

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales · Charity number 263687

Details

Other names	YERCOMBE LODGE
Status	Registered
Legal form	Trust
Registered	1972-03-16
Register	View on the Charity Commission register

Contact

Address	Yercombe (Glos) Trust Yercombe Lodge Stinchcombe Dursley GL11 6AS
Phone	01453542513
Email	info@yercombelodge.co.uk
Website	www.yercombelodge.co.uk

Activities

Objects: TO OR FOR THE BENEFIT OF SUCH CHARITABLE INSTITUTIONS OR OBJECTS OR FOR SUCH CHARITABLE PURPOSES IN SUCH PROPORTIONS AND IN SUCH MANNER AND SUBJECT TO SUCH TERMS AND CONDITIONS AS THE SETTLOR MAY BY NOTICE IN WRITING TO THE TRUSTEES OR BY WILL, OR CODICIL FROM TIME TO TIME APPOINT AND DIRECT. IN DEFAULT OF AND SUBJECT TO ANY SUCH APPOINTMENT AND DIRECTION AS AFORESAID THE TRUSTEES MAY PAY OR APPLY THE INCOME OF THE TRUST FUND TO OR FOR THE RELIEF OF ELDERLY AND NEEDY PERSONS RESIDENT IN THE COUNTY OF GLOUCESTER AND FOR CHARITABLE INSTITUTIONS HAVING SUCH PURPOSES AMONG THEIR OBJECTS.

Activities: The Trust utilises Yercombe Lodge as a residential care home with respite facilities and day services for the elderly and physically disabled of Gloucestershire.

Classification

- **How:** Provides Services
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** GLOUCESTERSHIRE
- Gloucestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£727,715	£805,860	£1,437,846	33
2024-04-05	£708,348	£739,643	£1,553,606	36
2023-04-05	£549,449	£745,142	£1,609,588	37
2022-04-05	£488,288	£650,766	-	-
2021-04-05	£521,227	£589,604	£2,050,086	34

Trustees

Name	Role	Appointed
Amanda Phillips		2025-05-06
Dr Marion Jane McDowell		1996-09-23
John Charles Drury		1995-07-25
Julia Mary Thomas		2020-01-14
Peter Stuart Gilbert		2013-07-23

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales - Charity number 263687

Accounts

Charity number: 263687

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5TH APRIL 2025

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THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102. Comparative information is for the year ended 5th April 2024.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trust was established by the late H. Maxwell Workman for the benefit of the old and needy of Gloucestershire. To this end it utilizes Yercombe Lodge, the settlor's former home, as a residential care home with respite facilities and as a day centre for the elderly and disabled. The trust also makes provision for up to four day care places. There was no change in the intention to provide these services during the year under review, or in the previous year.

The charity's main aim is to seek to continue to provide the services as outlined above. In the provision of those services the charity seeks to meet agreed client requirements in accordance with the limits of availability. The aim is client satisfaction within a context of fairness, reliability, and accountability. The charity wishes to conduct all its relationships on a basis of trust, efficiency, and best practice.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities. In particular, the trustees consider how activities will contribute to the objectives they have set.

The trustees consider that the benefits provided by the operation of the trust outweigh any detriments or harm created.

To achieve its objectives the charity has adopted a series of formal procedures. These are set out in a quality assurance manual. This manual is subject to regular review in order to respond to changing circumstances. Advice is sought from relevant outside bodies as appropriate. In particular, the charity has sought to maintain a good relationship with relevant inspecting authorities. Internal review is undertaken according to a planned schedule throughout the year to ensure compliance with the procedures set out in the manual.

The trustees are aware of the difficulties created by seeking to provide services in a climate of ever-increasing regulation and restrictions on funding increases. They are also mindful of the need to try to preserve the value of the charity's funds from the effects of inflation.

The charity does not make grants.

The Trust Deed limits the services provided by the charity to those resident in the County of Gloucester. Since the creation of the trust there have been a number of changes in the structure

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT cont.

of local government. The trustees have adopted the view that the geographical area covered should continue to be as originally established. This currently includes Gloucestershire County Council, South Gloucestershire County Council, and a large part of the City of Bristol.

In preparing this report the trustees have reviewed the objectives and activities as established. This review involves more than the consideration of the financial results, although the trustees are aware that the success of the charity depends upon adequate resources.

ACHIEVEMENTS AND PERFORMANCE

As recorded in the trustees' report for the previous year, the Covid 19 pandemic had a severe impact on the operations of the charity. This resulted in a significant loss of income and an increase in costs. It became necessary to utilise reserves and to draw funds from the investment portfolio in order to maintain activities.

The trustees took the view that prior to the onset of the pandemic the range of services provided was in accord with their objectives, and decided to reopen all activities previously offered. Income from charitable activities is shown in note 2 to the accounts. Whilst the trustees are pleased with the level of income generated by the residential home, both long-stay and respite, it has proved difficult to restore day centre and day care income. As a result the trustees have consulted outside advisors to consider the alternatives open to the trust.

The services as outlined above are provided to self-funded individuals, users funded by local authorities, and occasionally to users funded by other charities. In the past Gloucestershire County Council maintained a 'block' booking of one room in the respite home. This arrangement came to an end on 31st August 2016. A number of service users who had benefited expressed concern about the alternatives to be made for them by the County Council. The trustees decided to offer to continue to accept bookings for these service users, to be paid for at the Council rate, for as long as the service users wish. The Council rate is substantially below the amount charged to privately funded service users. No attempt has been made to quantify the impact of this commitment as it depends upon unknown factors, such as the frequency of visits, life expectancies, and the relative movement of funding rates. In the view of the trustees it was appropriate to enter into this arrangement for the benefit of the individuals concerned as several had been coming to the home for many years.

The trustees take the view that the arrangements with Social Services enable users unable to afford the trust's fees to access the services provided. The trust is not a party to the arrangements made between users and Social Services regarding funding. The trust is committed to equal access to its services restricted only by the terms of the Trust Deed, legislation, the requirements of the regulatory authorities, and the capacity of the facilities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

ACHIEVEMENTS AND PERFORMANCE cont.

The trustees are aware that the services as outlined above are of benefit not just to the service users themselves. In most cases the user has a carer or carers who benefit from the break provided. The trustees do not consider it would be practicable, or cost effective, to seek to quantify this benefit, but take the view that it is significant.

As shown in note 6 to the accounts, the trustees have adopted a policy of revaluation of the freehold property. This took effect at 5th April 2015. A further revaluation would have been due in the year ended 5th April 2021 under the terms of the previous policy. In view of the restrictions on visits to the home the trustees decided that this should be postponed. The property was valued by an independent valuer in September 2022. He provided a report which contained no significant difference from the 2015 valuation. Accordingly, the trustees have decided that no amendment to the figures included in the accounts is required.

As is shown in the Statement of Financial Activities the trust suffered net expenditure of £115,760 (2024: £55,982). Total funds fell to £1,437,846 (2024: £1,553,606). The charity experienced an operational deficit of £146,581 (2024: £187,050).

No legacy income (2024: £96,227) was recognised during the year. This is explained in note 19 to the accounts. In the year ended 5th April 2024 professional fees of £7,035 were incurred as the costs associated with the realisation of this income.

During the year the trust received unrestricted donations of £1,626 (2024: £9,419).

During the year the trust received restricted donations of £31,897 (2024: £2,425). The largest individual amount was £31,000 for the purchase of capital equipment received from the Dursley & District Old Peoples' Welfare Committee. The trustees are grateful to the members of that charity for the generosity of that gift.

No grant income was received during the year (2024: £849).

Total volunteer hours are estimated at 260 (2024: 200). These related primarily to the grounds and woodlands. If these hours were to be valued at the National Living Wage of £12.21 (2024: £11.44) the voluntary effort would represent a value of approximately £3,175 (2024: £2,290). The trustees are grateful to all the volunteers who contributed during the year.

It is the policy of the trustees to delegate the management of the investment portfolio to a firm of stockbrokers. They have been granted discretionary powers subject to a statement of policy. This statement seeks to ensure that the funds are properly protected; that the capital is not put at risk and is protected against inflation; and the best income consistent with these objectives is obtained. Within these overall objectives the trustees have set a number of conditions. These conditions include the expressed wish that the portfolio should yield a

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

ACHIEVEMENTS AND PERFORMANCE cont.

given net income. The figure set by the trustees is £35,000 (2024: £45,000). As shown in Note 2 to the accounts, dealing with Incoming Resources, net income from the portfolio was £34,450 (2024: £40,146). The trustees take the view that this performance was satisfactory in relation with the objectives set given the circumstances which applied to the stockmarket during the year. In June 2022 the trustees reviewed their investment policy in conjunction with the portfolio manager. As a result of the review the trustees have expressed the wish that the portfolio should yield a net income of 4.50% of the portfolio value, and that the underlying value should be protected from the effects of inflation. As shown in the Statement of Financial Activities, and explained in Note 4, the trust experienced a loss on the portfolio of £37,615 (2024 loss: £24,687).

FINANCIAL REVIEW

In the opinion of the trustees the accounts reflect the financial position of the charity and the financial management policies adopted. Projections are prepared on a regular basis as part of the monitoring of performance. Cashflow is considered at each meeting of trustees. In conjunction with the stockbroker, the transactions and movements of the investment portfolio are reviewed at each meeting of trustees.

Details of fixed assets are shown in note 13 to the accounts. All the tangible assets are used for charitable purposes. The cost of freehold property represents the original purchase of Yercombe Lodge and improvements since. In accordance with current accounting practice, the trustees adopted a policy of writing off this cost. As noted above, and as explained in note 6 to the accounts, the trustees adopted a policy of the revaluation of freehold property. Depreciation charges are based upon the revalued amount.

The Trust Deed enables the trustees to apply or invest monies liable to be invested under the Deed in property or investments as the trustees in their absolute discretion think fit. The investment portfolio has been acquired in accordance with these powers. The Deed allows the trustees to spend the income arising but requires the trust capital fund to be maintained. As noted above, the portfolio experienced a fall in value during the year. Following the receipt of legacies recognised as income in the accounts for the year ended 5th April 2024 £40,000 was invested in the portfolio (2024: £Nil).

In response to the needs of operational cashflow it became necessary to withdraw £40,000 (2024: £140,000) from the portfolio. This required the sale of stocks, made under the discretion of the stockbroker. As some of the sales were made of stocks held as part of the Endowment Fund, it became necessary to reallocate stocks of equivalent value from unrestricted funds to replace those sold. Further withdrawals of funds have taken place after the year-end.

Note 6 to the financial statements shows the assets and liabilities attributable to the funds

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

FINANCIAL REVIEW cont.

by type, and shows the movements on each fund. The Endowment Fund is shown at £969,289. Unrestricted Funds amounted to £445,587, but of this only £238,561 is freely available as £207,026 is invested in fixed assets.

The balance of unrestricted funds represents the accumulated general income of the charity. No funds have been designated within these reserves. It is not the policy of the trustees to set aside specific amounts to meet future expenditure. No funds were in deficit at any time during the year.

The circumstances relating to the funding of the day centre are outlined above. The residential home is funded from fees charged to service users. These include amounts charged both to private service users and public providers. The expenditure incurred in operating Yercombe Lodge relates to all these activities. The apportionment of expenses between the different activities has always been difficult. In view of the impact of the Covid-19 pandemic, the trustees consider that no apportionment could yield meaningful results for budgeting purposes.

As noted above, the investment portfolio is invested under an agreement with a firm of stockbrokers. This agreement includes a statement of policy specified by the trustees which includes a number of conditions. These include a condition that the trustees do not wish to invest in companies which manufacture tobacco products. They also include conditions that the portfolio should normally be invested in United Kingdom equities and fixed interest stocks quoted on the stock exchange, and that those equity stocks should normally be companies within the FTSE 100 list. There were no changes in these policies during the year, or in the previous year.

As shown in note 7 to the accounts, no trustee received any remuneration during the year. All gave their time voluntarily, and, in the view of the trustees, received no private benefit from the charity.

The trustees are concerned by the level of the operational deficits experienced, and expected. They recognise that the drain on resources poses a threat to the future. Despite the continuing uncertainty, the trustees consider that the financial position of the trust remains strong. Total funds of £1,437,846 (2024: £1,553,606), as shown on the Balance Sheet, enable the trust to retain control over future strategy.

RISK MANAGEMENT

The trustees acknowledge their responsibility to make a statement that they have regularly reviewed and assessed the risks faced by the charity in all areas of its work, and have planned for the management of those risks. The processes adopted are based upon the guidance issued by the Charity Commission for England and Wales, CC26. They involve the assessment of the issues

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

RISK MANAGEMENT cont.

raised in the context of governance, management, operations, financial circumstances, environmental and external factors, and compliance with applicable laws and regulations. The trustees seek to apply what they consider to be a prudent approach in the management of potential risks. The aim is to manage risk in such a way as enables the trustees to achieve their objectives, as noted above, and to safeguard the assets of the trust.

Risks are identified by staff or trustees, and are reviewed in relation to established policies and procedures within the framework of the financial and operational plan. Amendments are made as appropriate, and are included within the operational manual. The trustees have reviewed the major risks identified, and to the best of their belief have established control systems to manage those risks. In common with many similar operations and businesses the general level of economic uncertainty presents a significant challenge. As noted above, the consequences of the changes in the provision of adult social care also create a level of uncertainty which is beyond the control of the trust. The trustees also acknowledge that there may be risks which are unknown or which are presently judged not to be significant but later prove to be significant.

STATEMENT OF POLICY ON RESERVES

It is the policy of the trustees to hold cash deposits as a reserve when circumstances allow. As shown in note 16 to the accounts, as at 5th April 2025 the trust held £56,202 (2024: £19,793) in deposit accounts. These sums are available with no restrictions on the ability to withdraw the funds.

It is not the policy of the trustees to set aside designated amounts for use in future periods.

FUNDRAISING

During the year no costs (2024: £Nil) were incurred in fundraising activities. Income of £1,068 was raised at the Summer Fayre and a bingo night (2024: £Nil). Of this £400 (2024: £Nil) was allocated to the day centre service users, the balance represented donations received.

PLANS FOR THE FUTURE

It is a requirement of the regulatory authorities that the trust is able to demonstrate that it is able to continue in operation in order to provide service users with security and continuity. The trustees continue to base their operational decisions upon the annual budget and quarterly management accounts. They consider that demand for the services provided at Yercombe Lodge remains. It is their intention to continue all the services for as long as resources allow.

As part of the procedures adopted to achieve its objectives for many years the trust has

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

PLANS FOR THE FUTURE cont.

adhered formal statements made available to service users, staff, and others as required. These include an ongoing safeguarding policy. The trustees wish to confirm their commitment to and the maintenance of such a policy as part of their planning for the future.

As noted above, the trustees appointed outside advisors to consider options for the future of the trust and its activities. During the year this work was undertaken at no cost to the trust. During the year ended 5th April 2024 fees of £9,600 were incurred and included in the accounts under the heading of Governance costs. Also included in 2024 were legal fees of £2,754 in relation to a possible application to the Charity Commission under Section 282 of the Charities Act 2011. This would involve the release of restrictions over part of the Endowment fund. At the date the accounts were approved no decisions had been made regarding the proposals under consideration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust was established by a Trust Deed dated 10th February 1972. It is governed under the terms of the Deed by the trustees. The property of the trust is vested in the trustees. The Trust Deed limits the total number of trustees to twenty. New trustees are invited to join and are appointed by election at a meeting of trustees.

The trustees have established a section within the Yercombe Lodge Quality Manual dealing with the induction and training of new trustees. This is intended to allow new trustees to familiarise themselves with the premises, organisation, activities, systems, and ethos of the charity, and to ensure that they are competent, knowledgeable, and well-informed as to their duties. This process involves a tour of the premises, the passing of relevant documentation, attendance at a trustees meeting, direct discussion with existing trustees, and the completion of DBS checks.

The charity has adopted an organisational structure based upon the allocation of areas of responsibility either to individual trustees or to a sub-committee. Each area is supervised by a portfolio holder.

The portfolio holders are as follows:
Administration and finance - Mr. J.C. Drury.
Property - Mr. P.S. Gilbert
Operational - Dr. M.J. McDowell.

The consideration of the woodlands and grounds is supplemented by the use of a volunteer. Each area of responsibility operates within an appropriate agenda and reports to each meeting of trustees.

The freehold property is registered with the Land Registry in the names of a committee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT cont.

of trustees and former trustees acting on behalf of the body of trustees. The committee consists of Mr.J.C. Drury, Dr.M.J. McDowell, Mr.P.S. Gilbert, Dr.P.J. Sprague and Dr. A.J. Keith.

The routine administration of Yercombe Lodge is delegated to the manager of the home. She reports regularly to the various portfolio holders. The trustees meet monthly, except that no meetings are held in August or December.

REFERENCE AND ADMINISTRATIVE INFORMATION

NAME

The registered name of the charity is The Yercombe (Gloucestershire) Trust.
It is also known as Yercombe Lodge.

REGISTRATION NUMBER

The charity is registered with the Charity Commission for England and Wales.
The registration number is 263687.

REGISTERED ADDRESS

Yercombe Lodge, Stinchcombe, Dursley, Glos. GL11 6AS

TRUSTEES

Trustees at the date that the report was approved:

Mr. J.C. Drury

Dr. M. J. McDowell

Mr. P.S. Gilbert

Mrs. J.M. Thomas

Ms. A. Phillips - appointed 5th May 2025

Dr. P.J. Sprague served as a trustee for part of the year. He resigned as a trustee on 11th October 2024.

MANAGEMENT STAFF

The trustees delegate day to day management of the charity to the following senior staff:

Manager - Mrs. T.J. Brinkworth

Deputy manager - Mrs. K.J. Pullen

The service contracts and remuneration of senior staff are negotiated by the trustees with the individuals concerned.

PRINCIPAL BANKERS

Lloyds Bank - 12 Rowcroft, Stroud, Glos. GL5 3BD

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

REFERENCE AND ADMINISTRATIVE INFORMATION cont.

STOCKBROKERS

J.M. Finn & Co Ltd. - 25 Copthall Avenue, London, EC2R 7AH

INDEPENDENT EXAMINER

Josh Kingston, ACA

Burton Sweet Limited - The Clock Tower, Farleigh Court, Old Western Road,
Flax Bourton, Bristol BS48 1UR

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- 1.) select suitable accounting policies and then apply them consistently;
- 2.) observe the methods and principles in the applicable Charities SORP;
- 3.) make judgements and estimates that are reasonable and prudent;
- 4.) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5.) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2025

Approved by the trustees on the 21st October 2025
and signed on their behalf:

J.C. Drury
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees of The Yercombe (Gloucestershire) Trust on the accounts for the year ended 5th April 2025, Charity number 263687, set out on pages 12 to 33

I report to the trustees on my examination of the accounts of the above charity ("the trust") for the year 5th April 2025.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England & Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- * the accounting records were not kept in accordance with section 130 of the Charities Act; or
- * the accounts did not accord with the accounting records; or
- * the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: Joshua Kingston

Date: 21st October 2025

Name: Joshua Kingston, ACA

Address: Burton Sweet Limited
The Clock Tower,
Farleigh Court,
Old Weston Road,
Flax Bourton,
Bristol,
BS48 1UR

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2025

	Notes	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u>	<u>Total funds</u> <u>£</u>	<u>Prior year</u> <u>total funds</u> <u>£</u>
Income from:	2					
Donations and legacies		1,626	31,897	-	33,523	108,071
Grants received	22	-	-	-	-	849
Charitable activities		659,279	-	-	659,279	552,593
Investments		34,859	-	-	34,859	40,329
Other		54	-	-	54	6,506
Total		695,818	31,897	-	727,715	708,348
Expenditure on:	3					
Raising funds		734	-	2,881	3,615	3,771
Charitable activities		790,029	-	9,822	799,851	717,134
Other		2,394	-	-	2,394	18,738
Total		793,157	-	12,703	805,860	739,643
Net gains/(losses) on investments	4	(13,413)	-	(24,202)	(37,615)	(24,687)
Net income/(expenditure)		(110,752)	31,897	(36,905)	(115,760)	(55,982)
Transfers between funds	5	8,920	(8,927)	7	-	-
Net movement in funds	12	(101,832)	22,970	(36,898)	(115,760)	(55,982)
Reconciliation of funds:	6					
Total funds brought forward		547,419	-	1,006,187	1,553,606	1,609,588
Total funds carried forward		445,587	22,970	969,289	1,437,846	1,553,606

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
BALANCE SHEET AT 5TH APRIL 2025

	<u>Notes</u>	<u>Total Funds</u> £	<u>Prior year Funds</u> £
Fixed assets:			
Tangible assets	13	600,597	613,898
Investments	14	711,493	752,724
		<u>1,312,090</u>	<u>1,366,622</u>
Current assets:			
Debtors	15	59,734	141,222
Cash at bank and in hand	16	115,309	96,114
		<u>175,043</u>	<u>237,336</u>
Liabilities:			
Creditors: Amounts falling due within one year	17	49,287	50,352
		<u>125,756</u>	<u>186,984</u>
		<u>1,437,846</u>	<u>1,553,606</u>
The funds of the charity:			
	6		
Endowment funds			
General reserve		680,597	710,278
Revaluation reserve		<u>288,692</u>	<u>295,909</u>
		969,289	1,006,187
Restricted income funds		22,970	-
Unrestricted funds			
General reserve		313,138	411,659
Revaluation reserve		<u>132,449</u>	<u>135,760</u>
		445,587	547,419
		<u>1,437,846</u>	<u>1,553,606</u>

Approved by the trustees on the 21st October 2025
and signed on their behalf:

J.C. Drury
Trustee

Mrs. J.M. Thomas
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5TH APRIL 2025

	<u>Notes</u>	<u>Total funds</u> £	<u>Prior year funds</u> £
Cash flows from operating activities:			
Net cash used in operating activities	23	<u>(8,569)</u>	<u>(157,848)</u>
Cash flows from investing activities:			
Dividends and interest from investments	2	34,859	40,329
Proceeds from sale of investments		101,495	214,244
Purchase of investments	14	(63,580)	(70,284)
Purchase of fixed assets	13	(10,710)	(3,113)
Net cash provided by investing activities		<u>62,064</u>	<u>181,176</u>
Change in cash and cash equivalents in the reporting period		53,495	23,328
Cash and cash equivalents at the beginning of the reporting period		106,037	82,709
Cash and cash equivalents at the end of the reporting period		<u><u>159,532</u></u>	<u><u>106,037</u></u>
Reconciliation of cash and cash equivalents with balance sheet:			
Cash at bank and in hand per balance sheet	16	115,309	96,114
Day centre cash balances	18	(34)	(34)
		<u>115,275</u>	<u>96,080</u>
Brokers deposit account	14	44,257	9,957
		<u><u>159,532</u></u>	<u><u>106,037</u></u>

Day centre cash balances are held for the benefit of service users and are not the property of the trust.

The brokers deposit account consists of funds generated by transactions in stocks held in the investment portfolio yet to be reinvested. As shown in note 14, at 5th April 2025 £43,981 was part of the endowment fund (2024: £6,899), and was unavailable for use to further charitable activities.

The trust undertook no financing activities in either reporting period.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies

The Basis of the Preparation of Accounts

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts. They are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains and losses included in the accounts.

