowing is linked to the fixed asset investments and the "Net Debt" presented above would be more than offset by the value of the UBS investments (note 13)

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2024
(continued)

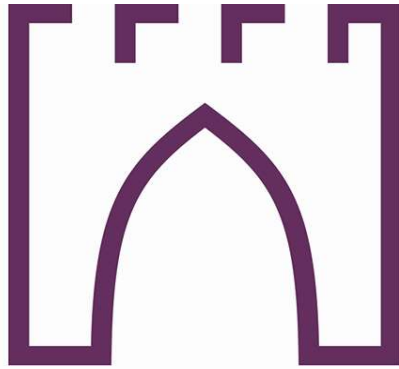
22 Analysis of movements in funds

		Unrestricted	Investment Endowment	Revaluation	Restricted	
	Notes	Funds	Funds	Reserves	Reserves	Total
Balance at 01 April 2023		1,129,047	20,685,988	11,360,899	-	33,175,934
Surplus for the year		715,053				715,053
Reclassification of Brewin Dolphin; General accumulated income fund		1,651,444	(1,651,444)			-
Transfers to Endowment Funds in respect of Royalties received	17	(40,000)	40,000			-
Transfers to Endowment Funds in respect of Profit on sale of investments	17	(520,297)	520,296			(1)
Transfers to capital reserves in respect of Profit on sale of assets / property	17	(15,499)	15,499			-
Transfer from revaluation reserve Profit on sale of Shares prior year profit	17	-	(137,228)	137,228		-
Transfers to Endowment Funds in respect of Extraordinary repairs funding	17	(182,000)	182,000			-
Unrealised gain on investment property values	17				-	-
Unrealised gain on investment portfolio values (Brewin Dolphin)	17			1,623,120		1,623,120
Unrealised (loss) on investment portfolio values (UBS)	17			(40,625)		(40,625)
Balance at 31 Mar 2024		2,737,749	19,655,111	13,080,622	-	35,473,482

SHERBURN HOUSE CHARITY

England & Wales - Charity number 1177535

Accounts



Sherburn House

Charity

Registered Charity Number: 1177535
Homes England Registration Number: A3494
Companies House Registration number: 11196374

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Sherburn House Charity

Section 1

Reference and Administrative Details

Principal Office

Ramsey House
Sherburn Hospital
Durham
DH1 2SE

Registered Office

Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Legal Status

Registered with the Charities Commission
Reg. No. 1177535

Registered with Companies House
Reg. No. 11196374

Registered as a Social Landlord with
Homes England
Reg. No. A3494

BOARD OF TRUSTEES

Mr Joseph Wilkinson (Chair from 01.09.20)
Mr Jeffery Paul Breen - Appointed 03.09.19
Mrs Hayley Quinn - Appointed 01.09.20
Mrs Gillian Elizabeth Marshall - Appointed 08.12.20
Mr George Adair - Appointed 11.05.21
Mrs Laura Devaney - Appointed 07.02.23

Nominated by

Co-opted
Co-opted
Co-opted
Co-opted
Co-opted
Co-opted

KEY MANAGEMENT PERSONNEL**Chief Executive**

Ms Pauline Bishop

Accountant

Mr Peter Pybus

Registered Manager

Mrs Tanya Porthouse

Housing & Maintenance Officer

Ms Josephine Marsden

ADVISORS**Auditor - External**

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Investment Manager

RBC Brewin Dolphin Ltd.
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Bankers

Lloyds Bank
19 Market Place
Durham
DH1 3NL

Solicitor

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Manager / Banker

UBS Wealth Management
2 St James' Gate
Newcastle upon Tyne
NE4 7JH

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

The Charity is a registered Charity under the Charities Act 2011 and is regulated by its Articles of Association. The Charity is also registered with Homes England as a Social Landlord under Section 1(2) of the Housing and Regeneration Act 2008. This status is further clarified in note 1 to the financial statements.

At the quarterly Board meetings, the Trustees agree the broad strategy and areas of activity for the company, including sheltered housing and residential care for older people, estate and property matters, personnel policies, grant making, finance, investment, reserves, risk management policies and health and safety.

Recruitment and appointment of trustees

Prior to any recruitment, the Chairman undertakes a skills gap analysis in order to find individuals with the skills and knowledge required to support the charity in its current work.

Applications to become a Trustee are welcomed from any individual who meets the recruitment criteria and can empathise with the objectives of Sherburn House Charity.

Applicants are given details of the history of the charity and the work we currently undertake, and they are supported to understand the governance requirements and what is expected of them in their role as a Trustee. Candidates meet with the Chief Executive initially to discuss the work of the charity and to discuss the requirements of the vacancy, if they decide to proceed to apply, they are interviewed by the Chair, who then makes a recommendation for the appointment to the board. Potential Trustees are invited to observe the next board meeting and are appointed at the end of the meeting if they still wish to proceed, and the trustees are happy with the proposal to appoint them. Trustees are appointed for a period of three years, with an option to extend by up to three more years. After a 6-year continuous term, a compulsory one-year break may be followed by a final three years.

Induction and training of trustees

Potential Trustees undertake a full induction and references, and DBS checks are taken up prior to their appointment. New Trustees receive a copy of the "Essential Trustee" and all Governance policies and procedures. All Trustees operate in a voluntary capacity and receive no benefits from the Charity. All expenses re-claimed from the charity are set out in the financial statements.

Remuneration Policy

Sherburn House Charity is committed to ensuring a proper balance between paying our staff fairly so that we attract and retain the best people for the job and careful management of our charity funds. In so doing we will ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries.

Sherburn House Charity will seek advice on remuneration from various sources, for comparable examples of posts within the care sector.

Sherburn House Charity commits to maintaining an open and honest policy on remuneration to assure its stakeholders and service users of the financial priorities of the charity.

A report on the actual remuneration and expenses received by the Chief Executive and Senior Management Team are prepared annually as part of the statutory accounts. Information is contained in Note 7 Employee Information.

In accordance with the Charity Commission's Statement on Recommended Practice 2019 (SORP) and guidance contained within the National Council for Voluntary Organisations' 'Report of the Inquiry into Charity Senior Executive Pay', Sherburn House Charity will include or disclose the following in its Annual Report and Accounts:

- a statement that summarises this remuneration policy
- any payments made to trustees
- the number of staff receiving more than £60,000 salary, in bands of £10,000
- a summary of pensions and other benefits receivable by staff
- any 'cost of living' changes to the payroll for all staff along with a brief justification of any such changes

Board of Trustees' Meetings

The Board of Trustees meet quarterly and at the meeting scheduled for 12 September 2023 the Trustees will be invited to:

- (a) Consider the Annual Trustees' Report (comprising the Board of Trustees' Report and Operating and Financial Review) for the year ended 31 March 2023; and
- (b) Approve the Statement of Trustees on internal financial controls (page 6) and the financial statements (page 11 onwards).

Sherburn House Charity
Section 2

Board of Trustees' report and operating and financial review
(continued)

Control

The Board of Trustees retains responsibility for a defined range of areas covering strategic, operational and financial elements.

The Board of Trustees has put in place an organisational structure which clearly defines lines of responsibility and delegations of authority. These are found in the Charity's financial regulations, standing orders, treasury management and risk management arrangements.

Information Reporting Systems

Financial reporting systems include regular reviews of an overall financial business plan, preparation of detailed annual budgets and the production of detailed monthly management accounts. These are prepared by the Executive Team and are considered and approved by the Board of Trustees.

Monitoring

A process of regular management monitoring on control issues provides assurance to senior managers and to the Board of Trustees. This includes a rigorous process for ensuring that corrective action is taken in relation to any significant control issues.

Risk Management

The Charity has a comprehensive risk management strategy which identifies risk management responsibilities. Risk management arrangements identify risks facing the Charity, the actions in place to mitigate these risks, the officers responsible for each risk and the monitoring arrangements.

The Board of Trustees has examined the major strategic and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and activities

Our Strategic goals are split into our 3 main activities:

Grants	1. Provide small grants to people in financial need	•We will maximise grant impact by sourcing match funding from grant managers •Review Bi-annual reports to monitor impact & regional spread of funds
Care	2. Provide high quality, responsive & innovative care services to older people	•We will improve operational efficiencies within the care home by ensuring we have the right people with the skills required to maximise health & wellbeing outcomes for residents. •New models of care will be explored through partnerships and increased use of technology
Housing & Estates	3. Provide high quality housing options for beneficiaries.	•We will ensure all planned and unplanned repairs are timely and are of a high standard •Customer Satisfaction Survey /& quarterly residents meetings •We will identify opportunities for new housing solutions for people aged 55+.

Principal Activities

The principal activities of the Charity are:

- (a) Provision of sheltered accommodation and residential care for older people; and
- (b) Making of grants under the head of relief in need, within the beneficial area of the Charity.

Charitable Objectives

Our Mission is: To provide relief in need to people living in the beneficial area through the provision of care, housing and grant funding.

Our Vision is: To improve the quality of life for all vulnerable people.

Our Core Values of: Integrity, quality, care, dignity and respect, will influence the work we do and our attitudes to each other.

Public Benefit

The Charity provides residential care and sheltered housing for older people with care needs, without discrimination. Those unable to pay the fees in full are part-funded by local authorities following a process of assessment determined by government regulations.

The Charity awards grants under the heading of Relief In Need:

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on it's behalf to Organisations and to Individuals, running for one year from 1 April 2022.

Board of Trustees' report and operating and financial review

(continued)

Achievements and Performance

Chair's Report

The accounting period is our first operating under the new charitable Company status. Thankfully, despite the complexities of the transfer to the new company it has remained business as usual at an operational level. I am ever grateful for the support and loyalty of my fellow Trustees, now also known as Directors of the Charity, who give up their own time to provide strategic guidance and support to the charity as it continues its journey of continuous improvement and modernisation. This year we welcome new trustee, Laura Devaney, the board. Laura's skills and experience compliment those of our current board members and we all look forward to working with her in the future.

Our 2019-23 Five Year Plan has come to a successful conclusion this year. The timescale covers a major governance restructure and significant refurbishment and improvements to current properties and our goals and aspirations have been incorporated into our plan for next five year period. Thanks to everyone who plays a part in this great organisation.

Chief Executive's Report March 2023

There was a good all round performance for the charity during the final year of the five year plan. The significant investment in improving the housing and residential service has paid off as both have operated at full capacity during the reporting period.

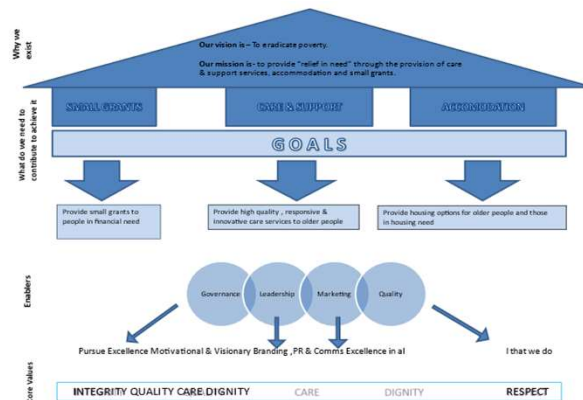
During the year April 2022 - March 2023, over 600 individuals benefitted from Sherburn House Charity Relief in Need grants, currently managed for us by County Durham Community Foundation. 20% of the grants supported people with mental health issues, and just under 10% supported victims of crime or abuse. Health issues (including serious illness), domestic violence and poverty were the main issues affecting applicants. 40% of the primary beneficiaries of such grants were children and young people.

As always, the staff team worked extremely hard to make this a successful year, not only in financial terms, but also in regards to the improvements to our systems and processes, all of which were well tested by the different regulators and external auditors. A "Good" CQC inspection report was well received, the team have done terrifically well across the board.

Plans for the Future

The new Five Year Plan has been adopted by the Trustees for the 2023-28 period.

We have consolidated the strategic aims into three main strands and the objectives for the year ahead are incorporated into the table below.



