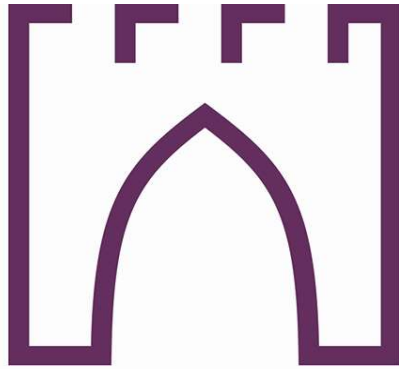




Sherburn House

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.

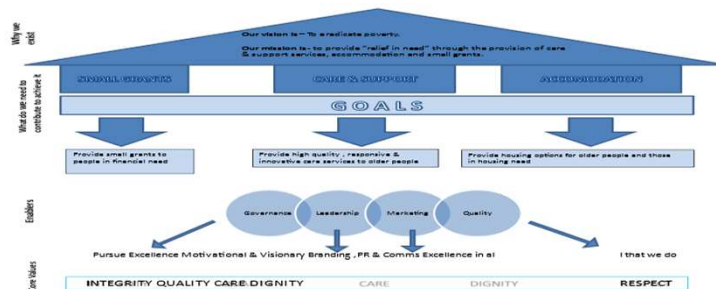
Housing & Estates 3. Provide high quality housing options for beneficiaries

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 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.

[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

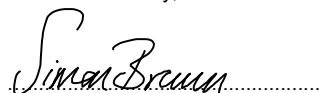
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; compliance with Care Quality Commission; and compliance with the UK Companies Act and Charities Act.

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

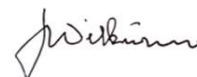
Continuing Operations

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.

Sherburn House Charity
Section 9
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
Section 9
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.

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

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

Sherburn House Charity
Section 9
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>

Sherburn House Charity
Section 9
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
for the year ended 31 March 2024
(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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(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

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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

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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

	<u>March 2024</u>	<u>March 2023</u>
	£	£
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

	<u>At 1 Apr 2023</u>	<u>Cash flows</u>	<u>March 2024</u>
Cash and cash equivalents			
Cash	865,492	(78,588)	786,904
	<u>865,492</u>	<u>(78,588)</u>	<u>786,904</u>
Borrowings			
Short term borrowings (UBS Call Loan)	(6,374,455)	679,022	(5,695,433)
	<u>(6,374,455)</u>	<u>679,022</u>	<u>(5,695,433)</u>
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
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Notes to the financial statements
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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