The accounts of the charity are 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 FRS102, applicable Accounting Standards, and The Charities (Accounts and Reports) Regulations 2008, issued under the provisions of the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS102. The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared on the basis that the charity is a going concern. They have been prepared under the historic cost basis of accounting except for investments, which have been included at market value, and freehold property which is included at a revalued amount.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair' view. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income

Income generated from the provision of services at Yercombe Lodge is accounted for on the accruals basis. Resources received in advance of the provision of a service by the charity - for example, deposits received to secure a booking in the respite home - are deferred until the service has been provided.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the trustees. Donations and gifts under the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies cont.

Gift Aid scheme, together with the associated income tax recovery, are recognised as income when the donation is received. Funds collected are included gross.

The charity receives the benefit of work carried out by volunteers. No monetary value is placed on this, although the operations of the charity would be difficult without such work.

Gifts of assets for use by the charity are recognised when the assets is received. If details of the value of the asset are not known the trustees will include it at an estimated figure based upon appropriate comparative information, such as price lists etc. Such assets are capitalised under the heading of fixed assets if their nature and value falls within the charity's normal criteria for the capitalisation of assets, as outlined below.

Gifts of assets donated for resale are included at the amount realised on disposal, or at an estimated value if the asset is still held at the year end.

Legacies are accounted for when notification has been received from personal representatives, except no amount is included when there is uncertainty as to entitlement, receipt or measurability.

Revenue grants are credited to the Statement of Financial Activities as recognised, unless they relate to a specific period, when they are placed in deferred income funds until allocated. Grants for capital projects are held within restricted funds until the expenditure to which they relate is incurred.

The Trust Deed requires the capital of the endowment fund to be preserved but permits the income arising from the fund to be spent. Accordingly, the incoming resources arising from the investment of assets within the endowment fund are included within unrestricted funds.

As explained in note 18 to the accounts, the trust holds monies on behalf of the day centre users. As these funds do not belong to the charity they are not recognised as income. The expenditure made from these funds is not included as expenditure of the charity. In cases where the day centre users have donated funds to the charity such donations are recognised as income in accordance with the policy as outlined above.

Expenditure

Expenditure is accounted for on an accruals basis. Expenses are included when the trustees recognise that a liability exists to a third party. A liability will arise when the charity is under an obligation to make a transfer of value to a third party as a result of past transactions or events.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies cont.

In the case of on-going contracts with Gloucestershire Social Services for the provision of services, costs are included in the Statement of Financial Activities on the accruals basis, no provision is made for any costs which might arise should the contracts be terminated or not be renewed.

The SORP requires the allocation of resources expended to relevant activity categories and to material activities or programmes within each category. Costs directly incurred in relation to an activity are allocated to that activity. Costs which involve more than one activity are attributed on the basis that the trustees consider most reasonable. In view of the nature of the charity's operations - which involve a single building with shared services and overheads - the majority of costs have to be allocated in this way. There is inevitably a high degree of estimation and approximation. In the opinion of the trustees the costs of maintaining records sufficient to enable a more accurate allocation would be substantial and would outweigh any benefits.

Despite the provision within the Trust Deed that the income arising from the endowment fund can be treated as unrestricted income, and not added to the fund, the SORP requires costs arising in relation to the fund to be charged against it. Investment management costs are allocated between funds on the basis of their relative values at the end of the year. A charge for depreciation on fixed assets held within the endowment fund is included within resources expended upon Charitable Activities on the basis outlined in the Asset Policy Note included below.

In the opinion of the trustees support costs are only material in relation to the category of resources expended upon Charitable Activities. Accordingly, no support costs are allocated to other categories.

The basis of allocation of costs to activities within the category Charitable Activities was followed by the trustees for many years for budgeting purposes. This basis was followed for the year ended 5th April 2020, but with the onset of Covid-19, which required the suspension of activities associated with day care and the day centre, the trustees took the view that the allocation of costs in this way would not be meaningful. The trustees continue to hold this view as activities have not resumed at pre-covid levels. Accordingly, no such analysis is presented in the accounts.

Other expenditure includes the costs associated with the governance arrangements of the charity which relate to the general running of the charity. They include costs associated with the strategic management of the charity's activities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies cont.

Fixed Assets

The trustees have adopted a policy of revaluation relating to freehold property. This took effect from 5th April 2015, and will involve valuation every five years.

Other fixed assets acquired for the charity's own use are included at cost. It is the policy of the trustees not to capitalise items costing less than £500 unless they form part of a larger project where the total expenditure on the project exceeds £500.

The charity occupies the former home of the Settlor. It is the view of the trustees that the terms of the Trust Deed do not make the property inalienable as defined by the SORP. Yercombe Lodge has extensive grounds which include woodlands. Whilst the trustees are aware of their responsibilities in relation to these grounds, it is their opinion that they do not constitute heritage assets as defined by the SORP, as the assets are not central to the purposes of the charity as set out in the Trust Deed.

No depreciation was provided in relation to the freehold property prior to the year ended 5th April 1999. The trustees were of the opinion that the residual value would be in excess of cost as shown. This policy was amended in accordance with current accounting practice. Depreciation at a rate of 2% of cost per annum has been included. Records are not available which would enable the trustees to accurately evaluate the impact on the accounts had this policy been applied in earlier years. Where improvements to freehold property include items of mechanical equipment depreciation at a rate of 20% is applied to the cost of that equipment. No depreciation is provided on assets in the course of construction.

Depreciation is provided on fixtures, fittings and equipment at 20% per annum, except costs associated with the new space heating boilers have a charge of 10% per annum. With effect from 6th April 2017 this is charged on a straight-line basis, having formerly been on a reducing balance basis. The remaining cost of assets acquired prior to 6th April 2012 was written-off at 5th April 2017. Depreciation is charged on the cost of additions in the first quarterly accounts following acquisition.

It is the policy of the trustees that the property portfolio holder review the condition of fixed assets on a regular basis for possible deterioration. A programme of necessary works is maintained. The costs of repair and maintenance are included in the Statement of Financial Activities.

Investments are included at market value at the balance sheet date. Gains and losses on revaluation are recognised in the Statement of Financial Activities as unrealised gains and losses at the balance sheet date. Realised gains and losses are recognised at the date that the investment was sold.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies cont.

The charity holds items for resale. These include tea-towels and postcards. It is not the policy of the trustees to include such items in the balance sheet as stocks as their value is likely to be immaterial in relation to the accounts. Items of craftwork held in the day centre for sale to the public are not included as they are not the property of the charity.

Funds structure

The endowment fund represents permanent capital as established under the terms of the Trust Deed. The trustees have no power to convert these funds into income and apply them as such. The fund is invested in assets. These assets can be exchanged provided that their place in the fund is taken by the assets taken in exchange. Depreciation and other losses arising in relation to the assets held in the fund are charged to the fund, as are other costs - such as investment management costs - when they relate to assets held in the fund.

The restricted income funds are funds subject to specific trusts within the wider purposes of the charity. The specific trusts are generally created by the expression of a particular purpose by the donor of the funds. The trustees are then required to expend those funds for that purpose.

The unrestricted income fund consists of funds which are expendable at the discretion of the trustees in furtherance of the charity's objects. It is not the policy of the trustees to designate particular amounts of unrestricted income to specific purposes.

The Trust Deed grants the trustees a power of accumulation whereby they can augment the endowment fund from income funds. Prior to the SORP it was not always the policy of the trustees to use this power in relation to improvements to freehold property. Records do not exist which demonstrate beyond doubt the history of the expenditure on the property, or the reasons for previous transfers to the endowment fund. The SORP makes it clear that in circumstances where income funds are used to erect, extend, or improve a building which is an endowment asset those income funds will normally become permanent endowment. Accordingly, the policy has been adopted to transfer amounts equal to the cost of any such improvements to freehold property from income to endowment funds. The absence of records does not allow the trustees to quantify the impact on the accounts in previous years had this policy applied.

Other transfers between funds may arise. Each transfer depends upon its own circumstances in relation to the requirements of the SORP. Transfers have taken place from restricted income funds to unrestricted income funds of the value of fixed assets when the asset has been purchased from a restricted donation but the asset is held for a general purpose. It is the policy of the charity to seek grants and donations to purchase assets to be held for general purposes only.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

1. Accounting policies cont.

Pension costs

The trust is required to automatically enrol certain workers into a pension scheme and contribute towards it. Contributions are accounted for on an accruals basis. The trust contributes the minimum amount required by law.

Taxation

As a registered charity, the trust is generally exempt from the burden of Income Tax and from Capital Gains Tax, but not from Value Added Tax. Irrecoverable VAT is included in the cost of the item to which it relates.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

2. Income from:	<u>Unrestricted Restricted Endowment</u>			<u>Prior Year</u>	
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations and legacies					
Donations	1,626	31,897	-	33,523	11,844
Legacies	-	-	-	-	96,227
	<u>1,626</u>	<u>31,897</u>	<u>-</u>	<u>33,523</u>	<u>108,071</u>
Grants received					
Grants received	-	-	-	-	849
Charitable activities					
Fees from residents	590,064	-	-	590,064	482,027
Day care	6,712	-	-	6,712	8,386
	<u>596,776</u>	<u>-</u>	<u>-</u>	<u>596,776</u>	<u>490,413</u>
Income from residential home	596,776	-	-	596,776	490,413
Day centre	62,503	-	-	62,503	62,180
	<u>659,279</u>	<u>-</u>	<u>-</u>	<u>659,279</u>	<u>552,593</u>
Investments					
Fixed interest	6,143	-	-	6,143	4,909
Dividends	27,650	-	-	27,650	34,703
Interest on portfolio	657	-	-	657	534
	<u>34,450</u>	<u>-</u>	<u>-</u>	<u>34,450</u>	<u>40,146</u>
Portfolio investment income	34,450	-	-	34,450	40,146
Short-term interest	409	-	-	409	183
	<u>34,859</u>	<u>-</u>	<u>-</u>	<u>34,859</u>	<u>40,329</u>
Other					
Compensation and sales	54	-	-	54	6,506
	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>6,506</u>
Total income	<u>695,818</u>	<u>31,897</u>	<u>-</u>	<u>727,715</u>	<u>708,348</u>

Prior year donations included £2,425 restricted funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

3. Expenditure on:	Unrestricted	Restricted	Endowment	Prior Year	
	funds	funds	funds	Total funds	Total funds
	£	£	£	£	£
Raising funds					
Investment management costs	734	-	2,881	3,615	3,771
	<u>734</u>	<u>-</u>	<u>2,881</u>	<u>3,615</u>	<u>3,771</u>
Charitable activities					
Direct variable costs:					
Staff costs	611,509	-	-	611,509	545,395
Food	39,439	-	-	39,439	37,865
Consumables	9,245	-	-	9,245	7,515
	<u>660,193</u>	<u>-</u>	<u>-</u>	<u>660,193</u>	<u>590,775</u>
Property and overhead expenses:					
Water	3,285	-	-	3,285	(514)
Light and heat	25,964	-	-	25,964	29,577
Insurance	14,283	-	-	14,283	13,257
Telephone	2,582	-	-	2,582	2,846
Repairs and maintenance	41,337	-	-	41,337	33,920
Printing, stationery and postage	2,316	-	-	2,316	2,669
Staff travel expenses	97	-	-	97	281
Training costs	6,260	-	-	6,260	1,553
Recruitment expenses	1,711	-	-	1,711	1,384
Publicity	100	-	-	100	8
Sundry expenses	7,269	-	-	7,269	6,378
Depreciation	14,188	-	9,822	24,010	24,295
	<u>119,392</u>	<u>-</u>	<u>9,822</u>	<u>129,214</u>	<u>115,654</u>
Support costs:					
Software expenses	5,530	-	-	5,530	4,887
Bank charges	211	-	-	211	227
Professional fees	4,703	-	-	4,703	4,962
Sundry items	-	-	-	-	629
	<u>10,444</u>	<u>-</u>	<u>-</u>	<u>10,444</u>	<u>10,705</u>
	<u>790,029</u>	<u>-</u>	<u>9,822</u>	<u>799,851</u>	<u>717,134</u>

The prior year cost of investment management consists of £745 unrestricted funds and £3,025 endowment funds. The depreciation charge was £14,473 unrestricted funds and £9,822 endowment funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

3. Expenditure on: cont.

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other					
Independent examination/audit	2,394	-	-	2,394	(650)
Professional fees	-	-	-	-	19,388
	<u>2,394</u>	<u>-</u>	<u>-</u>	<u>2,394</u>	<u>18,738</u>
Total expenditure	<u>793,157</u>	<u>-</u>	<u>12,703</u>	<u>805,860</u>	<u>739,643</u>

4. Net gains/(losses) on investments

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	530	-	4,814	5,344	(10,678)
Revaluation of investments	(13,943)	-	(29,016)	(42,959)	(14,009)
	<u>(13,413)</u>	<u>-</u>	<u>(24,202)</u>	<u>(37,615)</u>	<u>(24,687)</u>

Prior year net gains/(losses) on investments
Year Ended 5th April 2024:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	(4,286)	-	(6,392)	(10,678)	(25,556)
Revaluation of investments	(3,098)	-	(10,911)	(14,009)	(165,091)
	<u>(7,384)</u>	<u>-</u>	<u>(17,303)</u>	<u>(24,687)</u>	<u>(190,647)</u>

5. Transfers between funds

During the year £40,000 (2024: £140,000) was withdrawn from the investment portfolio for cashflow purposes. Of this sum, £20,000 (2024: £56,000) was raised by the sale of stocks held within the Endowment Fund. In order to maintain the value of that fund stocks of an equivalent value were transferred from Unrestricted Funds. In both years the stocks transferred exceeded the cash drawn by a small amount, 2025: £7 (2024: £1), representing a net increase in the Endowment Fund.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

5. Transfers between funds: cont.

During the year £8,927 (2024: £2,425) was transferred from restricted to unrestricted funds. This amount includes £8,687 used to purchase a washing machine and tumble dryer, and £240 used for staff welfare. The transfer in 2024 included a contribution to the refurbishment of the day centre, residents' entertainment and welfare, and staff welfare.

6. Reconciliation of funds:

The endowment fund represents the trust capital account. It arises from the original donations made by the Settlor, from various transfers from income funds, and from transactions shown in the Statement of Financial Activities, including movements in unrealised reserves.

Restricted funds are amounts held for specific purposes. The purposes may be declared by the donor when making the gift or may result from the terms of an appeal for funds, please see page 3 of the Trustees' Annual Report for further information.

The unrestricted income fund represents the accumulated general income of the trust, including unrealised reserves.

Endowment funds:	<u>General</u> <u>Reserves</u>	<u>Revaluation</u> <u>Reserve</u>	<u>Total</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fund balances brought forward	710,278	295,909	1,006,187	1,036,336
Profit/(loss) on portfolio disposals - note 4	4,814	-	4,814	(6,392)
Movement in unrealised reserve - note 4	(29,016)	-	(29,016)	(10,911)
Net expenditure per SOFA	(12,703)	-	(12,703)	(12,847)
Transfer of excess depreciation on revalued assets	7,217	(7,217)	-	-
Transfer from unrestricted funds - note 5	7	-	7	1
Fund balances carried forward	<u>680,597</u>	<u>288,692</u>	<u>969,289</u>	<u>1,006,187</u>

Restricted income funds:	<u>Total</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>
Fund balances brought forward	-	-
Donations received during year	31,897	2,425
	<u>31,897</u>	<u>2,425</u>
Transfer between funds - note 5	(8,927)	(2,425)
Fund balances carried forward	<u>22,970</u>	<u>-</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

6. Reconciliation of funds: cont.

Unrestricted funds:	<u>General</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	411,659	135,760	547,419	573,252
Profit/(loss) on portfolio disposals - note 4	530	-	530	(4,286)
Movement in unrealised reserve - note 4	(13,943)	-	(13,943)	(3,098)
Net income per SOFA	(97,339)	-	(97,339)	(20,873)
Transfer of excess depreciation on revalued assets	3,311	(3,311)	-	-
Transfer from restricted funds - note 5	8,927	-	8,927	2,425
Transfer to Endowment fund - note 5	(7)	-	(7)	(1)
	<u>313,138</u>	<u>132,449</u>	<u>445,587</u>	<u>547,419</u>

The freehold property was valued on 17th March 2015, the figure being incorporated into the accounts with effect from 5th April 2015. The valuation was carried out under instructions given under Section 36 of the Charities (Qualified Surveyors Reports) Regulations 1992, and was prepared by C.J. Soane FRICS, a member of Ash & Co CS LLP. The present day existing use value was given as approximately £700,000. Accordingly, this figure was used by the trustees under the policy of revaluation. Should this policy not have been adopted the net book value of the freehold property would have been £173,579. The trustees obtained a further valuation in September 2022. The results were largely unchanged from the 2015 valuation and the trustees have taken the view that no adjustment to the figures included in the accounts is justified.

The revaluation reserve arising was credited to funds in the proportion that the property is held within those funds. The gain arose in the accounts for the year ended 5th April 2015 as follows:

	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u>	<u>Total funds</u> <u>£</u>
Freehold land and buildings:				
Net book value prior to revaluation	54,594	-	118,985	173,579
Revaluation reserve	165,559	-	360,862	526,421
Existing use value 5th April 2015	<u>220,153</u>	<u>-</u>	<u>479,847</u>	<u>700,000</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

6. Reconciliation of funds: cont.

The funds are represented by:	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets - note 13	207,026	-	393,571	600,597
Investments - note 14	135,775	-	575,718	711,493
Net current assets	102,786	22,970	-	125,756
	<u>445,587</u>	<u>22,970</u>	<u>969,289</u>	<u>1,437,846</u>

The analysis of funds for the prior year
Year Ended 5th April 2024:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets - note 13	210,506	-	403,392	613,898
Investments - note 14	149,929	-	602,795	752,724
Net current assets	186,984	-	-	186,984
	<u>547,419</u>	<u>-</u>	<u>1,006,187</u>	<u>1,553,606</u>

7. Trustee remuneration

No remuneration is paid to the trustees. (2024: £Nil).

8. Trustee expenses

No expenses were paid either to or on behalf of trustees during the year. (2024: £Nil).

9. Staff costs:

	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Wages and salaries	492,455	485,826
Social security costs	31,205	27,996
Employer's contribution to defined contribution pension scheme	9,349	8,758
	<u>533,009</u>	<u>522,580</u>
Staff agency costs	78,500	22,815
Total staff costs	<u>611,509</u>	<u>545,395</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

9. Staff costs cont.

No employee had emoluments (including benefits) in excess of £60,000 (2024: None).

The average number of employees during the year was 33 (2024: 36). This figure includes part-time employees. It is estimated that the average full time equivalent employees was 20 (2024: 21). It is estimated that 12 full time equivalents were employed in the respite home (2024: 12), 2 in the day centre (2024: 2), and 6 in administration and other areas (2024: 7). Available staff are redeployed to fit requirements in order to minimise the need for agency staff. All employees in both years were engaged in the operation of Yercombe Lodge.

Agency staff are used as required on a shift by shift basis when employed staff are not available. The trust obtains staff through a number of agencies.

The trust makes use of the National Employment Savings Trust (NEST). In both years contributions were made at a rate of 3% of the qualifying earnings of those employees within the scheme.

10. Amounts payable to Independent Examiner:

	<u>2025</u>	<u>2024</u>
	£	£
Cost of independent examination	2,394	2,250
	<u>2,394</u>	<u>2,250</u>

11. Ex gratia payments:

During the year the charity made no ex gratia payments as defined by the Charity Commission in guidance CC7. (2024: £Nil). Payments to staff for long service, or on retirement, are considered to be in the interests of the charity and are included as expenditure of funds for charitable purposes within support costs.

12. Net movement of funds:

	<u>2025</u>	<u>2024</u>
	£	£
Income from charitable activities	659,279	552,593
Total expenditure	805,860	739,643
Operational (deficit)	<u>(146,581)</u>	<u>(187,050)</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

12. Net movement of funds cont.

	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Other sources of income:		
Donations and legacies	33,523	108,071
Grants recognised	-	849
Investments	34,859	40,329
Other	54	6,506
	<u>68,436</u>	<u>155,755</u>
	<u>2025</u>	<u>2024</u>
Income less operational deficit	(78,145)	(31,295)
Gains/(losses) on investments	(37,615)	(24,687)
Net income/(expenditure)	<u>(115,760)</u>	<u>(55,982)</u>

The net movement in funds represents the decrease in resources available to the charity.

13. Tangible assets

	<u>Freehold</u>	<u>Fixtures</u>	
	<u>land and</u>	<u>fittings and</u>	
	<u>buildings</u>	<u>equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At beginning of the year	711,267	269,656	980,923
Additions	-	10,710	10,710
At end of the year	<u>711,267</u>	<u>280,366</u>	<u>991,633</u>
Depreciation			
At beginning of the year	127,349	239,676	367,025
Depreciation charge for the year	14,225	9,786	24,011
At end of the year	<u>141,574</u>	<u>249,462</u>	<u>391,036</u>
Net book value at beginning of the year	<u>583,918</u>	<u>29,980</u>	<u>613,898</u>
Net book value at end of the year	<u>569,693</u>	<u>30,904</u>	<u>600,597</u>

14. Investments:

The investment portfolio was valued by J.M. Finn & Co Ltd. at current market value.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

14. Investments cont.

Historical cost was £558,502 (2024: £626,063). The investments included within the portfolio are mainly quoted on the London Stock Exchange. The structure of the portfolio is as follows:

	<u>2025</u>	<u>2024</u>
	£	£
Gilt edged stock	35,452	70,364
Fixed interest	49,063	47,905
Equities	582,721	624,498
	<u>667,236</u>	<u>742,767</u>

Stocks which individually represent more than 5% of the portfolio:	<u>2025</u>	<u>2024</u>
	£	£
National Grid	36,728	
TP ICAP	40,950	39,462
JP Morgan European Investment Trust	35,532	
Unilever	35,205	
UK Treasury 4.25% 2027	35,452	
	<u>667,236</u>	<u>742,767</u>

Analysis of movement in investment portfolio:	<u>Total</u>	<u>Endowment funds</u>	<u>Unrestricted funds</u>
Invested portfolio:			
Market value at beginning of year	742,767	595,896	146,871
Add: Additions to investments at cost	63,580	34,511	29,069
Less: Disposals at carrying value	(96,152)	(89,661)	(6,491)
Transfers between funds - note 5	-	20,007	(20,007)
Add: Net gains/(losses) on revaluation	(42,959)	(29,016)	(13,943)
Market value at end of year	<u>667,236</u>	<u>531,737</u>	<u>135,499</u>
Invested portfolio	667,236	531,737	135,499
Cash held by brokers	44,257	43,981	276
Total investments held 5th April 2025	<u>711,493</u>	<u>575,718</u>	<u>135,775</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

14. Investments cont.	<u>Total</u>	<u>Endowment/Unrestricted</u>	
		<u>funds</u>	<u>funds</u>
Prior year market value at end of year	742,767	595,896	146,871
Prior year cash held by brokers	9,957	6,899	3,058
Total investments held 5th April 2024	<u>752,724</u>	<u>602,795</u>	<u>149,929</u>

The cash held by brokers represents monies arising from investment transactions still to be re-invested. As explained above, during the year £40,000 (2024: £140,000) was withdrawn from the portfolio, and £40,000 (2024: £Nil) invested.