Grants	1. Provide small grants to people in financial need	•We will maximise grant impact by sourcing match funding from grant managers •Review Bi-annual reports to monitor impact & regional spread of funds
Care	2. Provide high quality, responsive & innovative care services to older people	•We will improve operational efficiencies within the care home by ensuring we have the right people with the skills required to maximise health & wellbeing outcomes for residents. •New models of care will be explored through partnerships and increased use of technology
Housing & Estates	3. Provide high quality housing options for beneficiaries.	•We will ensure all planned and unplanned repairs are timely and are of a high standard •Customer Satisfaction Survey /& quarterly residents meetings •We will identify opportunities for new housing solutions for people aged 55+.

In addition to the operational objectives, the trustees will review the governing document to ensure the charitable aims remain relevant for our beneficiaries. The trustees and I are excited to explore opportunities for further growth and development to ensure the charity works to its full potential.

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

(continued)

Operating Review

Performance in the Period

A summary of the main results is shown in the Table below.

	Notes	Housing activities £	Non Housing £	Total £	Prior Period Total £
Turnover	3	2,564,737	1,126,148	3,690,885	1,512,183
Operating costs	3	(2,175,589)	(903,558)	(3,079,147)	(1,496,024)
Operating surplus		389,148	222,590	611,738	16,159
Profit / (Loss) on sale of investments:					
Accumulated income fund investments	3 / 13		(7,264)	(7,264)	-
Capital fund investments (Brewin Dolphin)	3 / 13		(130,311)	(130,311)	5
Capital fund investments (UBS)	3 / 13		(21,334)	(21,334)	174,446
Surplus for the period		389,148	63,681	452,829	190,610
<i>Donation from linked charity</i>	1.2			-	34,534,948
<i>Unrealised gain on investment property values</i>	12			335,000	(26,000)
<i>Unrealised (loss) on investment portfolio values (Brewin Dolphin)</i>	13			(1,222,895)	(462,722)
<i>Unrealised (loss) on investment portfolio values (UBS)</i>	13			(476,040)	(149,796)
<i>Net movement in funds for the period</i>				<u>(911,106)</u>	<u>34,087,040</u>

The overall surplus for the period of £452,829, contained a deficit on the housing (sheltered accommodation) of -£3,933 (2022: deficit -£32,687).

Financial Review

The principal accounting policies are set out on pages 14 to 19 of the financial statements. These have been approved by the Board of Trustees.

Unrestricted funds Policy

The Unrestricted funds are to be used for the Charity's general charitable purposes. A reserve of £500,000 has been agreed as being an appropriate level, which equates to approximately three months of expenditure. The level of these funds will be reviewed each year as part of the budgeting process.

Unrestricted funds at 31 March 2023 totalled £1,129,047, which included designated funds of £1,382,570 relating to Homes England Grants. The Charity aims to build back its General undesignated funds to a value of £500,000, with any funds in excess of this utilised to support the operating and development activities of the Charity. Unrestricted funds increased in the year by £103,070

A transfer of £350,000 from the Charity's Unrestricted funds to its Extraordinary repair fund has been made, largely reflecting the positive contribution made by the Care Home in the year, following the major refurbishment of Beddell House.

Investment Policy

In accordance with the regulatory scheme, the Board of Trustees has the power to invest in such stocks, shares, investments and property, as they see fit. The Board of Trustees has engaged Brewin RBS Dolphin Limited and UBS Wealth Management as Investment Managers to manage the investment portfolios on a discretionary basis within certain parameters for asset classes.

The Board of Trustees reviewed the Charity's investment principles in February 2009, and this was also reviewed again in 2019-20.

Similarly, the Board of Trustees engaged GSC Gray's, Chartered Surveyors, to manage the investment properties and the investment properties were subject to their independent property valuation as at March 2023.

Fixed Assets

Tangible Fixed Assets owned by the Charity were subject to an independent property valuation as at 31 March 1996.

Statement of Board of Trustees on internal financial controls

Statement of Board of Trustees on internal financial controls

The Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks by the Charity is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the report and financial statements.

Key elements of the control framework and sources of assurance include:

- * Clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- * Internal audit reports;
- * Risk management reports;
- * Performance reports;
- * External audit reports;
- * Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- * Formal recruitment, retention, training and development policies for all staff;
- * Established authorisation and appraisal procedures for significant new initiatives and commitments;
- * Regular reporting to the appropriate committee on key business objectives, targets and outcomes; and
- * Board of Trustees' approved whistle-blowing and anti-fraud policies covering prevention, detection and reporting, together with recoverability of assets.

There were no attempted or actual frauds during the year that required reporting to the Homes England.

The Board of Trustees cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Executive Team to regularly report on the effectiveness of the system of internal control.

Key policies and procedures have been established and are designed to provide effective internal control.

These key areas cover control, information reporting systems, monitoring and risk management.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Use of Volunteers

The charity has not used volunteers during the period

Sherburn House Charity

Section 4

Statement of Board of Trustees' responsibilities

The Board of Trustees is responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Current legislation requires the Board of Trustees to arrange for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and surplus or deficit for the year.

In preparing those financial statements, the Board of Trustees is required to:

- (a) Select suitable accounting policies and apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue operating; and
- (d) Follow applicable United Kingdom Accounting Standards FRS 102, and the Charities SORP (FRS102): subject to any material departures disclosed and explained in the financial statements.

The Board of Trustees is responsible for making the appropriate arrangements for keeping accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011, adapted to include disclosures required by the Housing and Regeneration Act 2008, FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing-2019.

The Board of Trustees is responsible for taking such steps as are reasonably open to it to safeguard the assets of the Charity and to prevent and detect fraud and breaches of the law and regulations.

The Board of Trustees is responsible for ensuring that the report of the Board of Trustees is prepared in accordance with FRS 102 and adapted to include disclosures required by the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2019.

The Board of Trustees is also responsible for the maintenance and integrity of the corporate and financial information on the Charity's website.

Provision of information to Auditors

So far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that he / she ought to have taken, as a Trustee, in order to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 12 September 2023 and signed on its behalf.



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion

We have audited the financial statements of Sherburn House Charity (the "charity") for the period ended 31 March 2023³ which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice), adapted to include additional disclosures required by the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 auditor's report thereon. The board is responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion 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 Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements: and
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities (set out on page 7), the trustees 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 charity'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

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

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Reviewing the published Care Quality Commission reports;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; compliance with Care Quality Commission; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Use of Our Report

This report is made solely to the charitable companies trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 13/9/2023

Azets Audit Services is a trading name of Azets Audit Services Limited

Sherburn House Charity
Section 6
Statement of financial activities
for the year ended 31 March 2023

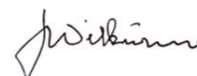
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior Period Total Funds
		£	£	£	£	£
Income from:						
Donation from linked Charity	1.1/1.2	-	-	-	-	34,534,948
Charitable Activities	3/4	2,325,787	122,282	116,668	2,564,737	1,100,568
Investments	4/8	1,086,148		40,000	1,126,148	411,615
Total		3,411,935	122,282	156,668	3,690,885	36,047,131
Expenditure on:						
Charitable activities	3/5	(2,053,307)	(122,282)	-	(2,175,589)	(1,045,580)
Other	3	(903,558)		-	(903,558)	(450,444)
Total		(2,956,865)	(122,282)	-	(3,079,147)	(1,496,024)
Surplus before losses on investments		455,070	-	156,668	611,738	34,551,107
Net (losses) on investments	12/13	-	-	(1,522,844)	(1,522,844)	(464,067)
Net income/(expenditure)		455,070	-	(1,366,176)	(911,106)	34,087,040
Transfers between funds	17	(352,000)	-	352,000	-	-
Other recognised gains/(losses):						
Other gains/(losses)		-	-	-	-	-
Net Movement in funds:		103,070	-	(1,014,176)	(911,106)	34,087,040
Reconciliation of funds:						
Total funds brought forward		1,025,977	-	33,061,063	34,087,040	-
Total funds carried forward		1,129,047	-	32,046,887	33,175,934	34,087,040

Continuing Operations

The results for the period relate wholly to continuing operations.
None of the Charity's activities were either acquired or discontinued during the financial years.

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 12 September 2023 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Sherburn House Charity
Section 7
Balance Sheet
as at 31 March 2023

	Notes	March 2023	March 2022
		£	
Fixed assets:			
Tangible assets	11	3,453,944	3,508,504
Investment properties	12	8,300,000	7,965,000
Investment portfolios	13(i), (ii)	27,223,519	29,126,539
<i>Total fixed assets</i>		<u>38,977,463</u>	<u>40,600,043</u>
Current assets:			
Stocks	14(i)	6,199	-
Debtors	14(ii)	181,832	166,282
Cash at bank and in hand		865,492	571,163
<i>Total current assets</i>		<u>1,053,523</u>	<u>737,445</u>
Liabilities:			
Creditors: amounts falling due within one year			
UBS Call Loan	15 / 13(iii)	(6,374,455)	(6,810,980)
Other Creditors & Accruals	15	(480,597)	(439,468)
		<u>(6,855,052)</u>	<u>(7,250,448)</u>
<i>Net current liabilities</i>		<u>(5,801,529)</u>	<u>(6,513,003)</u>
<i>Total Assets less current liabilities</i>		<u>33,175,934</u>	<u>34,087,040</u>
Total net assets		<u>33,175,934</u>	<u>34,087,040</u>
The funds of the Charity:			
Endowment funds	17	20,685,988	19,690,211
Investment revaluation reserve	17	11,360,899	13,370,852
<i>Total endowment funds</i>		<u>32,046,887</u>	<u>33,061,063</u>
Restricted funds	16a / 17	-	-
Unrestricted funds	16a / 17	1,129,047	1,025,977
<i>Total unrestricted funds</i>		<u>1,129,047</u>	<u>1,025,977</u>
Total charity funds		<u>33,175,934</u>	<u>34,087,040</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 12 September 2023 and signed on its behalf by:



Mr Joseph Wilkinson: Trustee



Mr Jeffery Paul Breen: Trustee

Companies House Reg. No. 11196374

Sherburn House Charity
Section 8
Statement of Cash Flows
for the year ended 31 March 2023

	<u>Notes</u>	<u>March 2023</u>	<u>March 2022</u>
		£	£
Cashflow from operating activities			
Net cash generated from operating activities	21	(356,624)	34,381,831
Cashflow from investing activities			
Dividends, interest and rents from investments		1,357,795	510,277
Purchase of tangible fixed assets	11	(90,495)	-
Purchase of tangible fixed assets (Donation)		-	(3,576,318)
Proceeds from the sale of tangible fixed assets		-	-
Cash transferred to investment portfolios	13	-	-
Purchase of investments	13	(4,445,028)	(1,833,454)
Purchase of investments (Donation)		-	(29,622,581)
Purchase of investments land (Donation)		-	(7,991,000)
Proceeds from sale of investments		4,265,205	1,891,427
Net cash generated from investing activities		1,087,477	(40,621,649)
Cashflow from financing activities			
Loans drawn from / (repaid to) UBS loan		(225,000)	-
Loans drawn from UBS loan (Donation)		-	6,935,271
Interest charges on UBS loan		213,454	45,357
Dividends received applied to UBS loan		(424,978)	(169,648)
Net cash generated from financing activities		(436,524)	6,810,980
Net change in cash and cash equivalents		294,329	571,163
Cash and cash equivalents at beginning of the year		571,163	-
Cash and cash equivalents at the end of the year		865,492	571,163

The notes on pages 14 to 28 form an integral part of these financial statements.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023

1.1 Status of Charity

Sherburn House Charity is a company limited by guarantee which was incorporated on 08.02.18, company number 11196374, and is registered with the Charity Commission, number 1177535.

On 01.10.21 all the activities and commitments of the unincorporated charity (Sherburn House Charity 217652) were transferred to the incorporated Charity, along with its assets and liabilities at their balance sheet values.

The incorporated Charity is the reporting charity for the Unincorporated charity (217652) to which it is linked.

1.2 Donation from Unincorporated Charity (217652)

The total net assets transferred on 01.10.21 from the unincorporated Charity (217652) amounted to £34,534,948, which was comprised of £33,288,948 Endowment funds, and £1,246,000 Unrestricted funds.

2 Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011 and are adapted to include disclosures required by the accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2019.

2.2 Basis of Preparation

The Charity remains registered with Homes England as a social landlord under the Housing and Regeneration Act 2008, as a small part of its activities are housing activities as defined in that Act.

