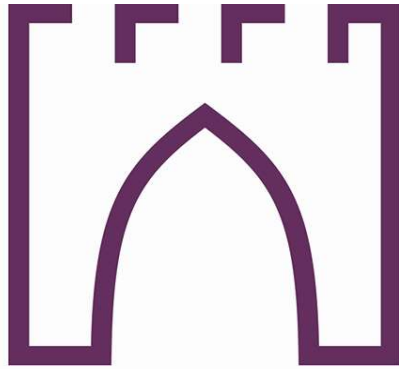




Sherburn House

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.

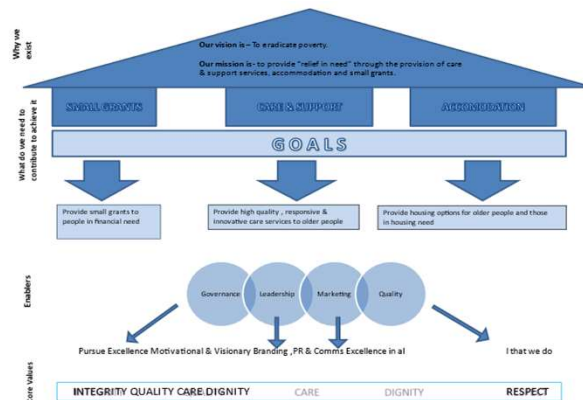
During the year April 2022 - March 2023, over 600 individuals benefitted from Sherburn House Charity Relief in Need grants, currently managed for us by County Durham Community Foundation. 20% of the grants supported people with mental health issues, and just under 10% supported victims of crime or abuse. 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

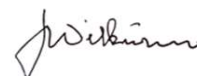
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior Period Total Funds
		£	£	£	£	£
Income from:						
Donation from linked Charity	1.1/1.2	-	-	-	-	34,534,948
Charitable Activities	3/4	2,325,787	122,282	116,668	2,564,737	1,100,568
Investments	4/8	1,086,148		40,000	1,126,148	411,615
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

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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
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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
	£	£	£
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 2022	654,570	728,000	1,382,570
As at 31 March 2023	654,570	728,000	1,382,570

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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

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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 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)

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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