15. Debtors	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Trade debtors	48,196	26,549
Prepayments and accrued income	10,979	10,131
Other debtors	559	104,542
	<u>59,734</u>	<u>141,222</u>

16. Cash at bank and in hand	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Lloyds Bank:		
Current accounts	57,707	75,665
Deposit accounts	56,202	19,793
National Westminster Bank	583	463
Cash with brokers	414	-
Cash in hand	403	193
	<u>115,309</u>	<u>96,114</u>

17. Creditors	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Trade creditors	9,187	5,437
Accruals and deferred income	16,982	23,037
Day centre service users - note 18	268	167
Other creditors	22,850	21,711
	<u>49,287</u>	<u>50,352</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

18. Day Centre service users

Following the closure of the local branch of Barclays Bank PLC, separate accounts are no longer maintained to hold funds belonging to day centre service users. At 5th April 2025 the trust was holding £234 (2024: £133) in its Lloyds Bank account on behalf of the day centre service users.

	<u>2025</u>	<u>2024</u>
	£	£
Funds held in Lloyds Bank account	234	133
Day centre cash held	34	34
	<u>268</u>	<u>167</u>

	<u>2025</u>	<u>2024</u>
	£	£
Day centre service users		
Brought forward	167	542
Amounts collected (including Summer Fayre £400)	618	-
	<u>785</u>	<u>542</u>
Amounts expended	517	375
Carried forward	<u>268</u>	<u>167</u>

19. Legacy income

	<u>2025</u>	<u>2024</u>
	£	£
Income recognised:		
Mrs. F.W.M. Bignell dec'd.	-	95,171
Lady C. Elwes dec'd	-	1,027
Miss. E.M. Wyatt dec'd.	-	29
	<u>-</u>	<u>96,227</u>

Mrs. F.W.M. Bignell died in 2007. Prior to the distributions noted above, the most recent distribution was on 13th July 2017. The total received from the estate is £155,949. The trustees understand that the administration of the estate is now complete.

Lady Elwes was the patron of the trust for many years. In the year ended 5th April 2023 donations in her memory of £2,250 were received.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

19. Legacy income cont.

Potential legacy income:

Miss. E.E. May dec'd.

The trust has received notification that it has been left one fifth of the residue of the estate. The principal asset consisted of a residential property. The trustees understand that this property has been sold, but information is not available which would allow a reliable estimate of the amount eventually to be received by the trust.

20. Additional insurance

The trust has taken out a 'Directors & Officers' insurance policy. This policy provides management liability and corporate liability cover, each to an aggregate limit of all claims of £1,000,000. The cover includes the trust, staff, and trustees to the extent permitted by the provisions of section 189 of the Charities Act 2011. The premium payable in the year was £1,698 (2024: £1,698).

21. Related party transactions

In the opinion of the trustees there were no related party transactions during the year that require disclosure (2024: None).

22. Grants received

During the year ended 5th April 2024 the trust received a grant of £849 in the form of a one-off payment from the Market Sustainability & Improvement Fund maintained by Gloucestershire County Council. The grant was subject to some conditions, which in the view of the trustees did not apply to the trust. The grant was therefore treated as unrestricted funds. The grant was funded by government within the UK whole of government accounts (WGA).

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2025

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

	<u>Note</u>	<u>Current year</u> £	<u>Prior year</u> £
Net (expenditure) for the reporting period	12	(146,581)	(187,050)
Adjustments for:			
Depreciation charges	13	24,011	24,295
(Increase)/decrease in debtors		81,488	(90,329)
Increase/(decrease) in creditors		(1,064)	(20,190)
Other incoming resources:	2		
Donations		33,523	11,844
Legacies		-	96,227
Grants		-	849
Other		54	6,506
Net cash used in operating activities		<u><u>(8,569)</u></u>	<u><u>(157,848)</u></u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales - Charity number 263687

Accounts

Charity number: 263687

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5TH APRIL 2024

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THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102. Comparative information is for the year ended 5th April 2023.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trust was established by the late H. Maxwell Workman for the benefit of the old and needy of Gloucestershire. To this end it utilizes Yercombe Lodge, the settlor's former home, as a residential care home with respite facilities and as a day centre for the elderly and disabled. The trust also makes provision for up to four day care places. There was no change in the intention to provide these services during the year under review, or in the previous year, but see below for the impact of the Covid-19 pandemic.

The charity's main aim is to seek to continue to provide the services as outlined above. In the provision of those services the charity seeks to meet agreed client requirements in accordance with the limits of availability. The aim is client satisfaction within a context of fairness, reliability, and accountability. The charity wishes to conduct all its relationships on a basis of trust, efficiency, and best practice.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities. In particular, the trustees consider how activities will contribute to the objectives they have set.

The trustees consider that the benefits provided by the operation of the trust outweigh any detriments or harm created.

To achieve its objectives the charity has adopted a series of formal procedures. These are set out in a quality assurance manual. This manual is subject to regular review in order to respond to changing circumstances. Advice is sought from relevant outside bodies as appropriate. In particular, the charity has sought to maintain a good relationship with relevant inspecting authorities. Internal audit is undertaken according to a planned schedule throughout the year to ensure compliance with the procedures set out in the manual.

The trustees are aware of the difficulties created by seeking to provide services in a climate of ever-increasing regulation and restrictions on funding increases. They are also mindful of the need to try to preserve the value of the charity's funds from the effects of inflation.

The charity does not make grants.

The Trust Deed limits the services provided by the charity to those resident in the County of Gloucester. Since the creation of the trust there have been a number of changes in the structure

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT cont.

of local government. The trustees have adopted the view that the geographical area covered should continue to be as originally established. This currently includes Gloucestershire County Council, South Gloucestershire County Council, and a large part of the City of Bristol.

In preparing this report the trustees have reviewed the objectives and activities as established. This review involves more than the consideration of the financial results, although the trustees are aware that the success of the charity depends upon adequate resources.

ACHIEVEMENTS AND PERFORMANCE

As recorded in the trustees' report for the previous year, the Covid 19 pandemic had a severe impact on the operations of the charity. This resulted in a significant loss of income and an increase in costs. It became necessary to utilise reserves and to draw funds from the investment portfolio in order to maintain activities.

The trustees took the view that prior to the onset of the pandemic the range of services provided was in accord with their objectives, and decided to reopen all activities previously offered. Income from charitable activities is shown in note 2 to the accounts. Whilst the trustees are pleased with the level of income generated by the residential home, both long-stay and respite, it has proved difficult to restore day centre and day care income. As a result the trustees have appointed advisors to consider the alternatives open to the trust.

The services as outlined above are provided to self-funded individuals, users funded by local authorities, and occasionally to users funded by other charities. In the past Gloucestershire County Council maintained a 'block' booking of one room in the respite home. This arrangement came to an end on 31st August 2016. A number of service users who had benefited expressed concern about the alternatives to be made for them by the County Council. The trustees decided to offer to continue to accept bookings for these service users, to be paid for at the Council rate, for as long as the service users wish. The Council rate is substantially below the amount charged to privately funded service users. No attempt has been made to quantify the impact of this commitment as it depends upon unknown factors, such as the frequency of visits, life expectancies, and the relative movement of funding rates. In the view of the trustees it was appropriate to enter into this arrangement for the benefit of the individuals concerned as several had been coming to the home for many years.

The trustees take the view that the arrangements with Social Services enable users unable to afford the trust's fees to access the services provided. The trust is not a party to the arrangements made between users and Social Services regarding funding. The trust is committed to equal access to its services restricted only by the terms of the Trust Deed, legislation, the requirements of the regulatory authorities, and the capacity of the facilities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

ACHIEVEMENTS AND PERFORMANCE cont.

The trustees are aware that the services as outlined above are of benefit not just to the service users themselves. In most cases the user has a carer or carers who benefit from the break provided. The trustees do not consider it would be practicable, or cost effective, to seek to quantify this benefit, but take the view that it is significant.

As shown in note 6 to the accounts, the trustees have adopted a policy of revaluation of the freehold property. This took effect at 5th April 2015. A further revaluation would have been due in the year ended 5th April 2021 under the terms of the previous policy. In view of the restrictions on visits to the home the trustees decided that this should be postponed. The property was valued by an independent valuer in September 2022. He provided a report which contained no significant difference from the 2015 valuation. Accordingly, the trustees have decided that no amendment to the figures included in the accounts is required.

As is shown in the Statement of Financial Activities the trust suffered net expenditure of £55,982 (2023: £386,340). Total funds fell to £1,553,606 (2023: £1,609,588). The charity experienced an operational deficit of £187,050 (2023: £260,901).

Legacy income of £96,227 (2023: £1,533) was recognised during the year. This is explained in note 19 to the accounts. Professional fees of £7,035 (2023: £1,226) were incurred as the trust's share of the costs associated with the realisation of this income.

The trustees are pleased to report that the longstanding claim against the executors of the estate of Mrs. F.W.M. Bignell dec'd was settled during the year. Compensation of £6,500 (2023: £Nil) is included within Other income.

During the year the trust received unrestricted donations of £9,419 (2023: £3,829). The largest individual amount was £6,920 as the trust had been selected as the charity of the year by the Captain of the Stinchcombe Hill Golf Club. The trustees are grateful to the Captain, Mr. J. Massey, and all the members who contributed to the success of the year.

Restricted donations of £2,425 (2023: £860) were received. These related to refurbishment projects for the day centre, entertainment and benefits for residents, and staff welfare.

As explained in note 22 to the accounts unrestricted grant income of £849 (2023: £1,687) was received.

Total volunteer hours are estimated at 200 (2023: 240). These related primarily to the grounds and woodlands. If these hours were to be valued at the National Living Wage of £11.44 (2023: £10.42) the voluntary effort would represent a value of approximately £2,290 (2023: £2,500). The trustees are grateful to all the volunteers who contributed during the year.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

ACHIEVEMENTS AND PERFORMANCE cont.

It is the policy of the trustees to delegate the management of the investment portfolio to a firm of stockbrokers. They have been granted discretionary powers subject to a statement of policy. This statement seeks to ensure that the funds are properly protected; that the capital is not put at risk and is protected against inflation; and the best income consistent with these objectives is obtained. Within these overall objectives the trustees have set a number of conditions. These conditions include the expressed wish that the portfolio should yield a given net income. The figure set by the trustees is £45,000 (2023: £45,000). As shown in Note 2 to the accounts, dealing with Incoming Resources, net income from the portfolio was £40,146 (2023: £54,384). The trustees take the view that this performance was satisfactory in relation with the objectives set given the circumstances which applied to the stockmarket during the year. In June 2022 the trustees reviewed their investment policy in conjunction with the portfolio manager. As a result of the review the trustees have expressed the wish that the portfolio should yield a net income of 4.50% of the portfolio value, and that the underlying value should be protected from the effects of inflation. As shown in the Statement of Financial Activities, and explained in Note 4, the trust experienced a loss on the portfolio of £24,687 (2023 loss: £190,647).

FINANCIAL REVIEW

In the opinion of the trustees the accounts reflect the financial position of the charity and the financial management policies adopted. A sub-committee has been established to deal with financial and administrative matters. It prepares and monitors the overall business plan and the annual budget. It reviews cashflow on a regular basis. In conjunction with the stockbroker, it monitors the transactions and movements of the investment portfolio. As noted above, modifications to procedures were required in response to Covid-19 guidance.

Details of fixed assets are shown in note 13 to the accounts. All the tangible assets are used for charitable purposes. The cost of freehold property represents the original purchase of Yercombe Lodge and improvements since. In accordance with current accounting practice, the trustees adopted a policy of writing off this cost. As noted above, and as explained in note 6 to the accounts, the trustees adopted a policy of the revaluation of freehold property. Depreciation charges are based upon the revalued amount.

The Trust Deed enables the trustees to apply or invest monies liable to be invested under the Deed in property or investments as the trustees in their absolute discretion think fit. The investment portfolio has been acquired in accordance with these powers. The Deed allows the trustees to spend the income arising but requires the trust capital fund to be maintained. As noted above, the portfolio experienced a fall in value during the year. In response to the needs of operational cashflow it became necessary to withdraw £140,000 (2023: £195,000) from the portfolio. This required the sale of stocks, made under the discretion of the stockbroker. As some of the sales were made of stocks held as part

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

FINANCIAL REVIEW cont.

of the Endowment Fund, it became necessary to reallocate stocks of equivalent value from unrestricted funds to replace those sold. Further withdrawals of funds have taken place after the year-end.

Note 6 to the financial statements shows the assets and liabilities attributable to the funds by type, and shows the movements on each fund. The Endowment Fund is shown at £1,006,187. Unrestricted Funds amounted to £547,419, but of this only £336,913 is freely available as £210,506 is invested in fixed assets.

The balance of unrestricted funds represents the accumulated general income of the charity. No funds have been designated within these reserves. It is not the policy of the trustees to set aside specific amounts to meet future expenditure. No funds were in deficit at any time during the year.

The circumstances relating to the funding of the day centre are outlined above. The residential home is funded from fees charged to service users. These include amounts charged both to private service users and public providers. The expenditure incurred in operating Yercombe Lodge relates to all these activities. The apportionment of expenses between the different activities has always been difficult. In view of the impact of the Covid-19 pandemic, the trustees consider that no apportionment could yield meaningful results for budgeting purposes.

As noted above, the investment portfolio is invested under an agreement with a firm of stockbrokers. This agreement includes a statement of policy specified by the trustees which includes a number of conditions. These include a condition that the trustees do not wish to invest in companies which manufacture tobacco products. They also include conditions that the portfolio should normally be invested in United Kingdom equities and fixed interest stocks quoted on the stock exchange, and that those equity stocks should normally be companies within the FTSE 100 list. There were no changes in these policies during the year, or in the previous year.

As shown in note 7 to the accounts, no trustee received any remuneration during the year. All gave their time voluntarily, and, in the view of the trustees, received no private benefit from the charity.

The trustees are concerned by the level of the operational deficits experienced, and expected. They recognise that the drain on resources poses a threat to the future. Despite the continuing uncertainty, the trustees consider that the financial position of the trust remains strong. Total funds of £1,553,606 (2023: £1,609,588), as shown on the Balance Sheet, enable the trust to retain control over future strategy.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

RISK MANAGEMENT

The trustees acknowledge their responsibility to make a statement that they have regularly reviewed and assessed the risks faced by the charity in all areas of its work, and have planned for the management of those risks. The processes adopted are based upon the guidance issued by the Charity Commission for England and Wales, CC26. They involve the assessment of the issues raised in the context of governance, management, operations, financial circumstances, environmental and external factors, and compliance with applicable laws and regulations. The trustees seek to apply what they consider to be a prudent approach in the management of potential risks. The aim is to manage risk in such a way as enables the trustees to achieve their objectives, as noted above, and to safeguard the assets of the trust.

Risks are identified by staff or trustees, and are reviewed in relation to established policies and procedures within the framework of the financial and development plan. Amendments are made as appropriate, and are included within the operational manual. The trustees have reviewed the major risks identified, and to the best of their belief have established control systems to manage those risks. In common with many similar operations and businesses the general level of economic uncertainty presents a significant challenge. As noted above, the consequences of the changes in the provision of adult social care also create a level of uncertainty which is beyond the control of the trust. The trustees also acknowledge that there may be risks which are unknown or which are presently judged not to be significant but later prove to be significant.

STATEMENT OF POLICY ON RESERVES

It is the policy of the trustees to hold cash deposits as a reserve when circumstances allow. As shown in note 16 to the accounts, as at 5th April 2024 the trust held £19,793 (2023: £6,610) in deposit accounts. These sums are available with no restrictions on the ability to withdraw the funds.

It is not the policy of the trustees to set aside designated amounts for use in future periods.

FUNDRAISING

During the year no costs (2023: £616) were incurred in fundraising activities. Income from the 2023 events was £2,895. The trustees are pleased to report that in June 2024 it was possible to revive the annual Summer Fayre.

PLANS FOR THE FUTURE

It is a requirement of the regulatory authorities that the trust is able to demonstrate that it is able to continue in operation in order to provide service users with security and continuity. It has been the practice to prepare a business plan on an annual basis. In view of the continuing

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

PLANS FOR THE FUTURE cont.

impact of the Covid-19 pandemic, and the general economic uncertainty, the trustees take the view that a similar business plan would not be meaningful. Instead, they have based their operational decisions upon the annual budgets and quarterly management accounts.

The trustees consider that demand for the services traditionally provided at Yercombe Lodge remains. It is their intention to maintain all the services operated prior to the pandemic, but they appreciate that it remains difficult to rebuild day care and the day centre to their former levels.

As part of the procedures adopted to achieve its objectives for many years the trust has adhered formal statements made available to service users, staff, and others as required. These include an ongoing safeguarding policy. The trustees wish to confirm their commitment to and the maintenance of such a policy as part of their planning for the future.

There are a number of projects involving capital expenditure which the trustees would like to undertake when funds become available.

As noted above, the trustees appointed outside advisors to consider options for the future of the trust and its activities. Fees of £9,600 (2023: £3,000) relating to this work are included in the accounts under the heading of Governance costs. Also included are legal fees of £2,754 (2023: £Nil) in relation to advice regarding a possible application to the Charity Commission under Section 282 of the Charities Act 2011. This would involve the release of restrictions over part of the Endowment fund for cashflow purposes. At the date that the accounts were approved no decisions had been made regarding any of the proposals recently considered.

Subsequent to the year end, the trustees have engaged with the Cranfield Trust to appoint a volunteer consultant to provide support in relation to strategic direction and clarity of pathway.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust was established by a Trust Deed dated 10th February 1972. It is governed under the terms of the Deed by the trustees. The property of the trust is vested in the trustees. The Trust Deed limits the total number of trustees to twenty. New trustees are invited to join and are appointed by election at a meeting of trustees.

The trustees have established a section within the Yercombe Lodge Quality Manual dealing with the induction and training of new trustees. This is intended to allow new trustees to familiarise themselves with the premises, organisation, activities, systems, and ethos of the charity, and to ensure that they are competent, knowledgeable, and well-informed as to their duties. This process involves a tour of the premises, the passing of relevant documentation, attendance at a trustees meeting, direct discussion with existing trustees, and the completion of DBS checks.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT cont.

The charity has adopted an organisational structure based upon the allocation of areas of responsibility to sub-committees. Each sub-committee is chaired by a portfolio holder.

The portfolio holders are as follows:

Administration and finance - Mr. J.C. Drury.

Property - Mr. P.S. Gilbert

Operational - Dr. M.J. McDowell.

The membership of the committees is as follows:

Administration and Finance - Mr. J.C. Drury.

Property - Mr. P.S. Gilbert.

Operational - Dr. M.J. McDowell, Mrs. J.M. Thomas, Mrs. T.J. Brinkworth.

The property sub-committee is supplemented by volunteers, one of which has taken responsibility for dealing with the woodlands and grounds. Each committee operates with a standardised agenda, and makes recommendations to the meetings of trustees as appropriate.

The freehold property is registered with the Land Registry in the names of a committee of trustees and former trustees acting on behalf of the body of trustees. The committee consists of Mr.J.C. Drury, Dr.M.J. McDowell, Mr.P.S. Gilbert, Dr.P.J. Sprague and Dr. A.J. Keith.

The routine administration of Yercombe Lodge is delegated to the manager of the home. She reports regularly to the various portfolio holders. The trustees meet monthly, except that no meetings are held in August or December.

REFERENCE AND ADMINISTRATIVE INFORMATION

NAME

The registered name of the charity is The Yercombe (Gloucestershire) Trust.

It is also known as Yercombe Lodge.

REGISTRATION NUMBER

The charity is registered with the Charity Commission for England and Wales.

The registration number is 263687.

REGISTERED ADDRESS

Yercombe Lodge, Stinchcombe, Dursley, Glos. GL11 6AS

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

REFERENCE AND ADMINISTRATIVE INFORMATION cont.

TRUSTEES

Trustees at the date that the report was approved:

Mr. J.C. Drury

Dr. M. J. McDowell

Mr. P.S. Gilbert

Mrs. J.M. Thomas

Dr. P.J. Sprague served as a trustee throughout the year. He resigned as a trustee on 11th October 2024.

MANAGEMENT STAFF

The trustees delegate day to day management of the charity to the following senior staff:

Manager - Mrs. T.J. Brinkworth

Deputy manager - Mrs. K.J. Pullen

Ms. C. Kay served as manager throughout the year. She resigned with effect from June 2024.

The service contracts and remuneration of senior staff are negotiated by the trustees with the individuals concerned.

PRINCIPAL BANKERS

Lloyds Bank - 12 Rowcroft, Stroud, Glos. GL5 3BD

STOCKBROKERS

J.M. Finn & Co Ltd. - 25 Copthall Avenue, London, EC2R 7AH

INDEPENDENT EXAMINER

Josh Kingston, ACA

Burton Sweet Limited - The Clock Tower, Farleigh Court, Old Western Road,
Flax Bourton, Bristol BS48 1UR

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2024

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- 1.) select suitable accounting policies and then apply them consistently;
- 2.) observe the methods and principles in the applicable Charities SORP;
- 3.) make judgements and estimates that are reasonable and prudent;
- 4.) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5.) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on the 8th November 2024
and signed on their behalf:

J.C. Drury
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees of The Yercombe (Gloucestershire) Trust on the accounts for the year ended 5th April 2024, Charity number 263687, set out on pages 12 to 33

I report to the trustees on my examination of the accounts of the above charity ("the trust") for the year 5th April 2024.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England & Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- * the accounting records were not kept in accordance with section 130 of the Charities Act; or
- * the accounts did not accord with the accounting records; or
- * the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: Joshua Kingston

Date: 8th November 2024

Name: Joshua Kingston, ACA

Address: Burton Sweet Limited
The Clock Tower,
Farleigh Court,
Old Weston Road,
Flax Bourton,
Bristol,
BS48 1UR

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Prior year total funds £
Income from:	2					
Donations and legacies		105,646	2,425	-	108,071	6,222
Grants received	22	849	-	-	849	1,687
Charitable activities		552,593	-	-	552,593	484,241
Investments		40,329	-	-	40,329	54,404
Other		6,506	-	-	6,506	2,895
Total		705,923	2,425	-	708,348	549,449
Expenditure on:	3					
Raising funds		746	-	3,025	3,771	5,090
Charitable activities		707,312	-	9,822	717,134	729,486
Other		18,738	-	-	18,738	10,566
Total		726,796	-	12,847	739,643	745,142
Net gains/(losses) on investments	4	(7,384)	-	(17,303)	(24,687)	(190,647)
Net income/(expenditure)		(28,257)	2,425	(30,150)	(55,982)	(386,340)
Transfers between funds	5	2,424	(2,425)	1	-	-
Net movement in funds	12	(25,833)	-	(30,149)	(55,982)	(386,340)
Reconciliation of funds:	6					
Total funds brought forward		573,252	-	1,036,336	1,609,588	1,995,928
Total funds carried forward		547,419	-	1,006,187	1,553,606	1,609,588

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
BALANCE SHEET AT 5TH APRIL 2024

	<u>Notes</u>	<u>Total Funds</u> £	<u>Prior year Funds</u> £
Fixed assets:			
Tangible assets	13	613,898	635,080
Investments	14	752,724	922,672
	Total fixed assets	<u>1,366,622</u>	<u>1,557,752</u>
Current assets:			
Debtors	15	141,222	50,893
Cash at bank and in hand	16	96,114	71,501
	Total current assets	<u>237,336</u>	<u>122,394</u>
Liabilities:			
Creditors: Amounts falling due within one year	17	50,352	70,558
	Net current assets	<u>186,984</u>	<u>51,836</u>
	Total net assets	<u>1,553,606</u>	<u>1,609,588</u>
The funds of the charity:			
Endowment funds	6		
General reserve		710,278	733,210
Revaluation reserve		<u>295,909</u>	<u>303,126</u>
		1,006,187	1,036,336
Restricted income funds		-	-
Unrestricted funds			
General reserve		411,659	434,181
Revaluation reserve		<u>135,760</u>	<u>139,071</u>
		547,419	573,252
	Total charity funds	<u>1,553,606</u>	<u>1,609,588</u>

Approved by the trustees on the 8th November 2024
and signed on their behalf:

J.C. Drury
Trustee

Mrs. J.M. Thomas
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5TH APRIL 2024

	<u>Notes</u>	<u>Total funds</u> £	<u>Prior year funds</u> £
Cash flows from operating activities:			
Net cash used in operating activities	23	<u>(157,848)</u>	<u>(234,116)</u>
Cash flows from investing activities:			
Dividends and interest from investments	2	40,329	54,404
Proceeds from sale of investments		214,244	217,931
Purchase of investments	14	(70,284)	(21,896)
Purchase of fixed assets	13	(3,113)	(26,583)
Net cash provided by investing activities		<u>181,176</u>	<u>223,856</u>
Change in cash and cash equivalents in the reporting period		23,328	(10,260)
Cash and cash equivalents at the beginning of the reporting period		82,709	92,969
Cash and cash equivalents at the end of the reporting period		<u>106,037</u>	<u>82,709</u>
Reconciliation of cash and cash equivalents with balance sheet:			
Cash at bank and in hand per balance sheet	16	96,114	71,501
Day centre cash balances	18	(34)	(50)
		<u>96,080</u>	<u>71,451</u>
Brokers deposit account	14	9,957	11,258
		<u>106,037</u>	<u>82,709</u>

Day centre cash balances are held for the benefit of service users and are not the property of the trust.