As most of the activities of the Charity are not housing activities, the Charity has applied the Charities SORP (FRS102) in preparing its accounts, with some amendments to include additional requirements for Homes England.

The application of the Charities SORP (FRS102) is also required by the Charity Commission direction dated 08.12.21.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain Tangible Fixed Assets, Investment Properties and the Investment Portfolio. The financial statements are prepared in accordance with applicable accounting standards.

The financial statements include the income and expenditure and assets and liabilities of its associated charity, The Sherburn House Educational Foundation (Registered No. 527325).

The Charity is a Public Benefit Entity ("PBE") as defined in FRS 102.

These financial statements are prepared in sterling which is the functional currency of the entity.

The trustees have prepared budgets and forecasts which give them adequate comfort that the charity is a going concern. Therefore the trustees are of the view that the charity has sufficient resources for at least the next 12 months from the date of approving the financial statements. As a result, the charity's financial statements have been prepared on a going concern basis.

2.3 Finance

The financial statements have been prepared on the basis that any capital expenditure incurred on housing activities referred to in note 2.4 will be either grant aided, funded by loans, or where appropriate, financed from the Charity's non-housing resources.

2.4 Social Housing Grants (SHG)

SHG's are made by Homes England and are utilised to reduce the amount of mortgage loans approved for SHG to a level that can be financed from the equivalent fair rental income available. The grants are made direct to the lending authority and are reflected in the Charity's accounts only when payment has been made and the relevant mortgage loan reduced.

Under the Charities SORP (FRS102), grants are taken to income.

2.5 Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

2.6 Income

Charitable Activities

The rents of the housing stock and Care home fees are recognised at the point of being invoiced.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment Income

Variable Royalties and Wayleaves are recognised when the Charity is informed of their values in June and December by Breedon Northern Limited.

Investment income from the portfolios is recognised when receivable.

2.7 Expenditure

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance Costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

2.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 Fixed Assets: Land and Buildings

Land and buildings at Sherburn House Charity related to the housing activities are reflected in the financial statements at their 'deemed cost' (based on a valuation prior to the transition to FRS102) as the original costs are not available.

Improvements to the properties are stated at cost or valuation.

The Charity provides accommodation for older people with care needs, in the form of sheltered housing accommodation and a residential care home. These properties have been held by the Charity for many years and have attracted SHG assistance in the past.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

2.10 Depreciation

Tangible fixed assets are written off over their estimated useful life, net of estimated disposal proceeds (that may be nothing).

Land:

Land is not depreciated, except for car park land which is depreciated at 10% on cost.

Buildings:

- (a) Depreciation is fully charged on cost; and
- (b) A charge is made to the income and expenditure account at 2% - 5% per annum of such cost.

Furniture, Fittings, Equipment and Vehicles:

Equipment	10% - 20% of cost
Computer equipment	25% of cost
Vehicles	20% of cost
Furniture and fittings	10% of cost

Property, Plant & Equipment : Housing activities

Up to 31.03.18 the total value of certain buildings utilised within the housing function of the Charity were depreciated at 2% per annum. In line with FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018 (8.16), an analysis of these buildings was undertaken in the year ended 31.03.19. The following components were established, and associated annual depreciation rates have been applied since:

Structure	1% of cost
Roof	3.3% of cost
Kitchen / Bathroom / Mechanical Systems / Electrics	5% of cost

SHG Assisted Schemes

The development cost of improvements to the housing property would include the following, as appropriate:

- a) Cost of acquired land and buildings;
- b) Development expenditure;
- c) Interest charged on the mortgage loan raised to finance the scheme; and
- d) Amount equal to the acquisition and development allowances receivable.

These costs are termed "qualifying costs" by Homes England for approved Housing Association grant schemes and are considered for mortgage loans by the relevant lending authorities and are not resourced from the Charity's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retention are included in the accounts for the period, provided that the date of issue or valuation is prior to the period end. Related mortgage advances receivable from the lending authorities are also included.

If certain SHG scheme expenditure does not qualify for Social Housing Grant, it is, nevertheless, capitalised and an equivalent amount is transferred from accumulated surplus to a property equity account.

Interest on the mortgage loan financing a development is capitalised up to the relevant date of interim HAG application. Interest on the residual mortgage loan after this date is charged to a separate revenue account. Relevant interim dates for each scheme are determined by the Department of the Environment in accordance with guidelines set down from time to time.

Housing land and buildings currently comprise 30 units located at Thornley House, Ferens House and the various units at Sherburn Hospital.

2.11 Fixed Assets: Equipment and Vehicles

Equipment and vehicles are capitalised in the Balance Sheet at cost.

2.12 Investment Portfolio

The investment portfolio, comprising listed investments and cash deposits, is stated at mid-market value. Profit / loss on the sale of investments is calculated on the basis of sale proceeds less book value at the point of disposal.

2.13 Investment Properties

The Board of Trustees has separately identified those properties that are held for their investment potential rather than for direct use within the Charity.

In accordance with FRS102 17.16, investment properties are revalued as at the 31 March each year and the aggregate surplus or deficit is transferred to an Investment Revaluation Reserve.

No depreciation is provided in respect of investment properties.

2.14 Pension Costs

The Charity operates a money purchase defined contribution pension scheme. Contributions payable to this scheme are charged to the Income and Expenditure Account in the period to which they relate. These contributions are invested separately from the Charity's assets.

2.16 Grants: Relief in Need

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on its behalf to Organisations and to Individuals, running for one year from 1 April 2022. The full cost of this commitment has been included in the results for the year ended March 2023.

2.16 Trade Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.18 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.20 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

2.21 Stocks

Stock is held at the lower of cost and net realisable value.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

2.21 Funds of the Charity

The Charity's funds are designated as either **Endowment funds**, **Restricted funds**, or **Unrestricted funds**, and sub analysed as follows:

Endowment funds

Endowment funds:

General	(Funds held to support the charity's objectives)
Extraordinary repair	(Renovation costs incurred for Beddell House less transfers from other funds)
Educational foundation	(Fund to provide financial assistance to pupils in County Durham for charity 527325)

Revaluation reserves:

Investment properties	(Difference between valuation of owned properties used for investments and cost)
Investment portfolio (Brewin Dolphin)	(Difference between valuation of shares and securities and cost)
Investment portfolio (UBS)	(Difference between valuation of shares and securities and cost)

Restricted funds

Covid support from Council	(Grants received from Durham County Council to fund additional costs incurred in the Residential Care Home due to Covid)
----------------------------	--

Unrestricted funds

Homes England Grants (Designated)	(Received to assist in the renovations of Beddell House, Ferens House & Thornley House)
General	(Unrestricted funds held by the charity)

These largely mirror the Reserves of the unincorporated Charity (217652).

Movements in the funds for the period are analysed in note 17.

The Fund values were established by the £34,534,948 Donation from the unincorporated Charity (217652) on the 01.10.21.

The Endowment fund, and Unrestricted funds have been aligned to their respective asset values by an adjustment between Unrestricted funds and Extraordinary repair fund in the period.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

3 Turnover and Operating Surplus / (Deficit) for the Period

	March 2023			March 2022		
	Turnover	Cost of Sales	Surplus	Turnover	Cost of Sales	Surplus
	£	£	£	£	£	£
Income and expenditure						
Housing accommodation	295,549	(299,482)	(3,933)	127,991	(160,678)	(32,687)
Residential care	2,152,520	(1,876,107)	276,413	972,577	(884,902)	87,675
<i>Sub-total: Housing activities</i>	<i>2,448,069</i>	<i>(2,175,589)</i>	<i>272,480</i>	<i>1,100,568</i>	<i>(1,045,580)</i>	<i>54,988</i>
Non-housing (shown as Investments)	231,646	(903,558)	(671,912)	98,662	(450,444)	(351,782)
Total	2,679,715	(3,079,147)	(399,432)	1,199,230	(1,496,024)	(296,794)
Investment income - dividends			856,682			312,389
Investment income - (loss) on sales of investments			(158,909)			174,451
Other income			37,782			-
Interest receivable			38			563
Surplus for the period			336,161			190,610
<i>Donation from linked charity</i>			-			34,534,948
<i>Unrealised gain on investment property values</i>			335,000			(26,000)
<i>Unrealised (loss) on investment portfolio values (Brewin Dolphin)</i>			(1,222,896)			(462,722)
<i>Unrealised (loss) on investment portfolio values (UBS)</i>			(476,040)			(149,796)
<i>Refurb costs (Esh VAT credit for Beddell House)</i>			116,668			
Net movement in funds for the period			(911,106)			34,087,040

Rent losses from housing accommodation lettings due to voids were £39,360 (2022: £31,410) and bad debts nil (2022: nil).

4 Turnover

	March 2023	March 2022
	£	£
Residential charges (Housing activities)	2,448,069	1,100,568
Farm rents (shown as Investments)	140,749	70,337
Wayleaves and other estate income (shown as Investments)	90,898	28,325
	2,679,716	1,199,230

5 Cost of Sales

	March 2023				March 2023			
	Housing Accom.	Residential Care	Non Housing	Total	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£	£	£	£	£
Wages	27,935	1,239,300	312,288	1,579,523	13,220	561,402	161,140	735,762
Agency staff		70,573		70,573		48,887		48,887
Maintenance		34,513		34,513		23,880		23,880
Property management			69,193	69,193			82,631	82,631
Property costs	121,658			121,658	64,577			64,577
Repairs and renewals		71,703		71,703		46,392		46,392
Cleaning		28,525		28,525		19,498		19,498
Fixtures and fittings		11,259		11,259		2,112		2,112
Postage, printing & stationery		1,675	3,848	5,523		1,023	2,790	3,813
CQC registration fee		12,090		12,090		4,396		4,396
Sundries	1,124	23,923	8,440	33,487	1,208	12,255	4,606	18,069
Safety		21,188		21,188		3,390		3,390
Staff training & subsistence	1,560	11,782	1,855	15,197		1,332	47	1,379
Professional fees			228,448	228,448			162,480	162,480
Legal fees			21,603	21,603			14,099	14,099
Motor expenses		2,000		2,000		1,000		1,000
Computer expenditure		-	18,520	18,520		-	8,606	8,606
Residents' food		91,182		91,182		28,336		28,336
Light, heat & water		108,778	42,440	151,218		54,884	23,182	78,066
Telephone		300	14,145	14,445		930	8,480	9,410
Council tax		3,669		3,669		867		867
Payments to livings			325	325			325	325
Insurances		29,608		29,608		12,420		12,420
Audit and accountancy fees			13,440	13,440			8,640	8,640
Management re-charges	45,048	86,916	(131,964)	-	32,706	52,482	(85,188)	-
Depreciation	94,158	27,123	23,774	145,055	45,450	9,416	12,949	67,815
Interest Paid			213,453	213,453			45,357	45,357
Financial and other costs	7,999			7,999	3,517			3,517
Relief in need			63,750	63,750			300	300
Total	299,482	1,876,107	903,558	3,079,147	160,678	884,902	450,444	1,496,024

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

Direct Costs Of Running Investments	March 2023	March 2022
	Total £	Total £
Estate Running Costs	220,231	170,235
Investment Portfolio Charges	99,846	62,303
	<u>320,077</u>	<u>232,538</u>

Expenditure on Charitable Activities

	Direct £	Support £	Total £	Direct £	Support £	Total £
Housing	254,434	45,048	299,482	127,972	32,706	160,678
Residential Care	1,789,191	86,916	1,876,107	832,420	52,482	884,902
Grant Making	64,075		64,075	625		625
Governance		519,406	519,406		217,281	217,281
	<u>2,107,700</u>	<u>651,370</u>	<u>2,759,070</u>	<u>961,017</u>	<u>302,469</u>	<u>1,263,486</u>
Total charitable activities expenditure		<u>3,079,147</u>			<u>1,496,024</u>	

Analysis of Support and Governance

	Finance Costs £	Staff Costs £	Other Costs £	Total Costs £	Finance Costs £	Staff Costs £	Other Costs £	Total Costs £
Housing			45,048	45,048			32,706	32,706
Residential Care			86,916	86,916			52,482	52,482
Governance	213,453	90,841	215,112	519,406	45,357	56,492	115,432	217,281
	<u>213,453</u>	<u>90,841</u>	<u>347,076</u>	<u>651,370</u>	<u>45,357</u>	<u>56,492</u>	<u>200,620</u>	<u>302,469</u>

Governance Costs

	Total £	Total £
Audit	13,440	8,640
Legal	21,603	14,099
Staff Costs	90,841	56,492
Overhead allocation	393,522	138,050
	<u>519,406</u>	<u>217,281</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

6	Income and Expenditure Account: Housing Accommodation	March 2023	March 2022
		£	£
	Income		
	Residents' fees	138,400	56,718
	Accommodation charges	157,149	71,274
		<u>295,549</u>	<u>127,992</u>
	Expenditure		
	Wages	27,935	13,220
	Property costs	121,658	64,577
	General costs	2,684	1,208
	Financial & other costs	7,999	3,517
	Management charge	45,048	32,706
		<u>205,324</u>	<u>115,228</u>
	Depreciation	94,158	45,450
		<u>299,482</u>	<u>160,678</u>
	Deficit for the year	(3,933)	(32,686)
7	Employee Information	March 2023	March 2022
		No.	No.
	The average weekly number of persons employed (excluding the Trustees) during the period was	<u>45</u>	<u>42</u>
		£	£
	Salaries and wages	1,357,532	632,490
	Social security costs	116,870	54,531
	Pension costs	89,557	40,328
	Other benefits	15,564	8,413
		<u>1,579,523</u>	<u>735,762</u>
	The number of employees who earned more than £60,000 during the period to 31 March 2023	March 2023	March 2022
		No.	No.
	£100,001 to £110,000	1	1
	£60,001 to £70,000		2
	Key Management Personnel	March 2023	March 2022
		£	£
	Total compensation paid to Key Management Personnel during the period:		
	Gross Pay	243,594	123,738
	Employers Pension Costs	19,487	9,821
		<u>263,081</u>	<u>133,559</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

Payments to Trustees and Officers

No fees, remuneration or expenses were paid to anyone who was on the Board of Trustees apart from travelling expenses which are paid to certain Trustees for attendance at Trustees meetings, this amounted to £nil in the period.

Pension Costs

The Charity operates a money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £89,557.

	March 2023	March 2022
	£	£
Pension costs outstanding at 31 March	13,989	10,484

8	Investment and Other Income	March 2023	March 2022
		£	£
	Royalties	40,000	20,000
	Rent from farm rents, investment properties and wayleaves	261,646	98,661
	Dividends and interest received	786,720	292,397
	Other Income	37,782	558
		1,126,148	411,615

9	Surplus on Ordinary Activities	March 2023	March 2022
	The surplus on ordinary activities is stated after charging / (crediting):	£	£
	Depreciation - tangible fixed assets	145,055	67,814
	Auditor's remuneration - in their capacity as auditors	10,000	8,400
	Relief in need - residents	-	300
	Donation from linked charity	-	(34,534,948)

10 Taxation

Sherburn House Charity is a registered charity and is, therefore, exempt from liability to taxation on its income and capital gains.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

11 Tangible Fixed Assets

	SHG Assisted Buildings	Land	Buildings	Equipment	Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2022	654,570	363,048	4,086,970	233,675	61,862	5,400,125
Additions	-	-	54,038	36,457	-	90,495
Disposals	-	-	-	-	-	-
At 31 March 2023	654,570	363,048	4,141,008	270,132	61,862	5,490,620
Depreciation						
At 1 April 2022	654,570	48,155	908,471	223,205	57,220	1,891,621
Charge for period	-	5,179	123,436	14,585	1,855	145,055
Disposals	-	-	-	-	-	-
At 31 March 2023	654,570	53,334	1,031,907	237,790	59,075	2,036,676
Net book value						
At 31 March 2023	-	309,714	3,109,101	32,342	2,787	3,453,944
At 1 April 2022	-	314,893	3,178,499	10,470	4,642	3,508,504

Tangible Fixed Assets: Net Book Value analysed by activity	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£
Land	75,000	50,000	184,714	309,714
Buildings	2,485,429	345,670	278,002	3,109,101
Equipment	1	28,951	3,390	32,342
Vehicles	-	-	2,787	2,787
Total	2,560,430	424,621	468,893	3,453,944

The net book value of:

Land contains £300,000 (2022: £300,000) which represents the value of land that is not depreciated; and
Buildings contains £2,485,429 (2022: £2,570,700) attributable to housing activities.

There is no record of the historical cost of the land and buildings held at deemed cost due to the length of ownership.

The freehold land and buildings were valued by Taylors, Chartered Surveyors, in October 1996 on an existing use basis.

The Charity has adopted the transitional rules of Financial Reporting Standard Number 15 and hence, the valuation will not be updated in future years having adopted the value as deemed historic cost.

Capital Commitments

The Board of Trustees had authorised a capital expenditure budget of £167,300 for the year 2023/24, of which £167,300 is un committed as at 06 September 2023.

12 Investment Properties

	March 2023	March 2022
	£	£
Valuation as at 1 April	7,965,000	-
Donated from Linked Charity	-	7,991,000
Additions	-	-
Disposals	-	-
Revaluation	335,000	(26,000)
Valuation as at 31 March	8,300,000	7,965,000

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

13 Investment Portfolio: Brewin Dolphin	Market Value						Profit /	
	as at						(Loss)	
	01 April 22	Additions	Disposals	Transfers	Revaluation	31 March 23	on sale	
	£	£	£	£	£	£	£	
General capital fund	15,211,565	1,220,625	(1,351,882)	-	(1,097,239)	13,983,068	(130,182)	
General accumulated income fund	1,629,045	97,983	(101,001)	-	(122,619)	1,503,407	(7,264)	
Educational foundation fund	56,590	8,248	(8,280)	-	(3,036)	53,522	(129)	
(i) Total investment portfolio	16,897,200	1,326,856	(1,461,164)	-	(1,222,895)	15,539,998	(137,575)	

Value of investments		
Listed	16,517,942	14,807,938
Cash / Unlisted	379,258	732,059
Total	16,897,200	15,539,998
Historical cost of investments	12,166,073	12,591,195
Revaluation	4,731,127	2,948,803
Total	16,897,200	15,539,998

Investment Portfolio / Call Loan: UBS	Market Value					Profit /	
	as at					(Loss)	
	01 April 22	Additions	Disposals	Transfers	Revaluation	31 March 23	on sale
	£	£	£	£	£	£	£
(ii) Investment portfolio	12,229,339	3,118,172	(2,762,972)	(424,978)	(476,040)	11,683,521	(21,334)
(iii) Call Loan	(6,810,980)	(213,454)	225,000	424,978	-	(6,374,456)	
Net Facility	5,418,359	2,904,718	(2,537,972)	-	(476,040)	5,309,066	(21,334)

Value of investments		
Listed	11,001,857	11,032,203
Cash / Unlisted	1,227,482	651,319
Total	12,229,339	11,683,521
Historical cost of investments	11,519,091	11,535,902
Revaluation	710,248	147,619
Total	12,229,339	11,683,521

Total Investments at Market Value	27,223,519
--	-------------------

No investment is greater than 5% of the total portfolio value

14 Stocks & Debtors	March 2023	March 2022
	£	£
(i) Stock (spares held for maintenance)	6,199	-

Trade Debtors	47,350	64,538
Prepayments and accrued income	54,256	48,006
Other Debtors	80,226	81,104
(ii) Debtors	181,832	193,648

15 Creditors: amounts falling due within one year	March 2023	March 2022
	£	£
UBS Call Loan	6,374,455	6,810,980
Trade creditors	44,624	87,458
Other creditors	764	14,359
Rents in advance	212,737	139,471
Accruals and deferred income	178,965	160,788
Taxation and social security	29,404	26,807
Wages creditor	14,103	10,584
	6,855,052	7,250,447

16 Social Housing Grant Assisted Scheme - Housing Buildings	March 2023		
	Housing Buildings	Homes England	Total
	£	£	£
Grant as at 1 April 2022	654,570	728,000	1,382,570
As at 31 March 2023	654,570	728,000	1,382,570

SHG is now released to income on receipt as required under the Charities SORP. This note is just a memo to show amounts received to date.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

17 Reconciliation of movements in Funds

	Balance as at 01 Apr 22	Surplus / (Deficit) for year	ESH VAT Credit Beddell House	Profit / (Loss) on sale of investments	Release of Revaluation Reserve	Royalties Received	Revaluation / Addition	Extraordinary repair endowment fund	Balance as at 31 Mar 23
	£	£	£	£		£	£	£	£
(a) Endowment funds:									
General	24,657,611			(158,909)	646,018	40,000			25,184,720
Extraordinary repair (incl refurb)	(5,007,700)		116,668					352,000	(4,539,032)
Educational foundation	40,300								40,300
Total Endowment funds	19,690,211	-	116,668	(158,909)	646,018	40,000	-	352,000	20,685,988
(b) Revaluation reserves:									
Investment properties	7,929,477						335,000		8,264,477
Investment portfolio (Brewin Dolphin)	4,731,127				(559,430)		(1,222,895)		2,948,802
Investment portfolio (UBS)	710,248				(86,588)		(476,040)		147,620
Total revaluation reserves	13,370,852	-	-	-	(646,018)	-	(1,363,935)	-	11,360,899
(c) Restricted funds:									
Covid support	-	-							-
Total Homes & Communities Agency Grant	-	-	-	-	-	-	-	-	-
(d) Unrestricted funds:									
General	(356,593)	63,681		158,909	-	(40,000)		(352,000)	(526,003)
Housing accommodation	-	(3,933)							(3,933)
Residential care	-	276,412							276,412
Housing activities	-	272,479	-	-	-	-	-	-	272,479
Homes England Grants (Designated)	1,382,570								1,382,570
Total Unrestricted funds	1,025,977	336,160	-	158,909	-	(40,000)	-	(352,000)	1,129,047
Balance at 31 March 2023	34,087,040	336,160	116,668	-	-	-	(1,363,935)	-	33,175,934

(a) Endowment funds									
	General	Extraordinary repairs	Educational foundation						Total
	£	£	£						£
Balance at 1 April 2022	24,657,611	(5,007,700)	40,300						19,690,211
Transfers from unrestricted funds:									
Royalties received	40,000								40,000
Refurb costs (Esh VAT credit)		116,668							116,668
Profit on sale of investments	(158,909)		-						(158,909)
Release from revaluation reserve	646,018		-						646,018
Extraordinary repairs funding		352,000							352,000
Balance at 31 March 2023	25,184,720	(4,539,032)	40,300						20,685,988

(b) Investment revaluation reserve									
	Properties	Portfolio							Total
	£	£							£
Balance at 1 April 2022	7,929,477	5,441,375							13,370,852
Unrealised (deficit) / surplus	335,000	(1,698,935)							(1,363,935)
Realisation of revaluation reserve	-	(646,018)							(646,018)
Balance at 31 March 2023	8,264,477	3,096,422							11,360,899

(c) Restricted reserves:									
	Developers contribution	Insurance storm damage							Total
	£								£
Balance at 1 April 2022	-								-
Income	102,000	20,282							122,282
Expenditure	(102,000)	(20,282)							(122,282)
Balance at 31 March 2023	-	-							-

(d) Unrestricted funds									
	Unrestricted funds	Housing activities							Total
	£	£							£
Balance at 1 April 2022	1,025,977	-							1,025,977
Net surplus for the year	63,681	272,479							336,160
Intra revenue reserve transfer	272,479	(272,479)							-
Transfers to capital funds:									
Royalties received	(40,000)								(40,000)
Profit on sale of investments	158,909								158,909
Extraordinary repairs funding	(352,000)								(352,000)
Balance at 31 March 2023	1,129,047	-							1,129,047

A description of the nature of each fund is contained in note 2.21

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

19 Related Parties

There were no related party transactions in the period.

20 Control

The Charity is under the control of its Board of Trustees.