The brokers deposit account consists of funds generated by transactions in stocks held in the investment portfolio yet to be reinvested. As shown in note 14, at 5th April 2024 £6,899 was part of the endowment fund (2023: £9), and was unavailable for use to further charitable activities.

The trust undertook no financing activities in either reporting period.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies

The Basis of the Preparation of Accounts

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts. They are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains and losses included in the accounts.

The accounts of the charity are 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 FRS102, applicable Accounting Standards, and The Charities (Accounts and Reports) Regulations 2008, issued under the provisions of the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS102. The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared on the basis that the charity is a going concern. They have been prepared under the historic cost basis of accounting except for investments, which have been included at market value, and freehold property which is included at a revalued amount.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair' view. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income

Income generated from the provision of services at Yercombe Lodge is accounted for on the accruals basis. Resources received in advance of the provision of a service by the charity - for example, deposits received to secure a booking in the respite home - are deferred until the service has been provided.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the trustees. Donations and gifts under the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies cont.

Gift Aid scheme, together with the associated income tax recovery, are recognised as income when the donation is received. Funds collected are included gross.

The charity receives the benefit of work carried out by volunteers. No monetary value is placed on this, although the operations of the charity would be difficult without such work.

Gifts of assets for use by the charity are recognised when the assets is received. If details of the value of the asset are not known the trustees will include it at an estimated figure based upon appropriate comparative information, such as price lists etc. Such assets are capitalised under the heading of fixed assets if their nature and value falls within the charity's normal criteria for the capitalisation of assets, as outlined below.

Gifts of assets donated for resale are included at the amount realised on disposal, or at an estimated value if the asset is still held at the year end.

Legacies are accounted for when notification has been received from personal representatives, except no amount is included when there is uncertainty as to entitlement, receipt or measurability.

Revenue grants are credited to the Statement of Financial Activities as recognised, unless they relate to a specific period, when they are placed in deferred income funds until allocated. Grants for capital projects are held within restricted funds until the expenditure to which they relate is incurred.

The Trust Deed requires the capital of the endowment fund to be preserved but permits the income arising from the fund to be spent. Accordingly, the incoming resources arising from the investment of assets within the endowment fund are included within unrestricted funds.

As explained in note 18 to the accounts, the trust holds monies on behalf of the day centre users. As these funds do not belong to the charity they are not recognised as income. The expenditure made from these funds is not included as expenditure of the charity. In cases where the day centre users have donated funds to the charity such donations are recognised as income in accordance with the policy as outlined above.

Expenditure

Expenditure is accounted for on an accruals basis. Expenses are included when the trustees recognise that a liability exists to a third party. A liability will arise when the charity is under an obligation to make a transfer of value to a third party as a result of past transactions or events.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies cont.

In the case of on-going contracts with Gloucestershire Social Services for the provision of services, costs are included in the Statement of Financial Activities on the accruals basis, no provision is made for any costs which might arise should the contracts be terminated or not be renewed.

The SORP requires the allocation of resources expended to relevant activity categories and to material activities or programmes within each category. Costs directly incurred in relation to an activity are allocated to that activity. Costs which involve more than one activity are attributed on the basis that the trustees consider most reasonable. In view of the nature of the charity's operations - which involve a single building with shared services and overheads - the majority of costs have to be allocated in this way. There is inevitably a high degree of estimation and approximation. In the opinion of the trustees the costs of maintaining records sufficient to enable a more accurate allocation would be substantial and would outweigh any benefits.

Despite the provision within the Trust Deed that the income arising from the endowment fund can be treated as unrestricted income, and not added to the fund, the SORP requires costs arising in relation to the fund to be charged against it. Investment management costs are allocated between funds on the basis of their relative values at the end of the year. A charge for depreciation on fixed assets held within the endowment fund is included within resources expended upon Charitable Activities on the basis outlined in the Asset Policy Note included below.

In the opinion of the trustees support costs are only material in relation to the category of resources expended upon Charitable Activities. Accordingly, no support costs are allocated to other categories.

The basis of allocation of costs to activities within the category Charitable Activities was followed by the trustees for many years for budgeting purposes. This basis was followed for the year ended 5th April 2020, but with the onset of Covid-19, which required the suspension of activities associated with day care and the day centre, the trustees took the view that the allocation of costs in this way would not be meaningful. The trustees continue to hold this view as activities have not resumed at pre-covid levels. Accordingly, no such analysis is presented in the accounts.

Other expenditure includes the costs associated with the governance arrangements of the charity which relate to the general running of the charity. They include costs associated with the strategic management of the charity's activities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies cont.

Fixed Assets

The trustees have adopted a policy of revaluation relating to freehold property. This took effect from 5th April 2015, and will involve valuation every five years.

Other fixed assets acquired for the charity's own use are included at cost. It is the policy of the trustees not to capitalise items costing less than £500 unless they form part of a larger project where the total expenditure on the project exceeds £500.

The charity occupies the former home of the Settlor. It is the view of the trustees that the terms of the Trust Deed do not make the property inalienable as defined by the SORP. Yercombe Lodge has extensive grounds which include woodlands. Whilst the trustees are aware of their responsibilities in relation to these grounds, it is their opinion that they do not constitute heritage assets as defined by the SORP, as the assets are not central to the purposes of the charity as set out in the Trust Deed.

No depreciation was provided in relation to the freehold property prior to the year ended 5th April 1999. The trustees were of the opinion that the residual value would be in excess of cost as shown. This policy was amended in accordance with current accounting practice. Depreciation at a rate of 2% of cost per annum has been included. Records are not available which would enable the trustees to accurately evaluate the impact on the accounts had this policy been applied in earlier years. Where improvements to freehold property include items of mechanical equipment depreciation at a rate of 20% is applied to the cost of that equipment. No depreciation is provided on assets in the course of construction.

Depreciation is provided on fixtures, fittings and equipment at 20% per annum, except costs associated with the new space heating boilers have a charge of 10% per annum. With effect from 6th April 2017 this is charged on a straight-line basis, having formerly been on a reducing balance basis. The remaining cost of assets acquired prior to 6th April 2012 was written-off at 5th April 2017. Depreciation is charged on the cost of additions in the first quarterly accounts following acquisition.

It is the policy of the trustees that the property sub-committee review the condition of fixed assets on a regular basis for possible deterioration. A programme of necessary works is maintained. The costs of repair and maintenance are included in the Statement of Financial Activities.

Investments are included at market value at the balance sheet date. Gains and losses on revaluation are recognised in the Statement of Financial Activities as unrealised gains and losses at the balance sheet date. Realised gains and losses are recognised at the date that the investment was sold.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies cont.

The charity holds items for resale. These include tea-towels and postcards. It is not the policy of the trustees to include such items in the balance sheet as stocks as their value is likely to be immaterial in relation to the accounts. Items of craftwork held in the day centre for sale to the public are not included as they are not the property of the charity.

Funds structure

The endowment fund represents permanent capital as established under the terms of the Trust Deed. The trustees have no power to convert these funds into income and apply them as such. The fund is invested in assets. These assets can be exchanged provided that their place in the fund is taken by the assets taken in exchange. Depreciation and other losses arising in relation to the assets held in the fund are charged to the fund, as are other costs - such as investment management costs - when they relate to assets held in the fund.

The restricted income funds are funds subject to specific trusts within the wider purposes of the charity. The specific trusts are generally created by the expression of a particular purpose by the donor of the funds. The trustees are then required to expend those funds for that purpose.

The unrestricted income fund consists of funds which are expendable at the discretion of the trustees in furtherance of the charity's objects. It is not the policy of the trustees to designate particular amounts of unrestricted income to specific purposes.

The Trust Deed grants the trustees a power of accumulation whereby they can augment the endowment fund from income funds. Prior to the SORP it was not always the policy of the trustees to use this power in relation to improvements to freehold property. Records do not exist which demonstrate beyond doubt the history of the expenditure on the property, or the reasons for previous transfers to the endowment fund. The SORP makes it clear that in circumstances where income funds are used to erect, extend, or improve a building which is an endowment asset those income funds will normally become permanent endowment. Accordingly, the policy has been adopted to transfer amounts equal to the cost of any such improvements to freehold property from income to endowment funds. The absence of records does not allow the trustees to quantify the impact on the accounts in previous years had this policy applied.

Other transfers between funds may arise. Each transfer depends upon its own circumstances in relation to the requirements of the SORP. Transfers have taken place from restricted income funds to unrestricted income funds of the value of fixed assets when the asset has been purchased from a restricted donation but the asset is held for a general purpose. It is the policy of the charity to seek grants and donations to purchase assets to be held for general purposes only.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

1. Accounting policies cont.

Pension costs

The trust is required to automatically enrol certain workers into a pension scheme and contribute towards it. Contributions are accounted for on an accruals basis. The trust contributes the minimum amount required by law.

Taxation

As a registered charity, the trust is generally exempt from the burden of Income Tax and from Capital Gains Tax, but not from Value Added Tax. Irrecoverable VAT is included in the cost of the item to which it relates.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

2. Income from:	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u>	<u>Total funds</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Donations and legacies					
Donations	9,419	2,425	-	11,844	4,689
Legacies	96,227	-	-	96,227	1,533
	<u>105,646</u>	<u>2,425</u>	<u>-</u>	<u>108,071</u>	<u>6,222</u>
Grants received					
Grants received	849	-	-	849	1,687
Charitable activities					
Fees from residents	482,027	-	-	482,027	434,690
Day care	8,386	-	-	8,386	2,326
	<u>490,413</u>	<u>-</u>	<u>-</u>	<u>490,413</u>	<u>437,016</u>
Income from residential home	490,413	-	-	490,413	437,016
Day centre	62,180	-	-	62,180	47,225
	<u>552,593</u>	<u>-</u>	<u>-</u>	<u>552,593</u>	<u>484,241</u>
Investments					
Fixed interest	4,909	-	-	4,909	3,494
Dividends	34,703	-	-	34,703	50,792
Interest on portfolio	534	-	-	534	98
	<u>40,146</u>	<u>-</u>	<u>-</u>	<u>40,146</u>	<u>54,384</u>
Portfolio investment income	40,146	-	-	40,146	54,384
Short-term interest	183	-	-	183	20
	<u>40,329</u>	<u>-</u>	<u>-</u>	<u>40,329</u>	<u>54,404</u>
Other					
Compensation and sales	6,506	-	-	6,506	-
Fundraising events	-	-	-	-	2,895
	<u>6,506</u>	<u>-</u>	<u>-</u>	<u>6,506</u>	<u>2,895</u>
Total income	<u>705,923</u>	<u>2,425</u>	<u>-</u>	<u>708,348</u>	<u>549,449</u>

Prior year donations included £860 restricted funds, and prior year dividends included £4,879 attributed to the Endowment fund.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

3. Expenditure on:	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Prior Year</u>	
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Raising funds					
Costs of generating funds	-	-	-	-	616
Investment management costs	746	-	3,025	3,771	4,474
	<u>746</u>	<u>-</u>	<u>3,025</u>	<u>3,771</u>	<u>5,090</u>
Charitable activities					
Direct variable costs:					
Staff costs	545,395	-	-	545,395	559,483
Food	37,865	-	-	37,865	32,958
Consumables	7,515	-	-	7,515	7,041
	<u>590,775</u>	<u>-</u>	<u>-</u>	<u>590,775</u>	<u>599,482</u>
Property and overhead expenses:					
Water	(514)	-	-	(514)	1,892
Light and heat	29,577	-	-	29,577	23,155
Insurance	13,257	-	-	13,257	12,337
Telephone	2,846	-	-	2,846	2,262
Repairs and maintenance	33,920	-	-	33,920	44,965
Printing, stationery and postage	2,669	-	-	2,669	3,499
Staff travel expenses	281	-	-	281	165
Training costs	1,553	-	-	1,553	3,496
Recruitment expenses	1,384	-	-	1,384	1,839
Publicity	8	-	-	8	100
Sundry expenses	6,378	-	-	6,378	6,154
Council Tax payable	-	-	-	-	(5,496)
Depreciation	14,473	-	9,822	24,295	23,615
	<u>105,832</u>	<u>-</u>	<u>9,822</u>	<u>115,654</u>	<u>117,983</u>
Support costs:					
Software expenses	4,887	-	-	4,887	4,634
Bank charges	227	-	-	227	806
Professional fees	4,962	-	-	4,962	6,559
Sundry items	629	-	-	629	22
	<u>10,705</u>	<u>-</u>	<u>-</u>	<u>10,705</u>	<u>12,021</u>
	<u>707,312</u>	<u>-</u>	<u>9,822</u>	<u>717,134</u>	<u>729,486</u>

The prior year cost of investment management consists of £1,974 unrestricted funds and £2,500 endowment funds. The depreciation charge was £13,973 unrestricted funds and £9,822 endowment funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

3. Expenditure on: cont.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>		<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other					
Independent examination/audit	(650)	-	-	(650)	5,440
Professional fees	19,388	-	-	19,388	5,126
	<u>18,738</u>	<u>-</u>	<u>-</u>	<u>18,738</u>	<u>10,566</u>
Total expenditure	<u>726,796</u>	<u>-</u>	<u>12,847</u>	<u>739,643</u>	<u>745,142</u>

4. Net gains/(losses) on investments

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>		<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	(4,286)	-	(6,392)	(10,678)	(25,556)
Revaluation of investments	(3,098)	-	(10,911)	(14,009)	(165,091)
	<u>(7,384)</u>	<u>-</u>	<u>(17,303)</u>	<u>(24,687)</u>	<u>(190,647)</u>

Prior year net gains/(losses) on investments

Year Ended 5th April 2023:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>		<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	(18,114)	-	(7,442)	(25,556)	32,189
Revaluation of investments	(69,024)	-	(96,067)	(165,091)	76,131
	<u>(87,138)</u>	<u>-</u>	<u>(103,509)</u>	<u>(190,647)</u>	<u>108,320</u>

5. Transfers between funds

During the year £140,000 (2023: £195,000) was withdrawn from the investment portfolio for cashflow purposes. Of this sum, £56,000 (2023: £129,572) was raised by the sale of stocks held within the Endowment Fund. In order to maintain the value of that fund stocks of an equivalent value were transferred from Unrestricted Funds. In both years the stocks transferred exceeded the cash drawn by a small amount 2024 £1 (2023: £13), representing a net increase in the Endowment Fund.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

5. Transfers between funds: cont.

During the year £2,425 (2023: £860) was transferred from restricted to unrestricted funds. This amount includes contributions towards day centre refurbishment projects, residents' entertainment and welfare, and staff welfare.

6. Reconciliation of funds:

Endowment funds:

The endowment fund represents the trust capital account. It arises from the original donations made by the Settlor, from various transfers from income funds, and from transactions shown in the Statement of Financial Activities, including movements in unrealised reserves.

The unrestricted income fund represents the accumulated general income of the trust, including unrealised reserves.

Endowment funds:	<u>General</u> <u>Reserves</u>	<u>Revaluation</u> <u>Reserve</u>	<u>Total</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fund balances brought forward	733,210	303,126	1,036,336	1,147,275
Profit/(loss) on portfolio disposals - note 4	(6,392)	-	(6,392)	(7,442)
Movement in unrealised reserve - note 4	(10,911)	-	(10,911)	(96,067)
Income per SOFA	-	-	-	4,879
Net expenditure per SOFA	(12,847)	-	(12,847)	(12,322)
Transfer of excess depreciation on revalued assets	7,217	(7,217)	-	-
Transfer from unrestricted funds - note 5	1	-	1	13
Fund balances carried forward	<u>710,278</u>	<u>295,909</u>	<u>1,006,187</u>	<u>1,036,336</u>

Restricted income funds:	<u>Total</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>
Fund balances brought forward	-	-
Donation received during year	2,425	860
	<u>2,425</u>	<u>860</u>
Transfer between funds	(2,425)	(860)
Fund balances carried forward	<u>-</u>	<u>-</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

6. Reconciliation of funds: cont.

Unrestricted funds:	<u>General</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	434,181	139,071	573,252	848,653
Profit/(loss) on portfolio disposals - note 4	(4,286)	-	(4,286)	(18,114)
Movement in unrealised reserve - note 4	(3,098)	-	(3,098)	(69,024)
Net income per SOFA	(20,873)	-	(20,873)	(189,110)
Transfer of excess depreciation on revalued assets	3,311	(3,311)	-	-
Transfer from restricted funds - note 5	2,425	-	2,425	860
Transfer to Endowment fund - note 5	(1)	-	(1)	(13)
	<u>411,659</u>	<u>135,760</u>	<u>547,419</u>	<u>573,252</u>

The freehold property was valued on 17th March 2015, the figure being incorporated into the accounts with effect from 5th April 2015. The valuation was carried out under instructions given under Section 36 of the Charities (Qualified Surveyors Reports) Regulations 1992, and was prepared by C.J. Soane FRICS, a member of Ash & Co CS LLP. The present day existing use value was given as approximately £700,000. Accordingly, this figure was used by the trustees under the policy of revaluation. Should this policy not have been adopted the net book value of the freehold property would have been £173,579. The trustees obtained a further valuation in September 2022. The results were largely unchanged from the 2015 valuation and the trustees have taken the view that no adjustment to the figures included in the accounts is justified.

The revaluation reserve arising was credited to funds in the proportion that the property is held within those funds. The gain arose in the accounts for the year ended 5th April 2015 as follows:

	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u>	<u>Total funds</u> <u>£</u>
Freehold land and buildings:				
Net book value prior to revaluation	54,594	-	118,985	173,579
Revaluation reserve	165,559	-	360,862	526,421
Existing use value 5th April 2015	<u>220,153</u>	<u>-</u>	<u>479,847</u>	<u>700,000</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

6. Reconciliation of funds: cont.

The funds are represented by:	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets - note 13	210,506	-	403,392	613,898
Investments - note 14	149,929	-	602,795	752,724
Net current assets	186,984	-	-	186,984
	<u>547,419</u>	<u>-</u>	<u>1,006,187</u>	<u>1,553,606</u>

The analysis of funds for the prior year
Year Ended 5th April 2023:

	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets - note 13	221,866	-	413,214	635,080
Investments - note 14	299,550	-	623,122	922,672
Net current assets	51,836	-	-	51,836
	<u>573,252</u>	<u>-</u>	<u>1,036,336</u>	<u>1,609,588</u>

7. Trustee remuneration

No remuneration is paid to the trustees. (2023: £Nil).

8. Trustee expenses

No expenses were paid either to or on behalf of trustees during the year. (2023: £Nil).

9. Staff costs:

	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Wages and salaries	485,826	467,517
Social security costs	27,996	27,777
Employer's contribution to defined contribution pension scheme	8,758	7,633
	<u>522,580</u>	<u>502,927</u>
Staff agency costs	22,815	56,556
	<u>545,395</u>	<u>559,483</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

9. Staff costs cont.

No employee had emoluments (including benefits) in excess of £60,000 (2023: None).

The average number of employees during the year was 36 (2023: 37). This figure includes part-time employees. It is estimated that the average full time equivalent employees was 21 (2023: 20). It is estimated that 12 full time equivalents were employed in the respite home (2023: 12), 2 in the day centre (2023: 1.5), and 7 in administration and other areas (2023: 7.5). Available staff are redeployed to fit requirements in order to minimise the need for agency staff. All employees in both years were engaged in the operation of Yercombe Lodge.

Agency staff are used as required on a shift by shift basis when employed staff are not available. The trust obtains staff through a number of agencies.

The trust makes use of the National Employment Savings Trust (NEST). In both years contributions were made at a rate of 3% of the qualifying earnings of those employees within the scheme.

10. Amounts payable to Independent Examiner:

	<u>2024</u>	<u>2023</u>
	£	£
Cost of independent examination	2,250	2,100
	<u>2,250</u>	<u>2,100</u>

11. Ex gratia payments:

During the year the charity made no ex gratia payments as defined by the Charity Commission in guidance CC7. (2023: £Nil). Payments to staff for long service, or on retirement, are considered to be in the interests of the charity and are included as expenditure of funds for charitable purposes within support costs.

12. Net movement of funds:

	<u>2024</u>	<u>2023</u>
	£	£
Income from charitable activities	552,593	484,241
Total expenditure	739,643	745,142
Operational (deficit)	<u>(187,050)</u>	<u>(260,901)</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

12. Net movement of funds cont.

	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Other sources of income:		
Donations and legacies	108,071	6,222
Grants recognised	849	1,687
Investments	40,329	54,404
Other	6,506	2,895
	<u>155,755</u>	<u>65,208</u>
	<u>2024</u>	<u>2023</u>
Income less operational deficit	(31,295)	(195,693)
Gains/(losses) on investments	(24,687)	(190,647)
Net income/(expenditure)	<u>(55,982)</u>	<u>(386,340)</u>

The net movement in funds represents the increase/(decrease) in resources available to the charity.