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<u>March 2023</u>	<u>March 2022</u>
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(911,106)	34,087,040
Adjustments for:		
Depreciation	145,055	67,814
Losses / (Gains) on investments (sale of shares)	383,909	(174,451)
(Losses) / Gains on investments (property revaluation)	(335,000)	26,000
Losses on investments (Brewin dolphin)	1,222,895	462,722
Losses on investments (UBS)	476,040	149,797
Dividends, interest and rents from investments	(1,357,796)	(510,277)
(Increase) in stocks	(6,199)	-
(Increase) / Decrease in debtors	(15,550)	27,407
(Increase) in debtors (Donation)	-	(193,689)
Increase / in creditors	41,129	3,373
Increase in creditors (Donation)	-	436,095
Net cash provided by (used in) operating activities	(356,624)	34,381,831

22 Net debt

	<u>At 1 Apr 2022</u>	<u>Cash flows</u>	<u>March 2023</u>
Cash and cash equivalents			
Cash	571,163	294,329	865,492
	<u>571,163</u>	<u>294,329</u>	<u>865,492</u>
Borrowings			
Short term borrowings (UBS Call Loan)	(6,810,980)	436,525	(6,374,455)
	<u>(6,810,980)</u>	<u>436,525</u>	<u>(6,374,455)</u>
Net debt	(6,239,817)	730,854	(5,508,963)

Short term borrowings shown above are included for statutory disclosure purposes, however the borrowing is linked to the fixed asset investments and the "Net Debt" presented above would be more than offset by the value of the UBS investments (note 13)

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2023
(continued)

22 Analysis of movements in funds

		Unrestricted	Endowment	Investment Revaluation	Restricted	
	Notes	Funds	Funds	Reserves	Reserves	Total
Balance at 01 April 2022		1,025,977	19,690,211	13,370,852	-	34,087,040
Surplus for the year		452,829				452,829
Transfers to Endowment Funds in respect of Royalties received	17	(40,000)	40,000			-
Refurb costs (Esh VAT credit for Beddell House)	17	(116,668)	116,668			-
Transfers to Endowment Funds in respect of Loss on sale of investments	17	158,909	(158,909)			-
Transfer from revaluation reserve Profit on sale of Shares prior year profit	17	-	646,018	(646,018)		-
Transfers to Endowment Funds in respect of Extraordinary repairs funding	17	(352,000)	352,000			-
Unrealised gain on investment property values	17			335,000		335,000
Unrealised (loss) on investment portfolio values (Brewin Dolphin)	17			(1,222,895)		(1,222,895)
Unrealised (loss) on investment portfolio values (UBS)	17			(476,040)		(476,040)
Balance at 31 Mar 2023		1,129,047	20,685,988	11,360,899	-	33,175,934

SHERBURN HOUSE CHARITY

England & Wales - Charity number 1177535

Accounts

**Sherburn House Charity
Trustees' Annual Report
Board of Trustees' Report
and Operating and Financial Review
for the year ended
31 March 2022**



Sherburn House Charity

**Registered Charity Number: 1177535
Homes England Registration Number: A3494
Companies House Registration number: 11196374**

Sherburn House Charity

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Sherburn House Charity
Section 1
Reference and Administrative Details

Principal Office
Ramsey House
Sherburn Hospital
Durham
DH1 2SE

Registered Office
Sandgate House
102 Quayside
Necastle upon Tyne
NE1 3DX

Legal Status

Registered with the Charities Commission
Reg. No. 1177535

Registered with Companies House
Reg. No. 11196374

Registered as a Social Landlord with
Homes England
Reg. No. A3494

BOARD OF TRUSTEES

Mr Joseph Wilkinson (Chair from 01.09.20)
Mr Jeffery Paul Breen - Appointed 03.09.19
Mrs Hayley Quinn - Appointed 01.09.20
Mrs Gillian Elizabeth Marshall - Appointed 08.12.20
Mr George Adair - Appointed 11.05.21

Nominated by

Co-opted
Co-opted
Co-opted
Co-opted
Co-opted

KEY MANAGEMENT PERSONNEL

Chief Executive

Ms Pauline Bishop

Chief Operating Officer

Mrs Louise Carverhill

Accountant

Mr Peter Pybus

ADVISORS

Auditor - External

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Solicitor

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Manager

Brewin Dolphin Ltd.
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Investment Manager / Banker

UBS Wealth Management
2 St James' Gate
Newcastle upon Tyne
NE4 7JH

Bankers

Lloyds Bank
19 Market Place
Durham
DH1 3NL

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

Structure, governance and management

Nature of governing document

The Charity is a registered Charity under the Charities Act 2011 and is regulated by a Charity Commissioners' scheme. The Charity is also registered with Homes England as a Social Landlord under Section 1(2) of the Housing and Regeneration Act 2008. This status is further clarified in note 1 to the financial statements.

At the quarterly Board meetings, the Trustees agree the broad strategy and areas of activity for the Trust, including sheltered housing and residential care for older people, estate and property matters, personnel policies, grant making, finance, investment, reserves, risk management policies and health and safety.

Recruitment and appointment of trustees

Prior to any recruitment, the Chairman undertakes a skills gap analysis in order to find individuals with the skills and knowledge required to support the charity in its current work.

Applications to become a Trustee are welcomed from any individual who meets the recruitment criteria and can empathise with the objectives of Sherburn House Charity.

Applicants are given details of the history of the charity and the work we currently undertake, and they are supported to understand the governance requirements and what is expected of them in their role as a Trustee. Candidates meet with the Chief Executive initially to discuss the work of the charity and to discuss the requirements of the vacancy, if they decide to proceed to apply, they are interviewed by the Chair, who then makes a recommendation for the appointment to the board. Potential Trustees are invited to observe the next board meeting and are appointed at the end of the meeting if they still wish to proceed, and the trustees are happy with the proposal to appoint them. Trustees are appointed for a period of three years, with an option to extend by up to three more years. After a 6-year continuous term, a compulsory one-year break may be followed by a final three years.

Induction and training of trustees

Potential Trustees undertake a full induction and references, and DBS checks are taken up prior to their appointment. New Trustees receive a copy of the "Essential Trustee" and all Governance policies and procedures. All Trustees operate in a voluntary capacity and receive no benefits from the Charity. All expenses re-claimed from the charity are set out in the financial statements.

Remuneration Policy

Sherburn House Charity is committed to ensuring a proper balance between paying our staff fairly so that we attract and retain the best people for the job and careful management of our charity funds. In so doing we will ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries.

Sherburn House Charity will seek advice on remuneration from various sources, including the ACEVO Good Pay Guide for Charities and the National Minimum Data Set which holds specific examples of posts within the care sector.

Sherburn House Charity commits to maintaining an open and honest policy on remuneration to assure its stakeholders and service users of the financial priorities of the charity.

A report on the actual remuneration and expenses received by the Chief Executive and Senior Management Team are prepared annually as part of the statutory accounts. Information is contained in Note 7 Employee Information.

In accordance with the Charity Commission's Statement on Recommended Practice 2015 (SORP) and guidance contained within the National Council for Voluntary Organisations' 'Report of the Inquiry into Charity Senior Executive Pay', Sherburn House Charity will include or disclose the following in its Annual Report and Accounts:

- a statement that summarises this remuneration policy
- any payments made to trustees
- the number of staff receiving more than £60,000 salary, in bands of £10,000
- a summary of pensions and other benefits receivable by staff
- any 'cost of living' changes to the payroll for all staff along with a brief justification of any such changes

Board of Trustees' Meetings

The Board of Trustees meet quarterly and at the meeting scheduled for 06 September 2022 the Trustees will be invited to:

- (a) Consider the Annual Trustees' Report (comprising the Board of Trustees' Report and Operating and Financial Review) for the year ended 31 March 2022; and
- (b) Approve the Statement of Trustees on internal financial controls (page 6) and the financial statements (page 11 onwards).

Sherburn House Charity
Section 2
Board of Trustees' report and operating and financial review
(continued)

Control

The Board of Trustees retains responsibility for a defined range of areas covering strategic, operational and The Board of Trustees has put in place an organisational structure which clearly defines lines of responsibility These are found in the Charity's financial regulations, standing orders, treasury management and risk

Information Reporting Systems

Financial reporting systems include regular reviews of an overall financial business plan, preparation of detailed annual budgets and the production of detailed monthly management accounts. These are prepared by the Executive Team and are considered and approved by the Board of Trustees.

Monitoring

A process of regular management monitoring on control issues provides assurance to senior managers and to the Board of Trustees. This includes a rigorous process for ensuring that corrective action is taken in relation to any significant control issues.

Risk Management

The Charity has a comprehensive risk management strategy which identifies risk management responsibilities. Risk management arrangements identify risks facing the Charity, the actions in place to mitigate these risks, the officers responsible for each risk and the monitoring arrangements.

The Board of Trustees has examined the major strategic and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and activities

Our Strategic goals are split into our 4 main activities:

Grants	1. Increase Impact	2. Increase scope to include outlying areas
Care	1. Improve quality of residential care services	2. Improve health & wellbeing for beneficiaries
Housing	1. Modernise current housing stock	2. Develop new housing models to meet various needs
Estate	1. Improve quality of built environment to maintain commercial activities	

Principal Activities

The principal activities of the Charity are:

- (a) Provision of sheltered accommodation and residential care for older people; and
- (b) Making of grants under the head of relief in need, within the beneficial area of the Charity.

Objectives & Strategic Report

Our Mission is: To provide relief in need to people living in the beneficial area through the provision of care, housing and grant funding.
Our Vision is: To improve the quality of life for all vulnerable people.
Our Core Values of: Integrity, quality, care, dignity and respect, will influence the work we do and our attitudes to each other.

Public Benefit

The Charity provides residential care and sheltered housing for older people with care needs, without discrimination. Those unable to pay the fees in full are part-funded by local authorities following a process of assessment determined by government regulations.

The Charity awards grants under the heading of Relief In Need:

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on it's behalf to Organisations and to Individuals, running for one year from 1 April 2021.

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

(continued)

Achievements and Performance

Chair's Report

In the accounting period we transferred £34.5m from the original unincorporated charity to the new Incorporated Charity which consisted of permanent endowment assets, including functional permanent endowment, (Sheltered Housing buildings, Almshouse properties a Chapel and a Care home) and investment permanent endowment, (agricultural land and properties and stocks and shares portfolio). All non-restricted assets have now been transferred from the original unincorporated Charity to the Incorporated Charity by a Transfer Agreement on 01.10.2021.

Technically the original unincorporated Charity (217652) will still exist with its own Charity number but is linked to the Incorporated Charity (Linked 1177535-1) which now manages its operation activities in its legal capacity as Corporate Trustee.

On behalf of the trustees, I thank the staff team for all their work over the past three years, to ensure the smooth transition to the modernised governance structure. The challenges of completing this work during the pandemic were significant yet they pulled together to ensure the day-to-day operations continued as normal, this is a fantastic achievement, a special thank you goes to our small finance team who have worked over and above their duties to prepare the charity for an exciting future in a modern era.

Despite the challenges of Covid and the administrative burden of the incorporation process, the charity is going from strength to strength and at the time of writing we are seeing the fruits of our labours with occupancy levels at the highest they have ever been. I look forward to taking our "new" Charity forward to achieve the best outcomes possible for the current and future beneficiaries of the charity.

Chief Executive's Report March 2022

We are delighted to have completed the incorporation process which is a landmark moment in the history of the Charity. By modernising the governance structure, we have improved our responsiveness to mitigate against future threats and to explore opportunities as they present themselves to achieve our mission.

The principal activities of the Charity are: (a) Provision of residential care for older people; and (b) Housing for older people and (c) Making of grants under the head of "Relief in Need, within the beneficial area of the Charity.

Our Strategic goals are split into our four main activities:

Operational Objective	Goal 1	Goal 2	Progress made
Grants	Increase Impact	Increase scope to include outlying areas	Both goals continue to be realised under the management of the Durham Community Foundation, (CDCF). We aim to continue with the partnership in the year ahead
Care	Improve quality of residential care services	Improve health & wellbeing for beneficiaries	Refurbished care home completed March 2020 Staffing restructure review under way to incorporate increased wellbeing activities and improved quality monitoring systems
Housing	Modernise current housing stock	Develop new housing models to meet various needs	All major refurbishments for older peoples social housing are completed to a very high standard. Work priorities are now focused on modernisation of the private let housing on the estate.
Estate	Improve quality of built environment to maintain		The trustees will endeavour to explore potential for commercial opportunities that will help deliver our mission

Additional Information

Grants: The Charity's Relief in Need programme benefitted over 573 people this year and the trustees have pledged a further Donation of £33,823.50, (match funded by the CDCF), for grant-making in the 2022-23 period.