13. Tangible assets

	<u>Freehold</u>	<u>Fixtures</u>	
	<u>land and</u>	<u>fittings and</u>	
	<u>buildings</u>	<u>equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At beginning of the year	711,267	266,543	977,810
Additions	-	3,113	3,113
At end of the year	<u>711,267</u>	<u>269,656</u>	<u>980,923</u>
Depreciation			
At beginning of the year	113,124	229,606	342,730
Depreciation charge for the year	14,225	10,070	24,295
At end of the year	<u>127,349</u>	<u>239,676</u>	<u>367,025</u>
Net book value at beginning of the year	<u>598,143</u>	<u>36,937</u>	<u>635,080</u>
Net book value at end of the year	<u>583,918</u>	<u>29,980</u>	<u>613,898</u>

14. Investments:

The investment portfolio was valued by J.M. Finn & Co Ltd. at current market value.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

14. Investments cont.

Historical cost was £626,063 (2023: £735,119). The investments included within the portfolio are mainly quoted on the London Stock Exchange. The structure of the portfolio is as follows:

	<u>2024</u>	<u>2023</u>
	£	£
Gilt edged stock	70,364	-
Fixed interest	47,905	61,734
Equities	624,498	849,680
	<u>742,767</u>	<u>911,414</u>

Stocks which individually represent more than 5% of the portfolio:	<u>2024</u>	<u>2023</u>
	£	£
TP ICAP	39,462	
National Grid		51,742
International Public Partnership		50,085
Shell PLC		47,260
		<u>149,087</u>

Analysis of movement in investment portfolio:	<u>Total</u>	<u>Endowment funds</u>	<u>Unrestricted funds</u>
Invested portfolio:			
Market value at beginning of year	911,414	623,113	288,301
Add: Additions to investments at cost	70,284	70,284	-
Less: Disposals at carrying value	(224,922)	(142,591)	(82,331)
Transfers between funds - note 6	-	56,001	(56,001)
Add: Net gains/(losses) on revaluation	(14,009)	(10,911)	(3,098)
Market value at end of year	<u>742,767</u>	<u>595,896</u>	<u>146,871</u>
Invested portfolio	742,767	595,896	146,871
Cash held by brokers	9,957	6,899	3,058
Total investments held 5th April 2024	<u>752,724</u>	<u>602,795</u>	<u>149,929</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

14. Investments cont.	<u>Total</u>	<u>Endowment/Unrestricted</u>	
		<u>funds</u>	<u>funds</u>
Prior year market value at end of year	911,414	623,113	288,301
Prior year cash held by brokers	11,258	9	11,249
Total investments held 5th April 2023	<u>922,672</u>	<u>623,122</u>	<u>299,550</u>

The cash held by brokers represents monies arising from investment transactions still to be re-invested. As explained above, during the year £140,000 (2023: £195,000) was withdrawn from the portfolio.

15. Debtors	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Trade debtors	26,549	39,502
Prepayments and accrued income	10,131	9,607
Other debtors	104,542	1,784
	<u>141,222</u>	<u>50,893</u>

16. Cash at bank and in hand	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Lloyds Bank:		
Current accounts	75,665	61,894
Deposit accounts	19,793	6,610
National Westminster Bank	463	343
Cash with brokers	-	2,323
Cash in hand	193	331
	<u>96,114</u>	<u>71,501</u>

17. Creditors	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Trade creditors	5,437	13,728
Accruals and deferred income	23,037	35,128
Day centre service users - note 18	167	542
Other creditors	21,711	21,160
	<u>50,352</u>	<u>70,558</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

18. Day Centre service users

Following the closure of the local branch of Barclays Bank PLC, separate accounts are no longer maintained to hold funds belonging to day centre service users. At 5th April 2024 the trust was holding £133 (2023: £492) in its Lloyds Bank account on behalf of the day centre service users.

	<u>2024</u>	<u>2023</u>
	£	£
Funds held in Lloyds Bank account	133	492
Day centre cash held	34	50
	<u>167</u>	<u>542</u>

	<u>2024</u>	<u>2023</u>
	£	£
Day centre service users		
Brought forward	542	862
Amounts collected	-	131
	<u>542</u>	<u>993</u>
Amounts expended	375	451
Carried forward	<u>167</u>	<u>542</u>

19. Legacy income

	<u>2024</u>	<u>2023</u>
	£	£
Income recognised:		
Mrs. F.W.M. Bignell dec'd.	95,171	-
Lady C. Elwes dec'd	1,027	-
Miss. E.M. Wyatt dec'd.	29	1,533
	<u>96,227</u>	<u>1,533</u>

Mrs. F.W.M. Bignell died in 2007. Prior to the distributions noted above, the most recent distribution was on 13th July 2017. The total received from the estate is £155,949. The trustees understand that the administration of the estate is now complete.

Lady Elwes was the patron of the trust for many years. In the year ended 5th April 2023 donations in her memory of £2,250 were received.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

19. Legacy income cont.

Potential legacy income:

Miss. E.E. May dec'd.

The trust has received notification that it has been left one fifth of the residue of the estate. The principal asset consisted of a residential property. The trustees understand that this property has been sold, but information is not available which would allow a reliable estimate of the amount eventually to be received by the trust.

20. Additional insurance

The trust has taken out a 'Directors & Officers' insurance policy. This policy provides management liability and corporate liability cover, each to an aggregate limit of all claims of £1,000,000. The cover includes the trust, staff, and trustees to the extent permitted by the provisions of section 189 of the Charities Act 2011. The premium payable in the year was £1,698 (2023: £1,763).

21. Related party transactions

In the opinion of the trustees there were no related party transactions during the year that require disclosure (2023: None).

22. Grants received

During the year the trust received a grant of £849 in the form of a one-off support payment from the Market Sustainability & Improvement Fund maintained by Gloucestershire County Council. Subject to some conditions, which in the view of the trustees did not apply to the trust, the grant could be used for any purpose that the trust saw fit. The money was therefore treated as unrestricted funds.

During the year ended 5th April 2023 the trust received £1,687 from Gloucestershire County Council as support for the increased pressure caused by the Omicron variant of Covid-19. Although this grant came with conditions attached, the trustees took the view that the nature of the support was such that the funds should be treated as unrestricted.

All grants received in both years were funded by government, government agencies, and similar bodies within the UK whole of government accounts (WGA).

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2024

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

	<u>Note</u>	<u>Current year</u> £	<u>Prior year</u> £
Net (expenditure) for the reporting period	12	(187,050)	(260,901)
Adjustments for:			
Depreciation charges	13	24,295	23,615
(Increase)/decrease in debtors		(90,329)	(18,591)
Increase/(decrease) in creditors		(20,190)	10,957
Other incoming resources:	2		
Donations		11,844	4,689
Legacies		96,227	1,533
Grants		849	1,687
Other		6,506	2,895
Net cash used in operating activities		<u><u>(157,848)</u></u>	<u><u>(234,116)</u></u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales - Charity number 263687

Accounts

Charity number: 263687

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5TH APRIL 2023

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THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102. Comparative information is for the year ended 5th April 2022.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trust was established by the late H. Maxwell Workman for the benefit of the old and needy of Gloucestershire. To this end it utilizes Yercombe Lodge, the settlor's former home, as a residential care home with respite facilities and as a day centre for the elderly and disabled. The trust also makes provision for up to four day care places. There was no change in the intention to provide these services during the year under review, or in the previous year, but see below for the impact of the Covid-19 pandemic.

The charity's main aim is to seek to continue to provide the services as outlined above. In the provision of those services the charity seeks to meet agreed client requirements in accordance with the limits of availability. The aim is client satisfaction within a context of fairness, reliability, and accountability. The charity wishes to conduct all its relationships on a basis of trust, efficiency, and best practice.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities. In particular, the trustees consider how activities will contribute to the objectives they have set.

The trustees consider that the benefits provided by the operation of the trust outweigh any detriments or harm created.

To achieve its objectives the charity has adopted a series of formal procedures. These are set out in a quality assurance manual. This manual is subject to regular review in order to respond to changing circumstances. Advice is sought from relevant outside bodies as appropriate. In particular, the charity has sought to maintain a good relationship with relevant inspecting authorities. Internal audit is undertaken according to a planned schedule throughout the year to ensure compliance with the procedures set out in the manual.

The trustees are aware of the difficulties created by seeking to provide services in a climate of ever-increasing regulation and restrictions on funding increases. They are also mindful of the need to try to preserve the value of the charity's funds from the effects of inflation.

The charity does not make grants.

The Trust Deed limits the services provided by the charity to those resident in the County of Gloucester. Since the creation of the trust there have been a number of changes in the structure

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT cont.

of local government. The trustees have adopted the view that the geographical area covered should continue to be as originally established. This currently includes Gloucestershire County Council, South Gloucestershire County Council, and a large part of the City of Bristol.

In preparing this report the trustees have reviewed the objectives and activities as established. This review involves more than the consideration of the financial results, although the trustees are aware that the success of the charity depends upon adequate resources.

ACHIEVEMENTS AND PERFORMANCE

As recorded in the trustees' report for the previous year, the Covid 19 pandemic had a severe impact on the operations of the charity. This resulted in a significant loss of income and an increase in costs. It became necessary to utilise reserves and to draw funds from the investment portfolio in order to maintain activities.

The trustees took the view that prior to the onset of the pandemic the range of services provided was in accord with their objectives, and decided to reopen all activities previously offered. Income from charitable activities is shown in note 2 to the accounts. Whilst the trustees are pleased with the level of income generated by the residential home, both long-stay and respite, it has proved difficult to restore day centre and day care income. As a result the trustees have appointed advisors to consider the alternatives open to the trust.

The services as outlined above are provided to self-funded individuals, users funded by local authorities, and occasionally to users funded by other charities. In the past Gloucestershire County Council maintained a 'block' booking of one room in the respite home. This arrangement came to an end on 31st August 2016. A number of service users who had benefited expressed concern about the alternatives to be made for them by the County Council. The trustees decided to offer to continue to accept bookings for these service users, to be paid for at the Council rate, for as long as the service users wish. The Council rate is substantially below the amount charged to privately funded service users. No attempt has been made to quantify the impact of this commitment as it depends upon unknown factors, such as the frequency of visits, life expectancies, and the relative movement of funding rates. In the view of the trustees it was appropriate to enter into this arrangement for the benefit of the individuals concerned as several had been coming to the home for many years.

The trustees take the view that the arrangements with Social Services enable users unable to afford the trust's fees to access the services provided. The trust is not a party to the arrangements made between users and Social Services regarding funding. The trust is committed to equal access to its services restricted only by the terms of the Trust Deed, legislation, the requirements of the regulatory authorities, and the capacity of the facilities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

ACHIEVEMENTS AND PERFORMANCE cont.

The trustees are aware that the services as outlined above are of benefit not just to the service users themselves. In most cases the user has a carer or carers who benefit from the break provided. The trustees do not consider it would be practicable, or cost effective, to seek to quantify this benefit, but take the view that it is significant.

As shown in note 6 to the accounts, the trustees have adopted a policy of revaluation of the freehold property. This took effect at 5th April 2015. A further revaluation would have been due in the year ended 5th April 2021 under the terms of the previous policy. In view of the restrictions on visits to the home the trustees decided that this should be postponed. The property was valued by an independent valuer in September 2022. He provided a report which contained no significant difference from the 2015 valuation. Accordingly, the trustees have decided that no amendment to the figures included in the accounts is required.

As is shown in the Statement of Financial Activities the trust suffered net expenditure of £386,340 (2022: £54,158). Total funds fell to £1,609,588 (2022: £1,995,928). The charity experienced an operational deficit of £260,901 (2022: £249,714).

Legacy income of £1,533 (2022: £Nil) was recognised during the year. This related to the estate of Miss. E.M. Wyatt dec'd. As explained in note 19 to the accounts, the trust has been notified of additional potential legacies. These include the estate of Mrs. F.W.M. Bignell dec'd. The trustees continue their claim against the Executors. Professional fees of £1,226 (2022:£1,586) were incurred as the trust's share of the solicitor's costs associated with the claims.

During the year the trust received unrestricted donations of £3,829 (2022: £1,307). Included within this figure is £2,250 received in memory of Carolyn, the Lady Elwes. The trustees are sad to report that Lady Elwes died in December 2022, after many years as patron of the trust. She will be much missed by the many charities she supported.

Restricted donations of £860 (2022: £Nil) were received. Of these £500 related to the purchase of computer equipment, and £360 to the provision of benefits for residents.

As explained in note 22 to the accounts unrestricted grant income of £1,687 (2022: £32,700) was received.

Total volunteer hours are estimated at 240 (2022: 150). These related primarily to the grounds and woodlands. If these hours were to be valued at the National Living Wage of £10.42 (2022: £9.50) the voluntary effort would represent a value of approximately £2,500 (2022: £1,425). The trustees are grateful to all the volunteers who contributed during the year.

It is the policy of the trustees to delegate the management of the investment portfolio to a

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

ACHIEVEMENTS AND PERFORMANCE cont.

firm of stockbrokers. They have been granted discretionary powers subject to a statement of policy. This statement seeks to ensure that the funds are properly protected; that the capital is not put at risk and is protected against inflation; and the best income consistent with these objectives is obtained. Within these overall objectives the trustees have set a number of conditions. These conditions include the expressed wish that the portfolio should yield a given net income. The figure set by the trustees is £45,000 (2022: £45,000). As shown in Note 2 to the accounts, dealing with Incoming Resources, net income from the portfolio was £54,384 (2022: £48,156). The trustees take the view that this performance was satisfactory in relation with the objectives set given the circumstances which applied to the stockmarket during the year. In June 2022 the trustees reviewed their investment policy in conjunction with the portfolio manager. As a result of the review the trustees have expressed the wish that the portfolio should yield a net income of 4.50% of the portfolio value, and that the underlying value should be protected from the effects of inflation. As shown in the Statement of Financial Activities, and explained in Note 4, the trust experienced a loss on the portfolio of £190,647 (2022 profit: £108,320). The loss was broadly in line with the movement in the stockmarket during the year.

FINANCIAL REVIEW

In the opinion of the trustees the accounts reflect the financial position of the charity and the financial management policies adopted. A sub-committee has been established to deal with financial and administrative matters. It prepares and monitors the overall business plan and the annual budget. It reviews cashflow on a regular basis. In conjunction with the stockbroker, it monitors the transactions and movements of the investment portfolio. As noted above, modifications to procedures were required in response to Covid-19 guidance.

Details of fixed assets are shown in note 13 to the accounts. All the tangible assets are used for charitable purposes. The cost of freehold property represents the original purchase of Yercombe Lodge and improvements since. In accordance with current accounting practice, the trustees adopted a policy of writing off this cost. As noted above, and as explained in note 6 to the accounts, the trustees adopted a policy of the revaluation of freehold property. Depreciation charges are based upon the revalued amount.

The Trust Deed enables the trustees to apply or invest monies liable to be invested under the Deed in property or investments as the trustees in their absolute discretion think fit. The investment portfolio has been acquired in accordance with these powers. The Deed allows the trustees to spend the income arising but requires the trust capital fund to be maintained. As noted above, the portfolio experienced a fall in value during the year. In response to the needs of operational cashflow it became necessary to withdraw £195,000 (2022: £60,000) from the portfolio. This required the sale of stocks, made under the discretion of the stockbroker. As some of the sales were made of stocks held as part

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

FINANCIAL REVIEW cont.

of the Endowment Fund, it became necessary to reallocate stocks of equivalent value from unrestricted funds to replace those sold. Further withdrawals of funds have taken place after the year-end.

Note 6 to the financial statements shows the assets and liabilities attributable to the funds by type, and shows the movements on each fund. The Endowment Fund is shown at £1,036,336. Unrestricted Funds amounted to £573,252, but of this only £351,386 is freely available as £221,866 is invested in fixed assets.

The balance of unrestricted funds represents the accumulated general income of the charity. No funds have been designated within these reserves. It is not the policy of the trustees to set aside specific amounts to meet future expenditure. No funds were in deficit at any time during the year.

The circumstances relating to the funding of the day centre are outlined above. The residential home is funded from fees charged to service users. These include amounts charged both to private service users and public providers. The expenditure incurred in operating Yercombe Lodge relates to all these activities. The apportionment of expenses between the different activities has always been difficult. In view of the impact of the Covid-19 pandemic, the trustees consider that no apportionment could yield meaningful results for budgeting purposes.

As noted above, the investment portfolio is invested under an agreement with a firm of stockbrokers. This agreement includes a statement of policy specified by the trustees which includes a number of conditions. These include a condition that the trustees do not wish to invest in companies which manufacture tobacco products. They also include conditions that the portfolio should normally be invested in United Kingdom equities and fixed interest stocks quoted on the stock exchange, and that those equity stocks should normally be companies within the FTSE 100 list. There were no changes in these policies during the year, or in the previous year. As noted above, subsequent to the year end the trustees adopted a revised formulation of the investment policy.

As shown in note 7 to the accounts, no trustee received any remuneration during the year. All gave their time voluntarily, and, in the view of the trustees, received no private benefit from the charity.

The trustees are concerned by the level of the operational deficits experienced, and expected. They recognise that the drain on resources poses a threat to the future. Despite the continuing uncertainty, the trustees consider that the financial position of the trust remains strong. Total funds of £1,609,588 (2022: £1,995,928), as shown on the Balance Sheet, enable the trust to retain control over future strategy.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

RISK MANAGEMENT

The trustees acknowledge their responsibility to make a statement that they have regularly reviewed and assessed the risks faced by the charity in all areas of its work, and have planned for the management of those risks. The processes adopted are based upon the guidance issued by the Charity Commission for England and Wales, CC26. They involve the assessment of the issues raised in the context of governance, management, operations, financial circumstances, environmental and external factors, and compliance with applicable laws and regulations. The trustees seek to apply what they consider to be a prudent approach in the management of potential risks. The aim is to manage risk in such a way as enables the trustees to achieve their objectives, as noted above, and to safeguard the assets of the trust.

Risks are identified by staff or trustees, and are reviewed in relation to established policies and procedures within the framework of the financial and development plan. Amendments are made as appropriate, and are included within the operational manual. The trustees have reviewed the major risks identified, and to the best of their belief have established control systems to manage those risks. In common with many similar operations and businesses the general level of economic uncertainty presents a significant challenge. As noted above, the consequences of the changes in the provision of adult social care also create a level of uncertainty which is beyond the control of the trust. The trustees also acknowledge that there may be risks which are unknown or which are presently judged not to be significant but later prove to be significant.

STATEMENT OF POLICY ON RESERVES

It is the policy of the trustees to hold cash deposits as a reserve when circumstances allow. As shown in note 16 to the accounts, as at 5th April 2023 the trust held £6,610 (2022: £10,590) in deposit accounts. These sums are available with no restrictions on the ability to withdraw the funds.

It is not the policy of the trustees to set aside designated amounts for use in future periods.

FUNDRAISING

During the year costs of £616 (2022: £Nil) were incurred in fundraising activities. Income from from these events was £2,895 (2022: £Nil). They consisted of a concert given by Dursley Male Voice Choir at St. Cyr's Church Stinchcombe, and a quiz night held at Dursley Rugby Club. The trustees are grateful to all involved in organising these events.

PLANS FOR THE FUTURE

It is a requirement of the regulatory authorities that the trust is able to demonstrate that it is able to continue in operation in order to provide service users with security and continuity.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

PLANS FOR THE FUTURE cont.

It has been the practice to prepare a business plan on an annual basis. In view of the continuing impact of the Covid-19 pandemic, and the general economic uncertainty, the trustees take the view that a similar business plan would not be meaningful. Instead, they have based their operational decisions upon the annual budgets and quarterly management accounts.

The trustees consider that demand for the services traditionally provided at Yercombe Lodge remains. It is their intention to maintain all the services operated prior to the pandemic, but they appreciate that it remains difficult to rebuild day care and the day centre to their former levels.

As part of the procedures adopted to achieve its objectives for many years the trust has adhered formal statements made available to service users, staff, and others as required. These include an ongoing safeguarding policy. The trustees wish to confirm their commitment to and the maintenance of such a policy as part of their planning for the future.

As part of the response to the financial pressures created by the pandemic, the trustees decided to limit capital expenditure to that considered to be essential. They recognise that major items of equipment need to be replaced in order to maintain the level of service they wish to provide. Subsequent to the year end £1,902 has been spent on a replacement table-top oven for the kitchen. The trustees hope to be able to replace a second bath at a likely cost of £12,000. There are various other projects, including improvements to the grounds, replacement windows, and additional kitchen equipment, which the trustees would like to undertake when funds become available.

As noted above, the trustees appointed outside advisors to consider options for the future of the trust and its activities. At the date the accounts were approved no decisions had been made regarding any proposals put forward. Fees of £3,000 (2022:£Nil) are included in the accounts under the heading of Governance costs. Subsequent to the year end additional fees of £6,600 were incurred.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust was established by a Trust Deed dated 10th February 1972. It is governed under the terms of the Deed by the trustees. The property of the trust is vested in the trustees. The Trust Deed limits the total number of trustees to twenty. New trustees are invited to join and are appointed by election at a meeting of trustees.

The trustees have established a section within the Yercombe Lodge Quality Manual dealing with the induction and training of new trustees. This is intended to allow new trustees to familiarise themselves with the premises, organisation, activities, systems, and ethos of the charity, and to ensure that they are competent, knowledgeable, and well-informed as to their duties. This process involves a tour of the premises, the passing

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT cont.

of relevant documentation, attendance at a trustees meeting, direct discussion with existing trustees, and the completion of DBS checks.

The charity has adopted an organisational structure based upon the allocation of areas of responsibility to sub-committees. Each sub-committee is chaired by a portfolio holder.

The portfolio holders are as follows:

Administration and finance - Mr. J.C. Drury.

Property - Mr. P.S. Gilbert

Operational - Dr. M.J. McDowell.

Fundraising - Dr. P.J. Sprague.

The membership of the committees is as follows:

Administration and Finance - Mr. J.C. Drury, Dr. P.J. Sprague.

Property - Mr. P.S. Gilbert.

Operational - Dr. M.J. McDowell, Mrs. J.M. Thomas, Ms. C. Kay.

Fundraising - Dr. P.J. Sprague, Mrs. J.M. Thomas, Ms. C. Kay.

The property sub-committee is supplemented by volunteers, one of which has taken responsibility for dealing with the woodlands and grounds. Each committee operates with a standardised agenda, and makes recommendations to the meetings of trustees as appropriate.

The freehold property is registered with the Land Registry in the names of a committee of trustees acting on behalf of the body of trustees. The committee consists of Mr.J.C. Drury, Dr.M.J. McDowell, Mr.P.S. Gilbert, Dr.P.J. Sprague and Dr. A.J. Keith.

The routine administration of Yercombe Lodge is delegated to the manager of the home. She reports regularly to the various portfolio holders. The trustees meet monthly, except that no meetings are held in August or December.

REFERENCE AND ADMINISTRATIVE INFORMATION

NAME

The registered name of the charity is The Yercombe (Gloucestershire) Trust.

It is also known as Yercombe Lodge.

REGISTRATION NUMBER

The charity is registered with the Charity Commission for England and Wales.

The registration number is 263687.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

REFERENCE AND ADMINISTRATIVE INFORMATION cont.

REGISTERED ADDRESS

Yercombe Lodge, Stinchcombe, Dursley, Glos. GL11 6AS

TRUSTEES

Trustees at the date that the report was approved:

Mr. J.C. Drury

Dr. M. J. McDowell

Mr. P.S. Gilbert

Dr. P.J. Sprague

Mrs. J.M. Thomas

Dr. A.J. Keith also served during the year. He resigned on 7th December 2022.

Mr. V.H. Jotcham also served during the year. He died on 25th January 2023.

MANAGEMENT STAFF

The trustees delegate day to day management of the charity to the following senior staff:

Manager - Ms. C. Kay

Deputy manager - Mrs. T.J. Brinkworth.