Care Home: Beddell House has completed its de-registration process and has successfully registered the Incorporated Charity with the Care Quality Commission.

During this reporting period our previous Registered Manager, A Till, left the organisation in January 2022. I am happy to report that Tanya Porthouse, a long serving senior member of staff, quickly filled the post, and is now formally registered with CQC as the Registered Manager at Beddell House.

Our new Registered Manager has only been in post for the past 6 months but has stepped up to take on the challenges presented to her and has already made significant improvements to the service. I have no doubt that the care home will go from strength to strength

I want to thank all my colleagues across the charity for their commitment, loyalty and hard work as the charity is busier than ever despite the recent Covid restrictions. We have not only survived a (hopefully) once in a lifetime pandemic but have grown stronger as a team and confident in our vision of success for the charity's future.

Sherburn House Charity

Section 2

Board of Trustees' report and operating and financial review

(continued)

Operating Review

Performance in the Period

A summary of the main results is shown in the Table below.

	Notes	Housing activities £	Non Housing £	Total £
Turnover	3	1,100,568	411,615	1,512,183
Operating costs	3	(1,045,580)	(450,444)	(1,496,024)
Operating surplus		54,988	(38,829)	16,159
Profit / (Loss) on sale of investments:				
Capital fund investments (Brewin Dolphin)	3 / 13		5	5
Capital fund investments (UBS)	3 / 13		174,446	174,446
Surplus for the period		54,988	135,622	190,610
<i>Donation from linked charity</i>	1.2			34,534,948
<i>Unrealised (reduction) in investment property values</i>	20			(26,000)
<i>Unrealised (reduction) in investment portfolio values (Brewin Dolphin)</i>	12			(462,722)
<i>Unrealised (reduction) in investment portfolio values (UBS)</i>	13			(149,796)
<i>Net movement in funds for the period</i>	13			34,087,040

The overall surplus for the period of £190,610 contained a deficit on the housing (sheltered accommodation) of £32,686.

Financial Review

The principal accounting policies are set out on pages 14 to 19 of the financial statements. These have been approved by the Board of Trustees.

Unrestricted funds Policy

The Unrestricted funds are to be used for the Charity's general charitable purposes. A reserve of £500,000 has been agreed as being an appropriate level, which equates to approximately three months of expenditure. The level of these funds will be reviewed each year as part of the budgeting process.

Unrestricted funds at 31 March 2022 totalled £1,025,977, which included designated funds of £1,382,570 relating to Homes England Grants. The Charity aims to build back its General undesignated funds to a value of £500,000, with any funds in excess of this utilised to support the operating and development activities of the Charity.

Investment Policy

In accordance with the regulatory scheme, the Board of Trustees has the power to invest in such stocks, shares, investments and property, as they see fit. The Board of Trustees has engaged Brewin Dolphin Limited and UBS Wealth Management as Investment Managers to manage the investment portfolios on a discretionary basis within certain parameters for asset classes.

The Board of Trustees reviewed the Charity's investment principles in February 2009, and this was also reviewed again in 2019-20.

Similarly, the Board of Trustees engaged GSC Gray's, Chartered Surveyors, to manage the investment properties and the investment properties were subject to their independent property valuation as at 30 September 2021.

Fixed Assets

Tangible Fixed Assets owned by the Charity were subject to an independent property valuation as at 31 March 1996.

Sherburn House Charity

Section 3

Statement of Board of Trustees on internal financial controls

Statement of Board of Trustees on internal financial controls

The Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks by the Charity is ongoing and has been in place throughout the period commencing 1 April 2021 up to the date of approval of the report and financial statements.

Key elements of the control framework and sources of assurance include:

- * Clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- * Internal audit reports;
- * Risk management reports;
- * Performance reports;
- * External audit reports;
- * Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- * Formal recruitment, retention, training and development policies for all staff;
- * Established authorisation and appraisal procedures for significant new initiatives and commitments;
- * Regular reporting to the appropriate committee on key business objectives, targets and outcomes; and
- * Board of Trustees' approved whistle-blowing and anti-fraud policies covering prevention, detection and reporting, together with recoverability of assets.

There were no attempted or actual frauds during the year that required reporting to the Homes England.

The Board of Trustees cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Executive Team to regularly report on the effectiveness of the system of internal control.

Key policies and procedures have been established and are designed to provide effective internal control.

These key areas cover control, information reporting systems, monitoring and risk management.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Use of Volunteers

The charity has not used volunteers during the period

Plans for the Future

The charity will continue with the final year of its 5 Year Plan

Grants:

1. Increase impact
2. Increase scope to include outlying areas

We will achieve these aims by continued management of the funds by our specialist partner, Durham Community Foundation, (CDCF)

Care:

1. Improve quality of care
2. Improve Health & Wellbeing of beneficiaries

We will focus on quality management and health & wellbeing in the year ahead with a staff restructure to incorporate dedicated roles including an Activities Coordinator and Quality Lead posts. We will also improve efficiencies in monitoring and recording within the care home with a move towards an electronic care planning system.

Housing:

1. Modernise current stock
2. Develop new housing models to meet various needs

After completion of our social housing refurbishments, Trustees have committed to prioritise the modernisation of the private let housing on the estate by implementing a planned programme of works for the 2022-23 period. The trustees will also consider whether there is any option to increase the current housing stock

Estates:

1. Improve quality of the built environment to maintain commercial activities.

The charity trustees are currently exploring commercial opportunities that may improve our capacity to deliver our mission. In the meantime, the charity estates will be maintained in accordance with our 5-year maintenance plan.

Sherburn House Charity

Section 4

Statement of Board of Trustees' responsibilities

The Board of Trustees is responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Current legislation requires the Board of Trustees to arrange for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and surplus or deficit for the year.

In preparing those financial statements, the Board of Trustees is required to:

- (a) Select suitable accounting policies and apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue operating; and
- (d) Follow applicable United Kingdom Accounting Standards FRS 102, and the Charities SORP (FRS102): subject to any material departures disclosed and explained in the financial statements.

The Board of Trustees is responsible for making the appropriate arrangements for keeping accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011, adapted to include disclosures required by the Housing and Regeneration Act 2008, FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing-2019.

The Board of Trustees is responsible for taking such steps as are reasonably open to it to safeguard the assets of the Charity and to prevent and detect fraud and breaches of the law and regulations.

The Board of Trustees is responsible for ensuring that the report of the Board of Trustees is prepared in accordance with FRS 102 and adapted to include disclosures required by the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2019.

The Board of Trustees is also responsible for the maintenance and integrity of the corporate and financial information on the Charity's website.

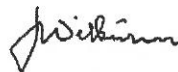
Provision of information to Auditors

So far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that he / she ought to have taken, as a Trustee, in order to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed as auditors to the charity following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022. Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 06 September 2022 and signed on its behalf.



Trustee



Trustee

Sherburn House Charity
Section 5
Independent auditors' report to the Board of Trustees
of Sherburn House Charity
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion

We have audited the financial statements of Sherburn House Charity (the "charity") for the period ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice), adapted to include additional disclosures required by the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 auditor's report thereon. The board is responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

Opinion 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 Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities (set out on page 7), the trustees 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 charity'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[continued ...]

Sherburn House Charity
Section 5

**Independent auditors' report to the Board of Trustees
of Sherburn House Charity**
(a registered Social Landlord Under the Housing and Regeneration Act 2008)

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

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Reviewing the published Care Quality Commission reports;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; compliance with Care Quality Commission; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Use of Our Report

This report is made solely to the charitable companies trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 7/9/2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Sherburn House Charity
Section 6
Statement of financial activities
for the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income from:					
Donation from linked Charity	1.1/1.2	1,246,000	-	33,288,948	34,534,948
Charitable Activities	3/4	1,024,718	75,850		1,100,568
Investments	4/8	391,615		20,000	411,615
Total		2,662,333	75,850	33,308,948	36,047,131
Expenditure on:					
Raising funds					-
Charitable activities	3/5	(969,730)	(75,850)	-	(1,045,580)
Other	3	(450,444)		-	(450,444)
Total		(1,420,174)	(75,850)	-	(1,496,024)
Surplus before losses on Investments		1,242,159	-	33,308,948	34,551,107
Net (losses) on investments	12/13	-	-	(464,067)	(464,067)
Net income/(expenditure)		1,242,159	-	32,844,881	34,087,040
Transfers between funds	17	(216,182)	-	216,182	-
Other recognised gains/(losses):					
Other gains/(losses)		-	-	-	-
Net Movement in funds:		1,025,977	-	33,061,063	34,087,040
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		1,025,977	-	33,061,063	34,087,040

Continuing Operations

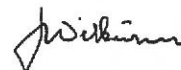
The Charity did not trade in the prior period and presents no comparatives as a result.

The results for the period relate wholly to continuing operations.

None of the Charity's activities were either acquired or discontinued during the financial years.

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 06 September 2022 and signed on its behalf by:



Trustee



Trustee

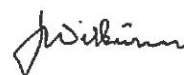
Sherburn House Charity
Section 7
Balance Sheet
as at 31 March 2022

	Notes	March 2022
		£
Fixed assets:		
Tangible assets	11	3,508,504
Investment properties	12	7,965,000
Investment portfolios	13(i), (ii)	29,126,539
<i>Total fixed assets</i>		<u>40,600,043</u>
Current assets:		
Debtors	14	166,282
Cash at bank and in hand		571,163
<i>Total current assets</i>		<u>737,445</u>
Liabilities:		
Creditors: amounts falling due within one year		
UBS Call Loan	15 / 13(iii)	(6,810,980)
Other Creditors & Accruals	15	(439,468)
		<u>(7,250,448)</u>
<i>Net current liabilities</i>		<u>(6,513,003)</u>
<i>Total Assets less current liabilities</i>		<u>34,087,040</u>
Total net assets		<u>34,087,040</u>
The funds of the Charity:		
Endowment funds	17	19,690,211
Investment revaluation reserve	17	13,370,852
<i>Total endowment funds</i>		<u>33,061,063</u>
Restricted funds	16a / 17	-
Unrestricted funds	16a / 17	1,025,977
<i>Total unrestricted funds</i>		<u>1,025,977</u>
Total charity funds		<u>34,087,040</u>

The Charity did not trade in the prior period and presents no comparatives as a result.

The notes on pages 14 to 28 form an integral part of these financial statements.

The financial statements were **approved by the Board of Trustees** and authorised for issue on 06 September 2022 and signed on its behalf by:



Trustee



Trustee

Companies House Reg. No. 11196374

Sherburn House Charity
Section 8
Statement of Cash Flows
for the year ended 31 March 2022

	<u>Notes</u>	<u>March 2022</u>
		£
Cashflow from operating activities		
Net cash generated from operating activities	21	34,381,831
Cashflow from investing activities		
Dividends, interest and rents from investments		510,277
Purchase of tangible fixed assets (Donation)		(3,576,318)
Purchase of investments	13	(1,833,454)
Purchase of investments (Donation)		(29,622,581)
Purchase of investments land (Donation)		(7,991,000)
Proceeds from sale of investments		1,891,427
Net cash generated from investing activities		(40,621,649)
Cashflow from financing activities		
Loans drawn from UBS loan (Donation)		6,935,271
Interest charges on UBS loan		45,357
Dividends received applied to UBS loan		(169,648)
Net cash generated from financing activities		6,810,980
Net change in cash and cash equivalents		571,163
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at the end of the year		571,163

The notes on pages 14 to 28 form an integral part of these financial statements.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022

1.1 Status of Charity

Sherburn House Charity is a company limited by guarantee which was incorporated on 08.02.18, company number 11196374, and is registered with the Charity Commission, number 1177535.

On 01.10.21 all the activities and commitments of the unincorporated charity (Sherburn House Charity 217652) were transferred to the incorporated Charity, along with its assets and liabilities at their balance sheet values.

The incorporated Charity is the reporting charity for the Unincorporated charity (217652) to which it is linked.

1.2 Donation from Unincorporated Charity (217652)

The total net assets transferred on 01.10.21 from the unincorporated Charity (217652) amounted to £34,534,948, which was comprised of £33,288,948 Endowment funds, and £1,246,000 Unrestricted funds.