The service contracts and remuneration of senior staff are negotiated by the trustees with the individuals concerned.

PRINCIPAL BANKERS

Lloyds Bank - 12 Rowcroft, Stroud, Glos. GL5 3BD

STOCKBROKERS

J.M. Finn & Co Ltd. - 25 Copthall Avenue, London, EC2R 7AH

INDEPENDENT EXAMINER

Josh Kingston, ACA

Burton Sweet Limited - The Clock Tower, Farleigh Court, Old Western Road,
Flax Bourton, Bristol BS48 1UR

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2023

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

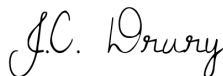
The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- 1.) select suitable accounting policies and then apply them consistently;
- 2.) observe the methods and principles in the applicable Charities SORP;
- 3.) make judgements and estimates that are reasonable and prudent;
- 4.) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5.) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on the Jan 03 2024
and signed on their behalf:



J.C. Drury
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees of The Yercombe (Gloucestershire) Trust on the accounts for the year ended 5th April 2023, Charity number 263687, set out on pages 12 to 34

I report to the trustees on my examination of the accounts of the above charity ("the trust") for the year 5th April 2023.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England & Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- * the accounting records were not kept in accordance with section 130 of the Charities Act; or
- * the accounts did not accord with the accounting records; or
- * the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Date: Jan 03 2024

Name: Josh Kingston, ACA

Address: Burton Sweet Limited
The Clock Tower,
Farleigh Court,
Old Weston Road,
Flax Bourton,
Bristol,
BS48 1UR

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2023

	<u>Notes</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior year</u>
		<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>total funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income from:	2					
Donations and legacies		5,362	860	-	6,222	1,307
Grants received	22	1,687	-	-	1,687	37,769
Charitable activities		484,241	-	-	484,241	401,052
Investments		49,525	-	4,879	54,404	48,160
Other		2,895	-	-	2,895	-
Total		543,710	860	4,879	549,449	488,288
Expenditure on:	3					
Raising funds		2,590	-	2,500	5,090	4,976
Charitable activities		719,664	-	9,822	729,486	639,244
Other		10,566	-	-	10,566	6,546
Total		732,820	-	12,322	745,142	650,766
Net gains/(losses) on investments	4	(87,138)	-	(103,509)	(190,647)	108,320
Net income/(expenditure)		(276,248)	860	(110,952)	(386,340)	(54,158)
Transfers between funds	5	847	(860)	13	-	-
Net movement in funds	12	(275,401)	-	(110,939)	(386,340)	(54,158)
Reconciliation of funds:	6					
Total funds brought forward						
as restated	23	848,653	-	1,147,275	1,995,928	2,050,086
Total funds carried forward		573,252	-	1,036,336	1,609,588	1,995,928

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
BALANCE SHEET AT 5TH APRIL 2023

	<u>Notes</u>	<u>Total Funds</u> £	<u>Prior year Funds</u> £ <u>Restated</u>
Fixed assets:	23		
Tangible assets	13	635,080	632,112
Investments	14	922,672	1,307,912
		<u>1,557,752</u>	<u>1,940,024</u>
Current assets:			
Debtors	15	50,893	32,302
Cash at bank and in hand	16	71,501	83,183
		<u>122,394</u>	<u>115,485</u>
Liabilities:			
Creditors: Amounts falling due within one year	17	70,558	59,581
		<u>51,836</u>	<u>55,904</u>
		<u>1,609,588</u>	<u>1,995,928</u>
The funds of the charity:	6		
Endowment funds			
General reserve		733,210	836,932
Revaluation reserve		<u>303,126</u>	<u>310,343</u>
		1,036,336	1,147,275
Restricted income funds		-	-
Unrestricted funds			
General reserve		434,181	706,271
Revaluation reserve		<u>139,071</u>	<u>142,382</u>
		573,252	848,653
		<u>1,609,588</u>	<u>1,995,928</u>

Approved by the trustees on the Jan 03 2024
and signed on their behalf:

J.C. Drury

J.C. Drury
Trustee

Dr. P.J. Sprague
Trustee

Philip Sprague

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5TH APRIL 2023

	<u>Notes</u>	<u>Total funds</u> £	<u>Prior year funds</u> £
Cash flows from operating activities:			
Net cash used in operating activities	24	<u>(234,116)</u>	<u>(167,715)</u>
Cash flows from investing activities:			
Dividends and interest from investments	2	54,404	48,160
Proceeds from sale of investments		217,931	62,387
Purchase of investments	14	(21,896)	-
Purchase of fixed assets	13	(26,583)	(782)
Net cash provided by investing activities		<u>223,856</u>	<u>109,765</u>
Change in cash and cash equivalents in the reporting period		(10,260)	(57,950)
Cash and cash equivalents at the beginning of the reporting period		92,969	150,919
Cash and cash equivalents at the end of the reporting period		<u>82,709</u>	<u>92,969</u>
Reconciliation of cash and cash equivalents with balance sheet:			
Cash at bank and in hand per balance sheet	16	71,501	83,183
Day centre cash balances	18	(50)	(30)
		<u>71,451</u>	<u>83,153</u>
Brokers deposit account	14	11,258	9,816
		<u>82,709</u>	<u>92,969</u>

Day centre cash balances are held for the benefit of service users and are not the property of the trust.

The brokers deposit account consists of funds generated by transactions in stocks held in the investment portfolio yet to be reinvested. As shown in note 14, at 5th April 2023 £9 was part of the endowment fund (2022: £6,783), and was unavailable for use to further charitable activities.

The trust undertook no financing activities in either reporting period.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies

The Basis of the Preparation of Accounts

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts. They are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains and losses included in the accounts.

The accounts of the charity are 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 FRS102, applicable Accounting Standards, and The Charities (Accounts and Reports) Regulations 2008, issued under the provisions of the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS102. The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared on the basis that the charity is a going concern. They have been prepared under the historic cost basis of accounting except for investments, which have been included at market value, and freehold property which is included at a revalued amount.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair' view. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income

Income generated from the provision of services at Yercombe Lodge is accounted for on the accruals basis. Resources received in advance of the provision of a service by the charity - for example, deposits received to secure a booking in the respite home - are deferred until the service has been provided.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the trustees. Donations and gifts under the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies cont.

Gift Aid scheme, together with the associated income tax recovery, are recognised as income when the donation is received. Funds collected are included gross.

The charity receives the benefit of work carried out by volunteers. No monetary value is placed on this, although the operations of the charity would be difficult without such work.

Gifts of assets for use by the charity are recognised when the assets is received. If details of the value of the asset are not known the trustees will include it at an estimated figure based upon appropriate comparative information, such as price lists etc. Such assets are capitalised under the heading of fixed assets if their nature and value falls within the charity's normal criteria for the capitalisation of assets, as outlined below.

Gifts of assets donated for resale are included at the amount realised on disposal, or at an estimated value if the asset is still held at the year end.

Legacies are accounted for when notification has been received from personal representatives, except no amount is included when there is uncertainty as to entitlement, receipt or measurability.

Revenue grants are credited to the Statement of Financial Activities as recognised, unless they relate to a specific period, when they are placed in deferred income funds until allocated. Grants for capital projects are held within restricted funds until the expenditure to which they relate is incurred.

The Trust Deed requires the capital of the endowment fund to be preserved but permits the income arising from the fund to be spent. Accordingly, the incoming resources arising from the investment of assets within the endowment fund are included within unrestricted funds.

As explained in note 18 to the accounts, the trust holds monies on behalf of the day centre users. As these funds do not belong to the charity they are not recognised as income. The expenditure made from these funds is not included as expenditure of the charity. In cases where the day centre users have donated funds to the charity such donations are recognised as income in accordance with the policy as outlined above.

Expenditure

Expenditure is accounted for on an accruals basis. Expenses are included when the trustees recognise that a liability exists to a third party. A liability will arise when the charity is under an obligation to make a transfer of value to a third party as a result of past transactions or events.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies cont.

In the case of on-going contracts with Gloucestershire Social Services for the provision of services, costs are included in the Statement of Financial Activities on the accruals basis, no provision is made for any costs which might arise should the contracts be terminated or not be renewed.

The SORP requires the allocation of resources expended to relevant activity categories and to material activities or programmes within each category. Costs directly incurred in relation to an activity are allocated to that activity. Costs which involve more than one activity are attributed on the basis that the trustees consider most reasonable. In view of the nature of the charity's operations - which involve a single building with shared services and overheads - the majority of costs have to be allocated in this way. There is inevitably a high degree of estimation and approximation. In the opinion of the trustees the costs of maintaining records sufficient to enable a more accurate allocation would be substantial and would outweigh any benefits.

Despite the provision within the Trust Deed that the income arising from the endowment fund can be treated as unrestricted income, and not added to the fund, the SORP requires costs arising in relation to the fund to be charged against it. Investment management costs are allocated between funds on the basis of their relative values at the end of the year. A charge for depreciation on fixed assets held within the endowment fund is included within resources expended upon Charitable Activities on the basis outlined in the Asset Policy Note included below.

In the opinion of the trustees support costs are only material in relation to the category of resources expended upon Charitable Activities. Accordingly, no support costs are allocated to other categories.

The basis of allocation of costs to activities within the category Charitable Activities was followed by the trustees for many years for budgeting purposes. This basis was followed for the year ended 5th April 2020, but with the onset of Covid-19, which required the suspension of activities associated with day care and the day centre, the trustees took the view that the allocation of costs in this way would not be meaningful. The trustees continue to hold this view as activities have not resumed at pre-covid levels. Accordingly, no such analysis is presented in the accounts.

Other expenditure includes the costs associated with the governance arrangements of the charity which relate to the general running of the charity. They include costs associated with the strategic management of the charity's activities.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies cont.

Fixed Assets

The trustees have adopted a policy of revaluation relating to freehold property. This took effect from 5th April 2015, and will involve valuation every five years.

Other fixed assets acquired for the charity's own use are included at cost. It is the policy of the trustees not to capitalise items costing less than £500 (previously £300) unless they form part of a larger project where the total expenditure on the project exceeds £500 (£300).

The charity occupies the former home of the Settlor. It is the view of the trustees that the terms of the Trust Deed do not make the property inalienable as defined by the SORP. Yercombe Lodge has extensive grounds which include woodlands. Whilst the trustees are aware of their responsibilities in relation to these grounds, it is their opinion that they do not constitute heritage assets as defined by the SORP, as the assets are not central to the purposes of the charity as set out in the Trust Deed.

No depreciation was provided in relation to the freehold property prior to the year ended 5th April 1999. The trustees were of the opinion that the residual value would be in excess of cost as shown. This policy was amended in accordance with current accounting practice. Depreciation at a rate of 2% of cost per annum has been included. Records are not available which would enable the trustees to accurately evaluate the impact on the accounts had this policy been applied in earlier years. Where improvements to freehold property include items of mechanical equipment depreciation at a rate of 20% is applied to the cost of that equipment. No depreciation is provided on assets in the course of construction.

Depreciation is provided on fixtures, fittings and equipment at 20% per annum, except costs associated with the new space heating boilers have a charge of 10% per annum. With effect from 6th April 2017 this is charged on a straight-line basis, having formerly been on a reducing balance basis. The remaining cost of assets acquired prior to 6th April 2012 was written-off at 5th April 2017. Depreciation is charged on the cost of additions in the first quarterly accounts following acquisition.

It is the policy of the trustees that the property sub-committee review the condition of fixed assets on a regular basis for possible deterioration. A programme of necessary works is maintained. The costs of repair and maintenance are included in the Statement of Financial Activities.

Investments are included at market value at the balance sheet date. Gains and losses on revaluation are recognised in the Statement of Financial Activities as unrealised gains and losses at the balance sheet date. Realised gains and losses are recognised at the date that the investment was sold.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies cont.

The charity holds items for resale. These include tea-towels and postcards. It is not the policy of the trustees to include such items in the balance sheet as stocks as their value is likely to be immaterial in relation to the accounts. Items of craftwork held in the day centre for sale to the public are not included as they are not the property of the charity.

Funds structure

The endowment fund represents permanent capital as established under the terms of the Trust Deed. The trustees have no power to convert these funds into income and apply them as such. The fund is invested in assets. These assets can be exchanged provided that their place in the fund is taken by the assets taken in exchange. Depreciation and other losses arising in relation to the assets held in the fund are charged to the fund, as are other costs - such as investment management costs - when they relate to assets held in the fund.

The restricted income funds are funds subject to specific trusts within the wider purposes of the charity. The specific trusts are generally created by the expression of a particular purpose by the donor of the funds. The trustees are then required to expend those funds for that purpose.

The unrestricted income fund consists of funds which are expendable at the discretion of the trustees in furtherance of the charity's objects. It is not the policy of the trustees to designate particular amounts of unrestricted income to specific purposes.

The Trust Deed grants the trustees a power of accumulation whereby they can augment the endowment fund from income funds. Prior to the SORP it was not always the policy of the trustees to use this power in relation to improvements to freehold property. Records do not exist which demonstrate beyond doubt the history of the expenditure on the property, or the reasons for previous transfers to the endowment fund. The SORP makes it clear that in circumstances where income funds are used to erect, extend, or improve a building which is an endowment asset those income funds will normally become permanent endowment. Accordingly, the policy has been adopted to transfer amounts equal to the cost of any such improvements to freehold property from income to endowment funds. The absence of records does not allow the trustees to quantify the impact on the accounts in previous years had this policy applied.

Other transfers between funds may arise. Each transfer depends upon its own circumstances in relation to the requirements of the SORP. Transfers have taken place from restricted income funds to unrestricted income funds of the value of fixed assets when the asset has been purchased from a restricted donation but the asset is held for a general purpose. It is the policy of the charity to seek grants and donations to purchase assets to be held for general purposes only.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

1. Accounting policies cont.

Pension costs

The trust is required to automatically enrol certain workers into a pension scheme and contribute towards it. Contributions are accounted for on an accruals basis. The trust contributes the minimum amount required by law.

Taxation

As a registered charity, the trust is generally exempt from the burden of Income Tax and from Capital Gains Tax, but not from Value Added Tax. Irrecoverable VAT is included in the cost of the item to which it relates.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

2. Income from:	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations and legacies					
Donations	3,829	860	-	4,689	1,307
Legacies	1,533	-	-	1,533	-
	<u>5,362</u>	<u>860</u>	<u>-</u>	<u>6,222</u>	<u>1,307</u>
Grants received					
Grants received	1,687	-	-	1,687	37,769
Charitable activities					
Fees from residents	434,690	-	-	434,690	374,122
Day care	2,326	-	-	2,326	-
	<u>437,016</u>	<u>-</u>	<u>-</u>	<u>437,016</u>	<u>374,122</u>
Income from residential home	47,225	-	-	47,225	26,930
Day centre	<u>484,241</u>	<u>-</u>	<u>-</u>	<u>484,241</u>	<u>401,052</u>
Investments					
Fixed interest	3,494	-	-	3,494	3,637
Dividends	45,913	-	4,879	50,792	44,519
Interest on portfolio	98	-	-	98	-
	<u>49,505</u>	<u>-</u>	<u>4,879</u>	<u>54,384</u>	<u>48,156</u>
Portfolio investment income	20	-	-	20	4
Short-term interest	<u>49,525</u>	<u>-</u>	<u>4,879</u>	<u>54,404</u>	<u>48,160</u>
Other					
Fundraising events	2,895	-	-	2,895	-
	<u>2,895</u>	<u>-</u>	<u>-</u>	<u>2,895</u>	<u>-</u>
Total income	<u>543,710</u>	<u>860</u>	<u>4,879</u>	<u>549,449</u>	<u>488,288</u>

Prior year total funds include £5,069 grant income which were restricted funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

3. Expenditure on:	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Prior Year</u>	
	<u>funds</u>	<u>funds</u>	<u>funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Raising funds					
Costs of generating funds	616	-	-	616	-
Investment management costs	1,974	-	2,500	4,474	4,976
	<u>2,590</u>	<u>-</u>	<u>2,500</u>	<u>5,090</u>	<u>4,976</u>
Charitable activities					
Direct variable costs:					
Staff costs	559,483	-	-	559,483	484,003
Food	32,958	-	-	32,958	27,735
Consumables	7,041	-	-	7,041	6,109
Transport	-	-	-	-	(7,308)
	<u>599,482</u>	<u>-</u>	<u>-</u>	<u>599,482</u>	<u>510,539</u>
Property and overhead expenses:					
Water	1,892	-	-	1,892	(1,287)
Light and heat	23,155	-	-	23,155	18,375
Insurance	12,337	-	-	12,337	10,279
Telephone	2,262	-	-	2,262	1,962
Repairs and maintenance	44,965	-	-	44,965	38,004
Printing, stationery and postage	3,499	-	-	3,499	2,363
Staff travel expenses	165	-	-	165	92
Training costs	3,496	-	-	3,496	1,320
Recruitment expenses	1,839	-	-	1,839	8,689
Publicity	100	-	-	100	1,284
Sundry expenses	6,154	-	-	6,154	5,685
Council Tax payable	(5,496)	-	-	(5,496)	5,496
Depreciation	13,793	-	9,822	23,615	27,019
	<u>108,161</u>	<u>-</u>	<u>9,822</u>	<u>117,983</u>	<u>119,281</u>
Support costs:					
Software expenses	4,634	-	-	4,634	4,304
Bank charges	806	-	-	806	910
Professional fees	6,559	-	-	6,559	4,210
Sundry items	22	-	-	22	-
	<u>12,021</u>	<u>-</u>	<u>-</u>	<u>12,021</u>	<u>9,424</u>
	<u>719,664</u>	<u>-</u>	<u>9,822</u>	<u>729,486</u>	<u>639,244</u>

The prior year cost of investment management consists of £2,239 unrestricted funds and £2,737 endowment funds. The depreciation charge was £17,197 unrestricted funds and £9,822 endowment funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

3. Expenditure on: cont.

Prior year staff costs consist of £478,934 unrestricted funds and £5,069 restricted funds.

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other					
Independent examination/audit	5,440	-	-	5,440	4,960
Professional fees	5,126	-	-	5,126	1,586
	<u>10,566</u>	<u>-</u>	<u>-</u>	<u>10,566</u>	<u>6,546</u>
Total expenditure	<u>732,820</u>	<u>0</u>	<u>12,322</u>	<u>745,142</u>	<u>650,766</u>

4. Net gains/(losses) on investments

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	(18,114)	-	(7,442)	(25,556)	32,189
Revaluation of investments	(69,024)	-	(96,067)	(165,091)	76,131
	<u>(87,138)</u>	<u>-</u>	<u>(103,509)</u>	<u>(190,647)</u>	<u>108,320</u>

5. Transfers between funds

During the year £195,000 (2022: £60,000) was withdrawn from the investment portfolio for cashflow purposes. Of this sum, £129,572 (2022: £60,000) was raised by the sale of stocks held within the Endowment Fund. In order to maintain the value of that fund stocks of an equivalent value were transferred from Unrestricted Funds. In both years the stocks transferred exceeded the cash drawn by a small amount, 2023 £13 (2022: £20), representing a net increase in the Endowment Fund.

During the year £860 (2022: £Nil) was transferred from restricted to unrestricted funds. This amount includes a donation of £500 received for the purchase of computer equipment and £360 received for the welfare of residents.

6. Reconciliation of funds:

Endowment funds:

The endowment fund represents the trust capital account. It arises from the original donations made by the Settlor, from various transfers from income funds, and from transactions shown in the Statement of Financial Activities, including movements in unrealised reserves.

The unrestricted income fund represents the accumulated general income of the trust, including unrealised reserves.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

6. Reconciliation of funds: cont.

Endowment funds:	<u>General</u> <u>Reserves</u> £	<u>Revaluation</u> <u>Reserve</u> £	<u>Total</u> £	<u>Prior Year</u> <u>Total funds</u> £ <u>Restated</u>
Fund balances brought forward	836,932	310,343	1,147,275	1,089,377
Profit/(loss) on portfolio disposals - note 4	(7,442)	-	(7,442)	31,606
Movement in unrealised reserve - note 4	(96,067)	-	(96,067)	38,831
Income per SOFA	4,879	-	4,879	-
Net expenditure per SOFA	(12,322)	-	(12,322)	(12,559)
Transfer of excess depreciation on revalued assets	7,217	(7,217)	-	-
Transfer from unrestricted funds - note 5	13	-	13	20
Fund balances carried forward	<u>733,210</u>	<u>303,126</u>	<u>1,036,336</u>	<u>1,147,275</u>

Restricted income funds:	<u>Total</u> £	<u>Prior Year</u> <u>Total funds</u> £
Fund balances brought forward	-	-
Donation received during year	860	-
Grants recognised during year - note 22	-	5,069
Provision for expenditure recognised - note 22	-	(5,069)
	<u>860</u>	<u>-</u>
Transfer between funds	(860)	-
	<u>-</u>	<u>-</u>
Fund balances carried forward	<u>-</u>	<u>-</u>

Unrestricted funds:	<u>General</u> <u>Reserves</u> £	<u>Revaluation</u> <u>Reserve</u> £	<u>Total</u> £	<u>Prior Year</u> <u>Total funds</u> £ <u>Restated</u>
Fund balances brought forward	706,271	142,382	848,653	960,709
Profit/(loss) on portfolio disposals - note 4	(18,114)	-	(18,114)	583
Movement in unrealised reserve - note 4	(69,024)	-	(69,024)	37,300
Net income per SOFA	(189,110)	-	(189,110)	(149,919)
Transfer of excess depreciation on revalued assets	3,311	(3,311)	-	-
Transfer from restricted funds - note 5	860	-	860	-
Transfer to Endowment fund - note 5	(13)	-	(13)	(20)
	<u>434,181</u>	<u>139,071</u>	<u>573,252</u>	<u>848,653</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

6. Reconciliation of funds: cont.

The freehold property was valued on 17th March 2015, the figure being incorporated into the accounts with effect from 5th April 2015. The valuation was carried out under instructions given under Section 36 of the Charities (Qualified Surveyors Reports) Regulations 1992, and was prepared by C.J. Soane FRICS, a member of Ash & Co CS LLP. The present day existing use value was given as approximately £700,000. Accordingly, this figure was used by the trustees under the policy of revaluation. Should this policy not have been adopted the net book value of the freehold property would have been £173,579. The trustees obtained a further valuation in September 2022. The results were largely unchanged from the 2015 valuation and the trustees have taken the view that no adjustment to the figures included in the accounts is justified.

The revaluation reserve arising was credited to funds in the proportion that the property is held within those funds. The gain arose in the accounts for the year ended 5th April 2015 as follows:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>
	£	£	£	£
Freehold land and buildings:				
Net book value prior to revaluation	54,594	-	118,985	173,579
Revaluation reserve	165,559	-	360,862	526,421
Existing use value 5th April 2015	<u>220,153</u>	<u>-</u>	<u>479,847</u>	<u>700,000</u>

The funds are represented by:	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total</u>
	£	£	£	£
Tangible fixed assets - note 13	221,866	-	413,214	635,080
Investments - note 14	299,550	-	623,122	922,672
Net current assets	51,836	-	-	51,836
	<u>573,252</u>	<u>-</u>	<u>1,036,336</u>	<u>1,609,588</u>

The analysis of funds for the previous year, as restated, are shown overleaf:

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

6. Reconciliation of funds: cont.

Year Ended 5th April 2022:	<u>Unrestricted</u> <u>funds</u> <u>£</u> <u>Restated</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u> <u>Restated</u>	<u>Total</u> <u>£</u>
Tangible fixed assets - note 13	209,075	-	423,037	632,112
Investments - note 14	583,674	-	724,238	1,307,912
Net current assets	55,904	-	-	55,904
	<u>848,653</u>	<u>-</u>	<u>1,147,275</u>	<u>1,995,928</u>

7. Trustee remuneration

No remuneration is paid to the trustees. (2022: £Nil).