2 Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011 and are adapted to include disclosures required by the accounting by registered social housing providers 2018, and accounting direction for private registered providers of social housing - 2019.

2.2 Basis of Preparation

The Charity remains registered with Homes England as a social landlord under the Housing and Regeneration Act 2008, as a small part of its activities are housing activities as defined in that Act.

As most of the activities of the Charity are not housing activities, the Charity has applied the Charities SORP (FRS102) in preparing its accounts, with some amendments to include additional requirements for Homes England.

The application of the Charities SORP (FRS102) is also required by the Charity Commission direction dated 08.12.21.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain Tangible Fixed Assets, Investment Properties and the Investment Portfolio. The financial statements are prepared in accordance with applicable accounting standards.

The financial statements include the income and expenditure and assets and liabilities of its associated charity, The Sherburn House Educational Foundation (Registered No. 527325).

The Charity is a Public Benefit Entity ('PBE') as defined in FRS 102.

These financial statements are prepared in sterling which is the functional currency of the entity.

The trustees have prepared budgets and forecasts which give them adequate comfort that the charity is a going concern. Therefore the trustees are of the view that the charity has sufficient resources for at least the next 12 months from the date of approving the financial statements. As a result, the charity's financial statements have been prepared on a going concern basis.

2.3 Finance

The financial statements have been prepared on the basis that any capital expenditure incurred on housing activities referred to in note 2.5 will be either grant aided, funded by loans, or where appropriate, financed from the Charity's non-housing resources.

2.4 Social Housing Grants (SHG)

SHG's are made by the Department of the Environment and are utilised to reduce the amount of mortgage loans approved for SHG to a level that can be financed from the equivalent fair rental income available. The grants are made direct to the lending authority and are reflected in the Charity's accounts only when payment has been made and the relevant mortgage loan reduced.

Under the Charities SORP (FRS102), grants are taken to income.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

2.5 Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

2.6 Income

Charitable Activities

The rents of the housing stock and Care home fees are recognised at the point of been invoiced.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment Income

Variable Royalties and Wayleaves are recognised when the Charity is informed of their values in June and December by Breedon Northern Limited.

Investment income from the portfolios is recognised when receivable.

2.7 Expenditure

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance Costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

2.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 Fixed Assets: Land and Buildings

Land and buildings at Sherburn House Charity related to the housing activities are reflected in the financial statements at their 'deemed cost' (based on a valuation prior to the transition to FRS102) as the original costs are not available.

Improvements to the properties are stated at cost or valuation.

The Charity provides accommodation for older people with care needs, in the form of sheltered housing accommodation and a residential care home. These properties have been held by the Charity for many years and have attracted SHG assistance in the past.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

2.10 Depreciation

Tangible fixed assets are written off over their estimated useful life, net of estimated disposal proceeds (that may be nothing).

Land:

Land is not depreciated, except for car park land which is depreciated at 10% on cost.

Buildings:

- (a) Depreciation is fully charged on cost; and
- (b) A charge is made to the income and expenditure account at 2% - 5% per annum of such cost.

Furniture, Fittings, Equipment and Vehicles:

Equipment	10% - 20% of cost
Computer equipment	25% of cost
Vehicles	20% of cost
Furniture and fittings	10% of cost

Property, Plant & Equipment : Housing activities

Up to 31.03.18 the total value of certain buildings utilised within the housing function of the Charity were depreciated at 2% per annum. In line with FRS 102 and the Statement of Recommended Practice (SORP): accounting by registered social housing providers 2018 (8.16), an analysis of these buildings was undertaken in the year ended 31.03.19. The following components were established, and associated annual depreciation rates have been applied since:

Structure	1% of cost
Roof	3.3% of cost
Kitchen / Bathroom / Mechanical Systems / Electrics	5% of cost

SHG Assisted Schemes

The development cost of improvements to the housing property would include the following, as appropriate:

- a) Cost of acquired land and buildings;
- b) Development expenditure;
- c) Interest charged on the mortgage loan raised to finance the scheme; and
- d) Amount equal to the acquisition and development allowances receivable.

These costs are termed "qualifying costs" by the Department of the Environment for approved Housing Association grant schemes and are considered for mortgage loans by the relevant lending authorities and are not resourced from the Charity's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retention are included in the accounts for the period, provided that the date of issue or valuation is prior to the period end. Related mortgage advances receivable from the lending authorities are also included.

If certain SHG scheme expenditure does not qualify for Social Housing Grant, it is, nevertheless, capitalised and an equivalent amount is transferred from accumulated surplus to a property equity account.

Interest on the mortgage loan financing a development is capitalised up to the relevant date of interim HAG application. Interest on the residual mortgage loan after this date is charged to a separate revenue account. Relevant interim dates for each scheme are determined by the Department of the Environment in accordance with guidelines set down from time to time.

Housing land and buildings currently comprise 30 units located at Thornley House, Ferens House and the various units at Sherburn Hospital.

2.11 Fixed Assets: Equipment and Vehicles

Equipment and vehicles are capitalised in the Balance Sheet at cost.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

2.12 Investment Portfolio

The investment portfolio, comprising listed investments and cash deposits, is stated at mid-market value. Profit / loss on the sale of investments is calculated on the basis of sale proceeds less book value at the point of disposal.

2.13 Investment Properties

The Board of Trustees has separately identified those properties that are held for their investment potential rather than for direct use within the Charity.

In accordance with FRS102 17.16, investment properties are revalued as at the 31 March each year and the aggregate surplus or deficit is transferred to an Investment Revaluation Reserve.
No depreciation is provided in respect of investment properties.

2.14 Pension Costs

The Charity operates a money purchase defined contribution pension scheme. Contributions payable to this scheme are charged to the Income and Expenditure Account in the period to which they relate. These contributions are invested separately from the Charity's assets.

2.16 Grants: Relief in Need

The Charity entered into an arrangement with County Durham Community Foundation for them to administer Grants on its behalf to Organisations and to Individuals, running for one year from 1 April 2021. The full cost of this commitment has been included in the results for the year ended March 2022.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

2.16 Trade Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.18 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.20 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

2.21 Funds of the Charity

The Charity's funds are designated as either **Endowment funds**, **Restricted funds**, or **Unrestricted funds**, and sub analysed as follows:

Endowment funds

Endowment funds:

General	(Funds held to support the charity's objectives)
Extraordinary repair	(Renovation costs incurred for Beddell House less transfers from other funds)
Educational foundation	(Fund to provide financial assistance to pupils in County Durham for charity 527325)

Revaluation reserves:

Investment properties	(Difference between valuation of owned properties used for investments and cost)
Investment portfolio (Brewin Dolphin)	(Difference between valuation of shares and securities and cost)
Investment portfolio (UBS)	(Difference between valuation of shares and securities and cost)

Restricted funds

Covid support from Council	(Grants received from Durham County Council to fund additional costs incurred in the Residential Care Home due to Covid)
----------------------------	--

Unrestricted funds

Homes England Grants (Designated)	(Received to assist in the renovation of Beddell House)
General	(Unrestricted funds held by the charity)

These largely mirror the Reserves of the unincorporated Charity (217652).
Movements in the funds for the period are analysed in note 17.

The Fund values were established by the £34,534,948 Donation from the unincorporated Charity (217652) on the 01.10.21.

The Endowment fund, and Unrestricted funds have been aligned to their respective asset values by an adjustment between Unrestricted funds and Extraordinary repair fund in the period.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

3 Turnover and Operating Surplus / (Deficit) for the Period

	March 2022		
	Turnover	Cost of Sales	Surplus
	£	£	£
Income and expenditure			
Housing accommodation	127,991	(160,678)	(32,687)
Residential care	972,577	(884,902)	87,675
<i>Sub-total: Housing activities</i>	<i>1,100,568</i>	<i>(1,045,580)</i>	<i>54,988</i>
Non-housing (shown as Investments)	98,662	(450,444)	(351,782)
Total	1,199,230	(1,496,024)	(296,794)
Investment income - dividends			312,389
Investment income - profit / (loss) on sales of investments			174,451
Interest receivable			563
Surplus for the period			190,610
<i>Donation from linked charity</i>			<i>34,534,948</i>
<i>Unrealised (reduction) in investment property values</i>			<i>(26,000)</i>
<i>Unrealised (reduction) in investment portfolio values (Brewin Dolphin)</i>			<i>(462,722)</i>
<i>Unrealised (reduction) in investment portfolio values (UBS)</i>			<i>(149,796)</i>
Net movement in funds for the period			34,087,040

Rent losses from housing accommodation lettings due to voids were £31,410, and bad debts Nil.
Included in Residential care income is £2,119 C.JRS monies and £84,212 DCC support Grants.

4 Turnover

March 2022

	£
Residential charges (Housing activities)	1,100,568
Farm rents (shown as Investments)	70,337
Wayleaves and other estate income (shown as Investments)	28,325
Total	1,199,230

5 Cost of Sales

	March 2022			
	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£
Wages	13,220	561,402	161,140	735,762
Property costs	64,577			64,577
General costs	1,208			1,208
Financial and other costs	3,517			3,517
Agency staff		48,887		48,887
Maintenance		23,880		23,880
Residents' food		28,336		28,336
Council tax		867		867
Cleaning		19,498		19,498
Light, heat & water		54,884	23,182	78,066
Insurances		12,420		12,420
Repairs and renewals		46,392		46,392
Fixtures and fittings		2,112		2,112
Motor expenses		1,000		1,000
Safety		3,390		3,390
Property management			82,631	82,631
Telephone		930	8,480	9,410
Postage, printing & stationery		1,023	2,790	3,813
Computer expenditure		-	8,606	8,606
Sundries		12,255	4,606	16,861
Interest Paid			45,357	45,357
Audit and accountancy fees			8,640	8,640
Legal fees			14,099	14,099
Professional fees			162,480	162,480
Staff training & subsistence		1,332	47	1,379
Payments to livings			325	325
CQC registration fee		4,396		4,396
Relief in need			300	300
Depreciation	45,450	9,416	12,949	67,815
Management re-charges	32,706	52,482	(85,188)	-
Total	160,678	884,902	450,444	1,496,024

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

Direct Costs Of Running Investments

	Total £
Estate Running Costs	170,235
Investment Portfolio Charges	62,303
	<u>232,538</u>

Expenditure on Charitable Activities

	Direct £	Support £	Total £
Housing	127,972	32,706	160,678
Residential Care	832,420	52,482	884,902
Grant Making	625		625
Governance		217,281	217,281
	<u>961,017</u>	<u>302,469</u>	<u>1,263,486</u>

Total charitable activities expenditure 1,496,024

Analysis of Support and Governance

	Finance Costs £	Staff Costs £	Other Costs £	Total Costs £
Housing			32,706	32,706
Residential Care			52,482	52,482
Governance	45,357	56,492	115,432	217,281
	<u>45,357</u>	<u>56,492</u>	<u>200,620</u>	<u>302,469</u>

Governance Costs

	Total £
Audit	8,640
Legal	14,099
Staff Costs	56,492
Overhead allocation	138,050
	<u>217,281</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

6	Income and Expenditure Account: Housing Accommodation	March 2022
		£
	Income	
	Residents' fees	56,718
	Accommodation charges	71,274
		<u>127,992</u>
	Expenditure	
	Wages	13,220
	Property costs	64,577
	General costs	1,208
	Financial & other costs	3,517
	Management charge	32,706
		<u>115,228</u>
	Depreciation	45,450
		<u>160,678</u>
	Deficit for the year	<u>(32,686)</u>
7	Employee Information	March 2022
		No.
	The average weekly number of persons employed (excluding the Trustees) during the period was	<u>42</u>
		£
	Salaries and wages	632,490
	Social security costs	54,531
	Pension costs	40,328
	Other benefits	8,413
		<u>735,762</u>
	No employees earned more than £60,000 in the period	
	Key Management Personnel	March 2022
		£
	Total compensation paid to Key Management Personnel during the period:	
	Gross Pay	102,476
	Employers Pension Costs	8,002
		<u>110,478</u>

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

Payments to Trustees and Officers

No fees, remuneration or expenses were paid to anyone who was on the Board of Trustees apart from travelling expenses which are paid to certain Trustees for attendance at Trustees meetings, this amounted to £nil in the period.

Pension Costs

The Charity operates a money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £40,328.