8. Trustee expenses

No expenses were paid either to or on behalf of trustees during the year. (2022: £Nil).

9. Staff costs:

	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Wages and salaries	467,517	364,799
Social security costs	27,777	17,415
Employer's contribution to defined contribution pension scheme	7,633	5,089
	<u>502,927</u>	<u>387,303</u>
Staff agency costs	56,556	96,400
Total staff costs	<u>559,483</u>	<u>483,703</u>

No employee had emoluments (including benefits) in excess of £60,000 (2022: None).

The average number of employees during the year was 37 (2022: 30). This figure includes part-time employees. It is estimated that the average full time equivalent employees was 20 (2022: 16). It is estimated that 12 full time equivalents were employed in the respite home (2022: 9), 1.5 in the day centre (2022: 2), and 7.5 in administration and other areas (2022: 5). Available staff are redeployed to fit requirements in order to minimise the need for agency staff. All employees in both years were engaged in the operation of Yercombe Lodge.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

9. Staff costs cont.

Agency staff are used as required on a shift by shift basis when employed staff are not available. The trust obtains staff through a number of agencies.

The trust makes use of the National Employment Savings Trust (NEST). In both years contributions were made at a rate of 3% of the qualifying earnings of those employees within the scheme.

10. Amounts payable to Independent Examiner:	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Cost of independent examination	2,100	-
Cost of statutory audit	-	4,960
	<u>2,100</u>	<u>4,960</u>

Although there was no statutory requirement, the trustees chose to subject the accounts for the year ended 5th April 2022 to audit under the provisions of the Charities Act 2011. In addition to the costs of the audit, in 2022 £360 was paid to the auditor for financial advice.

11. Ex gratia payments:

During the year the charity made no ex gratia payments as defined by the Charity Commission in guidance CC7. (2022: £Nil). Payments to staff for long service, or on retirement, are considered to be in the interests of the charity and are included as expenditure of funds for charitable purposes within support costs.

12. Net movement of funds:		<u>2022</u>
	<u>£</u>	<u>£</u>
Income from charitable activities	484,241	401,052
Total expenditure	745,142	650,766
Operational (deficit)/surplus	<u>(260,901)</u>	<u>(249,714)</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

12. Net movement of funds cont.

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Other sources of income:		
Donations and legacies	6,222	1,307
Grants recognised	1,687	37,769
Investments	54,404	48,160
Other	2,895	-
	<u>65,208</u>	<u>87,236</u>
	<u>2023</u>	<u>2022</u>
Income less operational deficit	(195,693)	(162,478)
Gains/(losses) on investments	(190,647)	108,320
Net income/(expenditure)	<u>(386,340)</u>	<u>(54,158)</u>

The net movement in funds represents the increase/(decrease) in resources available to the charity.

13. Tangible assets

	<u>Freehold</u>	<u>Fixtures</u>	
	<u>land and</u>	<u>fittings and</u>	
	<u>buildings</u>	<u>equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At beginning of the year	711,267	239,960	951,227
Additions	-	26,583	26,583
At end of the year	<u>711,267</u>	<u>266,543</u>	<u>977,810</u>
Depreciation			
At beginning of the year	98,899	220,216	319,115
Depreciation charge for the year	14,225	9,390	23,615
At end of the year	<u>113,124</u>	<u>229,606</u>	<u>342,730</u>
Net book value at beginning of the year	<u>612,368</u>	<u>19,744</u>	<u>632,112</u>
Net book value at end of the year	<u>598,143</u>	<u>36,937</u>	<u>635,080</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

14. Investments:

The investment portfolio was valued by J.M. Finn & Co Ltd. at current market value. Historical cost was £735,119 (2022: £879,405). The investments included within the portfolio are mainly quoted on the London Stock Exchange. The structure of the portfolio is as follows:

	<u>2023</u>	<u>2022</u>
	£	£
Gilt edged stock	-	43,475
Fixed interest	61,734	69,804
Equities	849,680	1,184,817
	<u>911,414</u>	<u>1,298,096</u>

Stocks which individually represent more than 5% of the portfolio:	<u>2023</u>	<u>2022</u>
	£	£
National Grid	51,742	
International Public Partnership	50,085	
Shell PLC	47,260	
LXI REIT PLC		75,319
BB Healthcare Trust PLC		66,500
Diageo PLC		69,641

Analysis of movement in investment portfolio:	<u>Total</u>	<u>Endowment funds</u>	<u>Unrestricted funds</u>
Invested portfolio:			
Market value at beginning of year	1,298,096	717,475	580,621
Add: Additions to investments at cost	21,896	13,387	8,509
Less: Disposals at carrying value	(243,487)	(141,267)	(102,220)
Transfers between funds - note 6	-	129,585	(129,585)
Add: Net gains/(losses) on revaluation	(165,091)	(96,067)	(69,024)
Market value at end of year	<u>911,414</u>	<u>623,113</u>	<u>288,301</u>
Invested portfolio	911,414	623,113	288,301
Cash held by brokers	11,258	9	11,249
Total investments held 5th April 2023	<u>922,672</u>	<u>623,122</u>	<u>299,550</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

	<u>Total</u>	<u>Endowment</u> <u>funds</u>	<u>Unrestricted</u> <u>funds</u>
14. Investments cont.			
Prior year market value at end of year	1,298,096	717,475	580,621
Prior year cash held by brokers	9,816	6,763	3,053
Total investments held 5th April 2022	<u>1,307,912</u>	<u>724,238</u>	<u>583,674</u>

The cash held by brokers represents monies arising from investment transactions still to be re-invested. As explained above, during the year £195,000 (2022: £60,000) was withdrawn from the portfolio.

15. Debtors	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Trade debtors	39,502	17,171
Prepayments and accrued income	9,607	14,911
Other debtors	1,784	220
	<u>50,893</u>	<u>32,302</u>

16. Cash at bank and in hand	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Lloyds Bank:		
Current accounts	61,894	70,723
Deposit accounts	6,610	10,590
National Westminster Bank	343	223
Cash with brokers	2,323	1,118
Cash in hand	331	529
	<u>71,501</u>	<u>83,183</u>

17. Creditors	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Trade creditors	13,728	6,406
Accruals and deferred income	35,128	34,393
Day centre service users - note 18	542	862
Other creditors	21,160	17,920
	<u>70,558</u>	<u>59,581</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

18. Day Centre service users

Following the closure of the local branch of Barclays Bank PLC, separate accounts are no longer maintained to hold funds belonging to day centre service users. At 5th April 2023 the trust was holding £492 (2022: £832) in its Lloyds Bank account on behalf of the day centre service users.

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Funds held in Lloyds Bank account	492	832
Day centre cash held	50	30
	<u>542</u>	<u>862</u>

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Day centre service users		
Brought forward	862	1,548
Amounts collected	131	-
	<u>993</u>	<u>1,548</u>
Amounts expended	451	686
Carried forward	<u>542</u>	<u>862</u>

19. Potential legacies

The trust has received notification of the following legacies:

(1.) Mrs. F.W.M. Bignell dec'd.

The trust has received notification from solicitors acting on behalf of the Executors of the estate of Mrs. F.W.M. Bignell dec'd. that the trust has been left one-fifth of the residue of her estate. Mrs. Bignell died on 6th May 2007, and Probate was granted on 31st August 2007. The trustees understand that the estate remains in administration. They have combined with the other parties interested in the residue to appoint Wilsons Solicitors LLP to represent their interests.

The total received to date from the estate is £60,778. The most recent distribution was £22,978.25 on 13th July 2017. The solicitors acting on behalf of the Executors now

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

19. Potential legacies cont.

claim that due to an error on their part the trust has been overpaid by £4,595.65, and they are seeking to recover the money. The trust has resisted this claim as in the opinion of the trustees further amounts are due from the estate. At the date of the approval of the accounts information is not available which would enable a reliable estimate of amounts receivable or payable to be made. Negotiations between the solicitors acting on behalf of the parties continue.

Fees of £1,226 (2022: £1,226) payable to Wilsons Solicitors LLP are included within professional fees under the heading of Other expenditure. Subsequent to the year end the charity combined with the other beneficiaries interested in the estate to seek Counsel's opinion how best to bring the case to completion. At the date of the approval of these accounts no decision had been made about how to proceed.

The life tenant of the freehold property held in the estate died shortly after the end of the year. Following discussions, the property was transferred from the Executor to Wilsons Trust Corporation Ltd., to be held on trust pending sale. A valuation was obtained as required for compliance with the Charities Act 2022. This valuation was provided by Berrys on 7th August 2023, at a figure of £300,000. Should this figure be obtained by the sale, the trust would receive £75,000, less associated costs.

(2.) Miss. E.E. May dec'd.

The trust has received notification that it has been left one fifth of the residue of the estate. The principal asset consists of a residential property. The trustees understand that this property has been offered for sale, but information is not available which would allow a reliable estimate of the amount eventually to be received by the trust.

(3.) Miss. E.M. Wyatt dec'd.

The trust has been notified that the amount due from the residue of this estate is £1,533. This sum has been recognised as income for the year.

20. Additional insurance

The trust has taken out a 'Directors & Officers' insurance policy. This policy provides management liability and corporate liability cover, each to an aggregate limit of all claims of £1,000,000. The cover includes the trust, staff, and trustees to the extent permitted by the provisions of section 189 of the Charities Act 2011. The premium payable in the year was £1,763 (2022: £1,516).

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

21. Related party transactions

In the opinion of the trustees there were no related party transactions during the year that require disclosure (2022: None).

22. Grants received

During the year the trust received £1,687 from Gloucestershire County Council as support for the increased pressure caused by the Omicron variant of Covid-19. Although this grant came with conditions attached, the trustees took the view that the nature of the support was such that the funds should be treated as unrestricted.

Details of the grants received in the year ended 5th April 2022 are as follows:

Unrestricted grants 2022:	£
Infection control and testing grants	14,828
Rapid testing grants	9,374
Day centre grants	8,121
Statutory sick pay claims	377
	<u>32,700</u>

Restricted grant 2022:

A grant of £5,069 received from Gloucestershire County Council was recognised as income in the year ended 5th April 2022. It was a condition that the entire grant should be paid to eligible employees as a bonus in addition to their wages/salaries in recognition of their contribution during the Covid-19 pandemic. As required, the full amount was paid out to employees. The trust received no financial benefit from the scheme.

All grants received in both years were funded by government, government agencies, and similar bodies within the UK whole of government accounts (WGA).

23. Prior period adjustment

During the year ended 5th April 2022 £60,000 was withdrawn from the investment portfolio for cashflow purposes. This sum was raised by the sale of stocks held within the Endowment Fund. In order to maintain the value of that fund stocks of an equivalent value were transferred from Unrestricted Funds. These transactions were reported in the Statement of Financial Activities as a transfer between funds without allowing for the cash withdrawn. This error had the effect of overstating Endowment Funds and understating Unrestricted Funds by an equivalent amount. Accordingly, the opening balances relating to those funds as at 6th April 2022 have been restated to correct the position as follows:

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2023

23. Prior period adjustment cont.

	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>fund</u> <u>£</u>	<u>Total</u> <u>funds</u> <u>£</u>
As reported	788,653	1,207,275	1,995,928
Prior period adjustment	60,000	(60,000)	-
Restated amounts	<u>848,653</u>	<u>1,147,275</u>	<u>1,995,928</u>

The restated amounts are included in the information shown on the Balance Sheet, and in note 6 to the accounts, as above.

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

	<u>Note</u>	<u>Current year</u> <u>£</u>	<u>Prior year</u> <u>£</u>
Net (expenditure) for the reporting period	12	(260,901)	(249,714)
Adjustments for:			
Depreciation charges	13	23,615	27,019
(Increase)/decrease in debtors		(18,591)	4,106
Increase/(decrease) in creditors		10,957	11,798
Other incoming resources:	2		
Donations		4,689	1,307
Legacies		1,533	-
Grants		1,687	37,769
Other		2,895	-
Net cash used in operating activities		<u>(234,116)</u>	<u>(167,715)</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales - Charity number 263687

Accounts

Charity number: 263687

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5TH APRIL 2022

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THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102. Comparative information is for the year ended 5th April 2021.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trust was established by the late H. Maxwell Workman for the benefit of the old and needy of Gloucestershire. To this end it utilizes Yercombe Lodge, the settlor's former home, as a residential care home with respite facilities and as a day centre for the elderly and disabled. The trust also makes provision for up to four day care places. There was no change in the intention to provide these services during the year under review, or in the previous year, but see below for the impact of the Covid-19 pandemic.

The charity's main aim is to seek to continue to provide the services as outlined above. In the provision of those services the charity seeks to meet agreed client requirements in accordance with the limits of availability. The aim is client satisfaction within a context of fairness, reliability, and accountability. The charity wishes to conduct all its relationships on a basis of trust, efficiency, and best practice.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities. In particular, the trustees consider how activities will contribute to the objectives they have set.

The trustees consider that the benefits provided by the operation of the trust outweigh any detriments or harm created.

To achieve its objectives the charity has adopted a series of formal procedures. These are set out in a quality assurance manual. This manual is subject to regular review in order to respond to changing circumstances. Advice is sought from relevant outside bodies as appropriate. In particular, the charity has sought to maintain a good relationship with relevant inspecting authorities. Internal audit is undertaken according to a planned schedule throughout the year to ensure compliance with the procedures set out in the manual.

The trustees are aware of the difficulties created by seeking to provide services in a climate of ever-increasing regulation and restrictions on funding increases. They are also mindful of the need to try to preserve the value of the charity's funds from the effects of inflation.

The charity does not make grants.

The Trust Deed limits the services provided by the charity to those resident in the County of Gloucester. Since the creation of the trust there have been a number of changes in the structure

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT cont.

of local government. The trustees have adopted the view that the geographical area covered should continue to be as originally established. This currently includes Gloucestershire County Council, South Gloucestershire County Council, and a large part of the City of Bristol.

In preparing this report the trustees have reviewed the objectives and activities as established. This review involves more than the consideration of the financial results, although the trustees are aware that the success of the charity depends upon adequate resources.

ACHIEVEMENTS AND PERFORMANCE

Covid-19: The pandemic impacted the operations of the charity throughout the year. The main features were:

- (1.) Severe disruption to the day centre.
- (2.) The cessation of day care.
- (3.) An inability to provide regular respite care.
- (4.) Restrictions on the visitors allowed to the home.
- (5.) Difficulties in the recruitment and retention of staff.
- (6.) The amendment of procedures in response to frequent changes in guidance.
- (7.) The disruption of scheduled procedures as a result of restrictions.
- (8.) The cessation of fundraising activities, including the cancellation of the summer and Christmas fayres.

These measures resulted both in a significant loss of income and an increase in costs. The measures and their impact continued after the year end. Claims made for assistance through various schemes are included as grants receivable within the Statement of Financial Activities.

The trustees take the view that prior to the onset of the pandemic the services provided were in accord with their objectives, and that there was no alternative to the changes made to give effect to the restrictions. They are grateful to all members of staff and volunteers for the efforts made to enable the home to continue to operate.

The services as outlined above are provided to self-funded individuals, users funded by local authorities, and occasionally to users funded by other charities. In the past Gloucestershire County Council maintained a 'block' booking of one room in the respite home. This arrangement came to an end on 31st August 2016. A number of service users who had benefited expressed concern about the alternatives to be made for them by the County Council. The trustees decided to offer to continue to accept bookings for these service users, to be paid for at the Council rate, for as long as the service users wish. The Council rate is substantially below the amount charged to privately funded service users. No attempt has been made to

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

ACHIEVEMENTS AND PERFORMANCE cont.

quantify the impact of this commitment as it depends upon unknown factors, such as the frequency of visits, life expectancies, and the relative movement of funding rates. In the view of the trustees it was appropriate to enter into this arrangement for the benefit of the individuals concerned as several had been coming to the home for many years.

The trustees take the view that the arrangements with Social Services enable users unable to afford the trust's fees to access the services provided. The trust is not a party to the arrangements made between users and Social Services regarding funding. The trust is committed to equal access to its services restricted only by the terms of the Trust Deed, legislation, the requirements of the regulatory authorities, and the capacity of the facilities.

The trustees are aware that the services as outlined above are of benefit not just to the service users themselves. In most cases the user has a carer or carers who benefit from the break provided. The trustees do not consider it would be practicable, or cost effective, to seek to quantify this benefit, but take the view that it is significant.

As shown in note 6 to the accounts, the trustees have adopted a policy of revaluation of the freehold property. This took effect at 5th April 2015. A further revaluation would have been due in the year ended 5th April 2021 under the terms of the previous policy. In view of the restrictions on visits to the home the trustees decided that this should be postponed. The property was valued by an independent valuer in September 2022. He provided a report which contained no significant difference from the 2015 valuation. Accordingly, the trustees have decided that no amendment to the figures included in the accounts is required.

As is shown in the Statement of Financial Activities the trust suffered net expenditure of (£54,158) (2021: net income £147,900). Total funds fell to £1,995,928 (2021: rose to £2,050,086). The charity experienced an operational deficit of £249,714 (2021: £266,109). In view of the impact of Covid-19 on both income and expenditure the trustees do not consider it meaningful to compare this result with budgeted figures.

The charity lacks the resources to carry out material fundraising activities. It relies upon the efforts of volunteers, generally acting in conjunction with individual trustees. Accordingly, it is not considered appropriate to seek to set targets or benchmarks for the amounts raised.

Legacy income of £Nil (2021: £37,509) was recognised during the year. This related to the estate of B.Bailey dec'd. As explained in note 19 to the accounts the trust has been notified of additional potential legacies. Included within these potential legacies is the estate of Mrs. F.W.M. Bignell dec'd. The trustees continue their claim against the Executors. Professional fees of £1,586 (2021: £737) were incurred as the trust's share of the solicitor's costs associated with the claims.

During the year the trust received unrestricted donations of £1,307 (2021: £9,205).

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

ACHIEVEMENTS AND PERFORMANCE cont.

No restricted donations were received (2021: £330). The trustees are grateful to all the donors who contributed.

As explained in note 22 to the accounts unrestricted grant income of £32,700 (2021: £105,744) was received under a number of government and local authority schemes. In addition, £5,069 (2021: £Nil) was recognised as restricted income. This related to the Adult Social Care Workforce Recruitment and Retention Fund. The conditions applying to this grant were carried out after the year end.

As noted above, the operations of the day centre were disrupted throughout the year and there were restrictions on visitors to the home. This meant there was little opportunity for volunteer input. The only regular volunteer hours related to the grounds and woodlands. Total hours are estimated at 150 (2021: 150). If these hours were to be valued at the National Living Wage of £9.50 (2021: £8.91) the voluntary effort would represent a value of £1,425 (2021: £1,337). The trustees hope that the volunteers who previously contributed to the day centre will return once circumstances allow.

It is the policy of the trustees to delegate the management of the investment portfolio to a firm of stockbrokers. They have been granted discretionary powers subject to a statement of policy. This statement seeks to ensure that the funds are properly protected; that the capital is not put at risk and is protected against inflation; and the best income consistent with these objectives is obtained. Within these overall objectives the trustees have set a number of conditions. These conditions include the expressed wish that the portfolio should yield a given net income. The figure set by the trustees is £45,000 (2021: £45,000). As shown in Note 2 to the accounts, dealing with Incoming Resources, net income from the portfolio was £48,156 (2021: £43,667). The trustees take the view that this performance was satisfactory in relation with the objectives set given the circumstances which applied to the stockmarket during the year. In June 2022 the trustees reviewed their investment policy in conjunction with the portfolio manager. As a result of the review the trustees have expressed the wish that the portfolio should yield a net income of 4.50% of the portfolio value, and that the underlying value should be protected from the effects of inflation. As shown in the Statement of Financial Activities, and explained in Note 4, the trust experienced a profit on the portfolio of £108,320 (2021: £216,277). The profit was broadly in line with the movement in the stockmarket during the year.

FINANCIAL REVIEW

In the opinion of the trustees the accounts reflect the financial position of the charity and the financial management policies adopted. A sub-committee has been established to deal with financial and administrative matters. It prepares and monitors the overall business plan and the annual budget. It reviews cashflow on a regular basis. In conjunction with the stockbroker, it monitors the transactions and movements of the investment portfolio. As noted

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

FINANCIAL REVIEW cont.

above, modifications to procedures were required in response to Covid-19 guidance.

Details of fixed assets are shown in note 13 to the accounts. All the tangible assets are used for charitable purposes. The cost of freehold property represents the original purchase of Yercombe Lodge and improvements since. In accordance with current accounting practice, the trustees adopted a policy of writing off this cost. As noted above, and as explained in note 6 to the accounts, the trustees adopted a policy of the revaluation of freehold property. Depreciation charges are based upon the revalued amount.

The Trust Deed enables the trustees to apply or invest monies liable to be invested under the Deed in property or investments as the trustees in their absolute discretion think fit. The investment portfolio has been acquired in accordance with these powers. The Deed allows the trustees to spend the income arising but requires the trust capital fund to be maintained. As noted above, the portfolio experienced a rise in value during the year. In response to the needs of operational cashflow it became necessary to withdraw £60,000 from the portfolio. This required the sale of stocks, made under the discretion of the stockbroker. As the sales were made of stocks held as part of the Endowment Fund, it became necessary to reallocate stocks of equivalent value from unrestricted funds to replace those sold. Further withdrawals of funds have taken place after the year-end.

Note 6 to the financial statements shows the assets and liabilities attributable to the funds by type, and shows the movements on each fund. The Endowment Fund is shown at £1,207,275. Unrestricted Funds amounted to £788,653, but of this only £639,578 is freely available as £149,075 is invested in fixed assets.

The balance of unrestricted funds represents the accumulated general income of the charity. No funds have been designated within these reserves. It is not the policy of the trustees to set aside specific amounts to meet future expenditure. No funds were in deficit at any time during the year.

The circumstances relating to the funding of the day centre are outlined above.

The residential home is funded from fees charged to service users.

These include amounts charged both to private service users and public providers.

The expenditure incurred in operating Yercombe Lodge relates to all of these activities, and supports the objective of seeking to maintain them. The apportionment of expenses between the different activities has always been difficult. The restrictions imposed by the Covid-19 pandemic have meant that the costs incurred during the year have related to the limited activities undertaken. The trustees have therefore taken the view that no apportionment could yield meaningful results for budgeting purposes.

As noted above, the investment portfolio is invested under an agreement with a firm of stockbrokers. This agreement includes a statement of policy specified by the trustees

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

FINANCIAL REVIEW cont.

which includes a number of conditions. These include a condition that the trustees do not wish to invest in companies which manufacture tobacco products. They also include conditions that the portfolio should normally be invested in United Kingdom equities and fixed interest stocks quoted on the stock exchange, and that those equity stocks should normally be companies within the FTSE 100 list. There were no changes in these policies during the year, or in the previous year. As noted above, subsequent to the year end the trustees adopted a revised formulation of the investment policy.