	<u>March 2022</u>
	£
Pension costs outstanding at 31 March	10,484

8	Investment and Other Income	<u>March 2022</u>
		£
	Royalties	20,000
	Rent from farm rents and wayleaves	98,661
	Dividends and interest received	292,397
	Other Income	558
		<u>411,615</u>
9	Surplus on Ordinary Activities	<u>March 2022</u>
	The surplus on ordinary activities is stated after charging / (crediting):	£
	Depreciation - tangible fixed assets	67,814
	Auditor's remuneration - in their capacity as auditors	8,400
	Relief in need - residents	300
	Donation from linked charity	(34,534,948)
10	Taxation	

Sherburn House Charity is a registered charity and is, therefore, exempt from liability to taxation on its income and capital gains.

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

11 Tangible Fixed Assets

	SHG Assisted Buildings	Land	Buildings	Equipment	Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2021	-	-	-	-	-	-
Donated from Linked Charity	654,570	363,048	4,086,970	233,675	61,862	5,400,125
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 Mar 2022	654,570	363,048	4,086,970	233,675	61,862	5,400,125
Depreciation						
At 1 April 2021	-	-	-	-	-	-
Donated from Linked Charity	654,570	45,003	848,671	219,270	56,293	1,823,807
Charge for period	-	3,152	59,800	3,935	927	67,814
Disposals	-	-	-	-	-	-
At 31 Mar 2022	654,570	48,155	908,471	223,205	57,220	1,891,621
Net book value						
At 31 Mar 2022	-	314,893	3,178,499	10,470	4,642	3,508,504
At 01 April 2021	-	-	-	-	-	-

Tangible Fixed Assets: Net Book Value analysed by activity	Housing Accom.	Residential Care	Non Housing	Total
	£	£	£	£
Land	75,000	50,000	189,893	314,893
Buildings	2,525,542	362,881	290,076	3,178,499
Equipment	8	2,406	8,056	10,470
Vehicles	-	-	4,642	4,642
Total	2,600,550	415,287	492,667	3,508,504

The net book value of:

Land contains £300,000 (2021: £300,000) which represents the value of land that is not depreciated; and
Buildings contains £2,570,700 (2021: £2,043,931) attributable to housing activities.

There is no record of the historical cost of the land and buildings held at deemed cost due to the length of ownership.

The freehold land and buildings were valued by Taylors, Chartered Surveyors, in October 1996 on an existing use basis.

The Charity has adopted the transitional rules of Financial Reporting Standard Number 15 and hence, the valuation will not be updated in future years having adopted the value as deemed historic cost.

Capital Commitments

The Board of Trustees had authorised a capital expenditure budget of £162,500 for the year 2022/23, of which £132,534 is un committed as at 06 September 2022.

12 Investment Properties

	March 2022
	£
Valuation as at 1 April 2021	-
Donated from Linked Charity	7,991,000
Revaluation	(26,000)
Valuation as at 31 March 2022	7,965,000

Sherburn House Charity
Section 9
Notes to the financial statements
for the year ended 31 March 2022
(continued)

13 Investment Portfolio: Brewin Dolphin		Market Value as at 01-Apr-21	Market Value Donated 01-Oct-21	Additions	Disposals	Transfers	Revaluation	Market Value as at 31-Mar-22	Profit / (Loss) on sale
		£	£	£	£	£	£	£	£
General capital fund		-	15,647,522	-	(11,525)	-	(424,432)	15,211,565	5
General accumulated income fund		-	1,665,140	-	-	-	(36,095)	1,629,045	-
Educational foundation fund		-	58,785	-	-	-	(2,195)	56,590	-
(i)	Total Investment portfolio	-	17,371,447	-	(11,525)	-	(462,722)	16,897,200	5
Value of investments									
Listed		-	16,980,663					16,517,942	
Cash / Unlisted		-	390,784					379,258	
Total		-	17,371,448					16,897,200	
Historical cost of investments		-	12,177,598					12,166,073	
Revaluation		-	5,193,850					4,731,127	
Total		-	17,371,448					16,897,200	

Investment Portfolio / Call Loan: UBS		Market Value as at 01-Apr-21	Market Value Donated 01-Oct-21	Additions	Disposals	Transfers	Revaluation	Market Value as at 31-Mar-22	Profit / (Loss) on sale
		£	£	£	£	£	£	£	£
(ii)	Investment portfolio	-	12,251,134	1,833,453	(1,535,803)	(169,648)	(149,797)	12,229,339	174,446
(iii)	Call Loan	-	(6,935,271)	(45,357)	-	169,648	-	(6,810,980)	
	Net Facility	-	5,315,864	1,788,096	(1,535,803)	-	(149,797)	5,418,359	174,446
Value of investments									
Listed		-	11,207,637					11,001,857	
Cash / Unlisted		-	1,043,497					1,227,482	
Total		-	12,251,134					12,229,339	
Historical cost of investments		-	11,423,205					11,519,091	
Revaluation		-	827,929					710,248	
Total		-	12,251,134					12,229,339	
Total Investments at Market Value								29,126,539	
No investment is greater than 5% of the total portfolio value									

14 Debtors	March 2022
	£
Trade Debtors	63,685
Prepayments and accrued income	50,151
Other Debtors	52,446
	166,282

15 Creditors: amounts falling due within one year	March 2022
	£
UBS Call Loan	6,810,980
Trade creditors	241,288
Accruals and deferred income	160,788
Taxation and social security	26,807
Wages creditor	10,584
	7,250,447

16 Social Housing Grant Assisted Scheme - Housing Buildings	March 2022		
	Housing Buildings	Homes England	Total
	£	£	£
Grant as at 1 April 2021	-	-	-
Donated from Linked Charity	654,570	728,000	1,382,570
As at 31 March 2022	654,570	728,000	1,382,570
Amortised as at 1 April 2021	-	-	-
Donated from Linked Charity	654,570	18,520	673,090
Restoration of original Grant value	(654,570)	(18,520)	(673,090)
As at 31 March 2022	-	-	-
£1,382,570 was released to reserves on the transfer from original unincorporated charity and the adoption of the Charities SORP	654,570	728,000	1,382,570

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17 Reconciliation of movements in Funds

	Balance as at 01-Apr-21	Donation from linked charity 01-Oct-21	Surplus / (Deficit) for year	Restoration of original Grant value	Profit on sale of investments	Release of Revaluation Reserve	Royalties Received	Revaluation	Extraordinary repair endowment fund	Balance as at 31-Mar-22
	£	£	£	£	£	£	£	£	£	£
(a) Endowment funds:										
General	-	24,495,275			174,451	(32,115)	20,000			24,657,611
Extraordinary repair (incl refurb)	-	(5,223,882)							216,182	(5,007,700)
Educational foundation	-	40,300								40,300
Total Endowment funds	-	19,311,693	-	-	174,451	(32,115)	20,000	-	216,182	19,690,211
(b) Revaluation reserves:										
Investment properties	-	7,955,477						(26,000)		7,929,477
Investment portfolio (Brewin Dolphin)	-	5,193,849						(462,722)		4,731,127
Investment portfolio (UBS)	-	827,929				32,115		(149,796)		710,248
Total revaluation reserves	-	13,977,255	-	-	-	32,115	-	(638,518)	-	13,370,852
(c) Restricted funds:										
Covid support	-	-								-
Total Homes & Communities Agency Grant	-	-	-	-	-	-	-	-	-	-
(d) Unrestricted funds:										
General	-	(118,050)	135,621	18,520	(174,451)		(20,000)		(216,182)	(411,582)
Housing accommodation			(32,686)							(32,686)
Residential care			87,675							87,675
Housing activities	-	-	54,989							54,989
Homes England Grants (Designated)	-	1,364,050		18,520						1,392,570
Total Unrestricted funds	-	1,246,000	190,610	-	(174,451)	-	(20,000)	-	(216,182)	1,025,977
Balance at 31 March 2022	-	34,534,940	190,610	-	-	-	-	(638,518)	-	34,087,040

(a) Endowment funds										
	General	Extraordinary repairs	Educational foundation							Total
	£	£	£							£
Balance at 1 April 2021	-	-	-							-
Donation from Linked Charity	24,495,275	(5,223,882)	40,300							19,311,693
Transfers from unrestricted funds:										
Royalties received	20,000									20,000
Profit on sale of investments	174,451									174,451
Release from revaluation reserve	(32,115)									(32,115)
Extraordinary repairs funding		216,182								216,182
Balance at 31 March 2022	24,657,611	(5,007,700)	40,300							19,690,211

(b) Investment revaluation reserve										
	Properties	Portfolio								Total
	£	£								£
Balance at 1 April 2021	-	-								-
Donation from Linked Charity	7,955,477	6,021,778								13,977,255
Unrealised (deficit) / surplus	(26,000)	(612,518)								(638,518)
Realisation of revaluation reserve	-	32,115								32,115
Balance at 31 March 2022	7,929,477	5,441,375								13,370,852

(c) Restricted reserves:										
	Covid support									Total
	£									£
Balance at 1 April 2021	-									-
Donation from Linked Charity	-									-
Restoration of original Grant value										
Income	75,850									75,850
Expenditure	(75,850)									(75,850)
Balance at 31 March 2022	-									-

(d) Unrestricted funds										
	Unrestricted funds	Housing activities								Total
	£	£								£
Balance at 1 April 2021	-	-								-
Donation from Linked Charity	1,246,000									1,246,000
Net surplus for the year	135,621	54,989								190,610
Intra revenue reserve transfer	54,989	(54,989)								-
Transfers to capital funds:										
Royalties received	(20,000)									(20,000)
Restoration of original Grant value	-									-
Profit on sale of investments	(174,451)									(174,451)
Extraordinary repairs funding	(216,182)									(216,182)
Balance at 31 March 2022	1,025,977	-								1,025,977

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19 Related Parties

There were no related party transactions in the period.

20 Control

The Charity is under the control of its Board of Trustees.

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<u>March 2022</u>
	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	34,087,040
Adjustments for:	
Depreciation	67,814
(Gains) on investments (sale of shares)	(174,451)
Losses on investments (property revaluation)	26,000
Losses on investments (Brewin dolphin)	462,722
Losses on investments (UBS)	149,797
Dividends, interest and rents from investments	(510,277)
Decrease in debtors	27,407
(Increase) in debtors (Donation)	(193,689)
(Decrease) in creditors	3,373
Increase in creditors (Donation)	436,095
Net cash provided by (used in) operating activities	<u>34,381,831</u>

22 Net debt

	<u>At 1st April 2021</u>	<u>Cash flows</u>	<u>March 2022</u>
Cash and cash equivalents			
Cash	-	571,163	571,163
	-	571,163	571,163
Borrowings			
Short term borrowings (UBS Call Loan)	-	(6,810,980)	(6,810,980)
	-	(6,810,980)	(6,810,980)
Net debt	-	(6,239,817)	(6,239,817)

Short term borrowings shown above are included for statutory disclosure purposes, however the borrowing is linked to the fixed asset investments and the "Net Debt" presented above would be more than offset by the value of the UBS investments (note 13)

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22 Analysis of movements in funds

		Unrestricted	Endowment	Investment	Restricted	
	Notes	Funds	Funds	Revaluation	Reserves	Total
		-	-	-	-	-
Balance at 01 April 2021						
Donated from Linked Charity		1,246,000	19,311,693	13,977,255	-	34,534,948
Surplus for the year		190,610				190,610
Transfers to Endowment Funds in respect of Royalties received	17	(20,000)	20,000			-
Transfers from capital reserves in respect of Restoration of original Grant value	17	-				-
Transfers to Endowment Funds in respect of Profit on sale of investments	17	(174,451)	174,451			-
Transfer from revaluation reserve Profit on sale of Shares prior year profit	17	-	(32,115)	32,115		-
Transfers to Endowment Funds in respect of Extraordinary repairs funding	17	(216,182)	216,182			-
Unrealised (reduction) in investment property values	17			(26,000)		(26,000)
Unrealised (reduction) in investment portfolio values (Brewin Dolphin)	17			(462,722)		(462,722)
Unrealised (reduction) in investment portfolio values (UBS)	17			(149,796)		(149,796)
Balance at 31 Mar 2022		1,025,977	19,690,211	13,370,852	-	34,087,040