As shown in note 7 to the accounts, no trustee received any remuneration during the year. All gave their time voluntarily, and, in the view of the trustees, received no private benefit from the charity.

The trustees are concerned by the level of the operational deficits experienced, and expected. They recognise that the drain on resources poses a threat to the future. Despite the continuing uncertainty, the trustees consider that the financial position of the trust remains strong. Total funds of £1,995,928 (2021: £2,050,086), as shown on the Balance Sheet, enable the trust to retain control over future strategy.

RISK MANAGEMENT

The trustees acknowledge their responsibility to make a statement that they have regularly reviewed and assessed the risks faced by the charity in all areas of its work, and have planned for the management of those risks. The processes adopted are based upon the guidance issued by the Charity Commission for England and Wales, CC26. They involve the assessment of the issues raised in the context of governance, management, operations, financial circumstances, environmental and external factors, and compliance with applicable laws and regulations. The trustees seek to apply what they consider to be a prudent approach in the management of potential risks. The aim is to manage risk in such a way as enables the trustees to achieve their objectives, as noted above, and to safeguard the assets of the trust.

Risks are identified by staff or trustees, and are reviewed in relation to established policies and procedures within the framework of the financial and development plan. Amendments are made as appropriate, and are included within the operational manual. The trustees have reviewed the major risks identified, and to the best of their belief have established control systems to manage those risks. In common with many similar operations and businesses the general level of economic uncertainty presents a significant challenge. As noted above, the consequences of the changes in the provision of adult social care also create a level of uncertainty which is beyond the control of the trust. The trustees also acknowledge that there may be risks which are unknown or which are presently judged not to be significant but later prove to be significant.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

STATEMENT OF POLICY ON RESERVES

It is the policy of the trustees to hold cash deposits as a reserve when circumstances allow. The amount held at 5th April 2021 was £20,600. During the year it became necessary to utilise the whole of this balance in order to maintain operational cashflow. As noted above, an additional £60,000 was withdrawn from the investment portfolio. As shown in note 16 at 5th April 2022 the trust held £10,590 in deposit accounts. These sums are available with no restrictions on the ability to withdraw the funds.

It is not the policy of the trustees to set aside designated amounts for use in future periods.

FUNDRAISING

During the year no costs were incurred in what the trustees would consider to be fundraising activities (2021: £Nil). The trust does not employ any person or organisation to raise funds on its behalf, nor does it subscribe to any voluntary scheme of fundraising regulation. No complaints have been received regarding fundraising activities.

PLANS FOR THE FUTURE

It is a requirement of the regulatory authorities that the trust is able to demonstrate that it is able to continue in operation in order to provide service users with security and continuity. It has been the practice to prepare a business plan on an annual basis. In view of the continuing impact of the Covid-19 pandemic, and the general economic uncertainty, the trustees take the view that a similar business plan would not be meaningful. Instead, they have based their operational decisions upon the annual budgets and quarterly management accounts.

The trustees consider that demand for the services traditionally provided at Yercombe Lodge remains. It is their intention to reopen all the services operated prior to the pandemic, but they appreciate that it may take some time to rebuild the day care and day centre to their former levels.

As part of the procedures adopted to achieve its objectives for many years the trust has adhered formal statements made available to service users, staff, and others as required. These include an ongoing safeguarding policy. The trustees wish to confirm their commitment to and the maintenance of such a policy as part of their planning for the future.

As part of the response to the financial pressures created by the pandemic, the trustees decided to limit capital expenditure to that considered to be essential. They recognise that major items of equipment need to be replaced in order to maintain the level of service they wish to provide. Subsequent to the year end £9,858 was spent on a replacement bath, £3,595 on replacement windows, and £12,763 on a replacement hot water boiler. The trustees have also considered other projects, and it is hoped that grants may be obtained to cover the costs.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust was established by a Trust Deed dated 10th February 1972. It is governed under the terms of the Deed by the trustees. The property of the trust is vested in the trustees. The Trust Deed limits the total number of trustees to twenty. New trustees are invited to join and are appointed by election at a meeting of trustees.

The trustees have established a section within the Yercombe Lodge Quality Manual dealing with the induction and training of new trustees. This is intended to allow new trustees to familiarise themselves with the premises, organisation, activities, systems, and ethos of the charity, and to ensure that they are competent, knowledgeable, and well-informed as to their duties. This process involves a tour of the premises, the passing of relevant documentation, attendance at a trustees meeting, direct discussion with existing trustees, and the completion of DBS checks.

The charity has adopted an organisational structure based upon the allocation of areas of responsibility to sub-committees. Each sub-committee is chaired by a portfolio holder.

The portfolio holders are as follows:

Administration and finance - Mr. J.C. Drury.
Property - Mr. P.S. Gilbert
Operational - Dr. M.J. McDowell.
Fundraising - Dr. P.J. Sprague.

The membership of the committees is as follows:

Administration and Finance - Mr. J.C. Drury, Dr. P.J. Sprague, Mrs. J.M. Thomas.
Property - Mr. P.S. Gilbert.
Operational - Dr. M.J. McDowell, P.S. Gilbert, Mrs. J.M. Thomas, Ms. C. Kay
Ms. C. Gilbert
Fundraising - Dr. P.J. Sprague, Mrs. J.M. Thomas, Ms. C. Kay.

The property sub-committee is supplemented by volunteers, one of which has taken responsibility for dealing with the woodlands and grounds. Each committee operates with a standardised agenda, and makes recommendations to the meetings of trustees as appropriate.

The freehold property is registered with the Land Registry in the names of a committee of trustees acting on behalf of the body of trustees. The committee consists of Mr.J.C. Drury, Dr.M.J. McDowell, Mr.P.S. Gilbert, Dr.P.J. Sprague and Dr. A.J. Keith.

The routine administration of Yercombe Lodge is delegated to the manager of the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT cont.

home. She reports regularly to the various portfolio holders. The trustees meet monthly, except that no meetings are held in August or December.

During the year the manager of the home, Miss. T.J. Bingle, resigned. The trustees wish to express their appreciation for her years of service, and wish her well in her new career. The new registered manager, Ms. C. Kay, commenced her duties in February 2022.

REFERENCE AND ADMINISTRATIVE INFORMATION

NAME

The registered name of the charity is The Yercombe (Gloucestershire) Trust.
It is also known as Yercombe Lodge.

REGISTRATION NUMBER

The charity is registered with the Charity Commission for England and Wales.
The registration number is 263687.

REGISTERED ADDRESS

Yercombe Lodge, Stinchcombe, Dursley, Glos. GL11 6AS

TRUSTEES

Trustees at the date that the report was approved:

Mr. J.C. Drury
Dr. M. J. McDowell
Mr. P.S. Gilbert
Dr. P.J. Sprague
Mrs. J.M. Thomas

Dr. A.J. Keith also served throughout the year. He resigned on 7th December 2022.
Mr. V.H. Jotcham also served throughout the year. He died on 25th January 2023.

MANAGEMENT STAFF

The trustees delegate day to day management of the charity to the following senior staff:

Manager - Ms. C. Kay

The service contracts and remuneration of senior staff are negotiated by the trustees with the individuals concerned.

PRINCIPAL BANKERS

Lloyds Bank - 12 Rowcroft, Stroud, Glos. GL5 3BD

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

REFERENCE AND ADMINISTRATIVE INFORMATION cont.

AUDITORS

Azets Audit Services - Epsilon House, The Square, Gloucester Business Park,
Gloucester, GL3 4AD

STOCKBROKERS

J.M. Finn & Co Ltd. - 25 Copthall Avenue, London, EC2R 7AH

AUDITORS

The re-appointment of Azets Audit Services will be discussed at the next meeting of the trustees. The costs of the audit are included within Other Expenditure.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- 1.) select suitable accounting policies and then apply them consistently;
- 2.) observe the methods and principles in the applicable Charities SORP;
- 3.) make judgements and estimates that are reasonable and prudent;
- 4.) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5.) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2022

Approved by the trustees on the 4th April 2023
and signed on their behalf:

J.C. Drury
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

Opinion

We have audited the financial statements of The Yercombe (Gloucestershire) Trust for the year ended 5th April 2022 which comprise the statement of financial activities, the balance sheet, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs at 5th April 2022 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 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 doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records: or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more the compliance with a law or

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

5th April 2023

Chartered Accountants
Statutory Auditor

Epsilon House,
The Square,
Gloucester Business Park,
Gloucester GL3 4AD

Azets Audit Services is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Prior year total funds £
Income from:	2					
Donations and legacies		1,307	-	-	1,307	47,044
Grants received	22	32,700	5,069	-	37,769	105,744
Charitable activities		401,052	-	-	401,052	323,495
Investments		48,160	-	-	48,160	43,748
Other		-	-	-	-	1,196
Total		483,219	5,069	-	488,288	521,227
Expenditure on:	3					
Raising funds		2,239	-	2,737	4,976	4,652
Charitable activities		624,353	5,069	9,822	639,244	579,215
Other		6,546	-	-	6,546	5,737
Total		633,138	5,069	12,559	650,766	589,604
Net gains/(losses) on investments	4	37,883	-	70,437	108,320	216,277
Net income/(expenditure)		(112,036)	-	57,878	(54,158)	147,900
Transfers between funds	5	(60,020)	-	60,020	-	-
Net movement in funds	12	(172,056)	-	117,898	(54,158)	147,900
Reconciliation of funds:	6					
Total funds brought forward		960,709	-	1,089,377	2,050,086	1,902,186
Total funds carried forward		788,653	-	1,207,275	1,995,928	2,050,086

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
BALANCE SHEET AT 5TH APRIL 2022

	<u>Notes</u>	<u>Total Funds</u> £	<u>Prior year Funds</u> As restated £
Fixed assets:			
Tangible assets	13	632,112	658,349
Investments	14	1,307,912	1,265,748
Total fixed assets		<u>1,940,024</u>	<u>1,924,097</u>
Current assets:			
Debtors	15	32,302	36,408
Cash at bank and in hand	16	83,183	137,341
Total current assets		<u>115,485</u>	<u>173,749</u>
Liabilities:			
Creditors: Amounts falling due within one year	17	59,581	47,760
Net current assets		<u>55,904</u>	<u>125,989</u>
Total net assets		<u>1,995,928</u>	<u>2,050,086</u>
The funds of the charity:			
Endowment funds	6		
General reserve		896,932	771,817
Revaluation reserve		310,343	317,560
		<u>1,207,275</u>	<u>1,089,377</u>
Restricted income funds		-	-
Unrestricted funds			
General reserve		646,271	815,016
Revaluation reserve		142,382	145,693
		<u>788,653</u>	<u>960,709</u>
Total charity funds		<u>1,995,928</u>	<u>2,050,086</u>

Approved by the trustees on the 4th April 2023
and signed on their behalf:

J.C. Drury
Trustee

Mrs. J.M. Thomas
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies

The Basis of the Preparation of Accounts

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts. They are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains and losses included in the accounts.

The accounts of the charity are 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 FRS102, applicable Accounting Standards, and The Charities (Accounts and Reports) Regulations 2008, issued under the provisions of the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS102. The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared on the basis that the charity is a going concern. They have been prepared under the historic cost basis of accounting except for investments, which have been included at market value, and freehold property which is included at a revalued amount.

Income

Income generated from the provision of services at Yercombe Lodge is accounted for on the accruals basis. Resources received in advance of the provision of a service by the charity - for example, deposits received to secure a booking in the respite home - are deferred until the service has been provided.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the trustees. Donations and gifts under the Gift Aid scheme, together with the associated income tax recovery, are recognised as income when the donation is received. Funds collected are included gross.

The charity receives the benefit of work carried out by volunteers. No monetary value is placed on this, although the operations of the charity would be difficult without such work.

Gifts of assets for use by the charity are recognised when the assets is received. If details of the value of the asset are not known the trustees will include it at an estimated figure based upon appropriate comparative information, such as price lists etc. Such assets are capitalised under

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies cont.

the heading of fixed assets if their nature and value falls within the charity's normal criteria for the capitalisation of assets, as outlined below.

Gifts of assets donated for resale are included at the amount realised on disposal, or at an estimated value if the asset is still held at the year end.

Legacies are accounted for when notification has been received from personal representatives, except no amount is included when there is uncertainty as to entitlement, receipt or measurability.

Revenue grants are credited to the Statement of Financial Activities as recognised, unless they relate to a specific period, when they are placed in deferred income funds until allocated. Grants for capital projects are held within restricted funds until the expenditure to which they relate is incurred.

The Trust Deed requires the capital of the endowment fund to be preserved but permits the income arising from the fund to be spent. Accordingly, the incoming resources arising from the investment of assets within the endowment fund are included within unrestricted funds.

As explained in note 18 to the accounts, the trust holds monies on behalf of the day centre users. As these funds do not belong to the charity they are not recognised as income. The expenditure made from these funds is not included as expenditure of the charity. In cases where the day centre users have donated funds to the charity such donations are recognised as income in accordance with the policy as outlined above.

Expenditure

Expenditure is accounted for on an accruals basis. Expenses are included when the trustees recognise that a liability exists to a third party. A liability will arise when the charity is under an obligation to make a transfer of value to a third party as a result of past transactions or events.

In the case of on-going contracts with Gloucestershire Social Services for the provision of services, costs are included in the Statement of Financial Activities on the accruals basis, no provision is made for any costs which might arise should the contracts be terminated or not be renewed.

The SORP requires the allocation of resources expended to relevant activity categories and to material activities or programmes within each category. Costs directly incurred in relation to an activity are allocated to that activity. Costs which involve more than one activity are

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies cont.

attributed on the basis that the trustees consider most reasonable. In view of the nature of the charity's operations - which involve a single building with shared services and overheads - the majority of costs have to be allocated in this way. There is inevitably a high degree of estimation and approximation. In the opinion of the trustees the costs of maintaining records sufficient to enable a more accurate allocation would be substantial and would outweigh any benefits.

Despite the provision within the Trust Deed that the income arising from the endowment fund can be treated as unrestricted income, and not added to the fund, the SORP requires costs arising in relation to the fund to be charged against it. Investment management costs are allocated between funds on the basis of their relative values at the end of the year. A charge for depreciation on fixed assets held within the endowment fund is included within resources expended upon Charitable Activities on the basis outlined in the Asset Policy Note included below.

In the opinion of the trustees support costs are only material in relation to the category of resources expended upon Charitable Activities. Accordingly, no support costs are allocated to other categories.

The basis of allocation of costs to activities within the category Charitable Activities was followed by the trustees for many years for budgeting purposes. This basis was followed for the year ended 5th April 2020, but with the onset of Covid-19, which required the suspension of activities associated with day care and the day centre, the trustees took the view that the allocation of costs in this way would not be meaningful. Accordingly, no such analysis is presented in the accounts. The trustees will review the policy when normal activities resume.

Other expenditure includes the costs associated with the governance arrangements of the charity which relate to the general running of the charity. They include costs associated with the strategic management of the charity's activities.

Fixed Assets

The trustees have adopted a policy of revaluation relating to freehold property. This took effect from 5th April 2015, and will involve valuation every five years.

Other fixed assets acquired for the charity's own use are included at cost. It is the policy of the trustees not to capitalise items costing less than £500 (previously £300) unless they form part of of a larger project where the total expenditure on the project exceeds £500 (£300).

The charity occupies the former home of the Settlor. It is the view of the trustees that the terms of the Trust Deed do not make the property inalienable as defined by the SORP.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies cont.

Yercombe Lodge has extensive grounds which include woodlands. Whilst the trustees are aware of their responsibilities in relation to these grounds, it is their opinion that they do not constitute heritage assets as defined by the SORP, as the assets are not central to the purposes of the charity as set out in the Trust Deed.

No depreciation was provided in relation to the freehold property prior to the year ended 5th April 1999. The trustees were of the opinion that the residual value would be in excess of cost as shown. This policy was amended in accordance with current accounting practice. Depreciation at a rate of 2% of cost per annum has been included. Records are not available which would enable the trustees to accurately evaluate the impact on the accounts had this policy been applied in earlier years. Where improvements to freehold property include items of mechanical equipment depreciation at a rate of 20% is applied to the cost of that equipment. No depreciation is provided on assets in the course of construction.

Depreciation is provided on fixtures, fittings and equipment at 20% per annum, except costs associated with the new space heating boilers have a charge of 10% per annum. With effect from 6th April 2017 this is charged on a straight-line basis, having formerly been on a reducing balance basis. The remaining cost of assets acquired prior to 6th April 2012 was written-off at 5th April 2017. Depreciation is charged on the cost of additions in the first quarterly accounts following acquisition.

It is the policy of the trustees that the property sub-committee review the condition of fixed assets on a regular basis for possible deterioration. A programme of necessary works is maintained. The costs of repair and maintenance are included in the Statement of Financial Activities.

Investments are included at market value at the balance sheet date. Gains and losses on revaluation are recognised in the Statement of Financial Activities as unrealised gains and losses at the balance sheet date. Realised gains and losses are recognised at the date that the investment was sold.

The charity holds items for resale. These include tea-towels and postcards. It is not the policy of the trustees to include such items in the balance sheet as stocks as their value is likely to be immaterial in relation to the accounts. Items of craftwork held in the day centre for sale to the public are not included as they are not the property of the charity.

Funds structure

The endowment fund represents permanent capital as established under the terms of the Trust

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies cont.

Deed. The trustees have no power to convert these funds into income and apply them as such. The fund is invested in assets. These assets can be exchanged provided that their place in the fund is taken by the assets taken in exchange. Depreciation and other losses arising in relation to the assets held in the fund are charged to the fund, as are other costs - such as investment management costs - when they relate to assets held in the fund.

The restricted income funds are funds subject to specific trusts within the wider purposes of the charity. The specific trusts are generally created by the expression of a particular purpose by the donor of the funds. The trustees are then required to expend those funds for that purpose.

The unrestricted income fund consists of funds which are expendable at the discretion of the trustees in furtherance of the charity's objects. It is not the policy of the trustees to designate particular amounts of unrestricted income to specific purposes.

The Trust Deed grants the trustees a power of accumulation whereby they can augment the endowment fund from income funds. Prior to the SORP it was not always the policy of the trustees to use this power in relation to improvements to freehold property. Records do not exist which demonstrate beyond doubt the history of the expenditure on the property, or the reasons for previous transfers to the endowment fund. The SORP makes it clear that in circumstances where income funds are used to erect, extend, or improve a building which is an endowment asset those income funds will normally become permanent endowment. Accordingly, the policy has been adopted to transfer amounts equal to the cost of any such improvements to freehold property from income to endowment funds. The absence of records does not allow the trustees to quantify the impact on the accounts in previous years had this policy applied.

Other transfers between funds may arise. Each transfer depends upon its own circumstances in relation to the requirements of the SORP. Transfers have taken place from restricted income funds to unrestricted income funds of the value of fixed assets when the asset has been purchased from a restricted donation but the asset is held for a general purpose. It is the policy of the charity to seek grants and donations to purchase assets to be held for general purposes only.

Pension costs

The trust is required to automatically enrol certain workers into a pension scheme and contribute towards it. Contributions are accounted for on an accruals basis. The trust contributes the minimum amount required by law.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

1. Accounting policies cont.

Taxation

As a registered charity, the trust is generally exempt from the burden of Income Tax and from Capital Gains Tax, but not from Value Added Tax. Irrecoverable VAT is included in the cost of the item to which it relates.

Cashflow Statement

The trust is exempt from the requirement to prepare a cashflow statement as a small charity.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

2. Income from:	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations and legacies					
Donations	1,307	-	-	1,307	9,535
Legacies	-	-	-	-	37,509
	<u>1,307</u>	<u>-</u>	<u>-</u>	<u>1,307</u>	<u>47,044</u>
Grants received					
Grants received	32,700	5,069	-	37,769	105,744
Charitable activities					
Fees from residents	374,122	-	-	374,122	320,919
Day care	-	-	-	-	-
Income from residential home	374,122	-	-	374,122	320,919
Day centre	26,930	-	-	26,930	2,576
	<u>401,052</u>	<u>-</u>	<u>-</u>	<u>401,052</u>	<u>323,495</u>
Investments					
Fixed interest	3,637	-	-	3,637	3,399
Dividends	44,519	-	-	44,519	40,268
Portfolio investment income	48,156	-	-	48,156	43,667
Short-term interest	4	-	-	4	81
	<u>48,160</u>	<u>-</u>	<u>-</u>	<u>48,160</u>	<u>43,748</u>
Other					
Timber and sundry	-	-	-	-	1,196
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,196</u>
Total income	<u>483,219</u>	<u>5,069</u>	<u>-</u>	<u>488,288</u>	<u>521,227</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

3. Expenditure on:	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Raising funds					
Costs of generating funds	-	-	-	-	-
Investment management costs	2,239	-	2,737	4,976	4,652
	<u>2,239</u>	<u>-</u>	<u>2,737</u>	<u>4,976</u>	<u>4,652</u>
Charitable activities					
Direct variable costs:					
Staff costs	478,934	5,069	-	484,003	434,540
Food	27,735	-	-	27,735	23,866
Consumables	6,109	-	-	6,109	7,457
Transport	(7,308)	-	-	(7,308)	-
	<u>505,470</u>	<u>-</u>	<u>-</u>	<u>510,539</u>	<u>465,863</u>
Property and overhead expenses:					
Water	(1,287)	-	-	(1,287)	2,389
Light and heat	18,375	-	-	18,375	13,195
Insurance	10,279	-	-	10,279	9,155
Telephone	1,962	-	-	1,962	1,927
Repairs and maintenance	38,004	-	-	38,004	39,417
Printing, stationery and postage	2,363	-	-	2,363	3,175
Staff travel expenses	92	-	-	92	125
Training costs	1,320	-	-	1,320	1,350
Recruitment expenses	8,689	-	-	8,689	212
Publicity	1,284	-	-	1,284	1,880
Sundry expenses	5,685	-	-	5,685	5,673
Council Tax payable	5,496	-	-	5,496	-
Depreciation	17,197	-	9,822	27,019	26,981
	<u>109,459</u>	<u>-</u>	<u>9,822</u>	<u>119,281</u>	<u>105,479</u>
Support costs:					
Software expenses	4,304	-	-	4,304	2,609
Bank charges	910	-	-	910	906
Professional fees	4,210	-	-	4,210	4,358
Sundry items	-	-	-	-	-
	<u>9,424</u>	<u>-</u>	<u>-</u>	<u>9,424</u>	<u>7,873</u>
	<u>624,353</u>	<u>5,069</u>	<u>9,822</u>	<u>639,244</u>	<u>579,215</u>

The prior year cost of investment management consists of £2,333 unrestricted funds and £2,419 endowment funds. The depreciation charge was £17,159 unrestricted funds and £9,822 endowment funds.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

3. Expenditure on: cont.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other					
Audit	4,960	-	-	4,960	5,000
Professional fees	1,586	-	-	1,586	737
	<u>6,546</u>	<u>-</u>	<u>-</u>	<u>6,546</u>	<u>5,737</u>
Total expenditure	<u>633,138</u>	<u>5,069</u>	<u>12,559</u>	<u>650,766</u>	<u>589,604</u>

4. Net gains/(losses) on investments

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	583	-	31,606	32,189	19,752
Revaluation of investments	37,300	-	38,831	76,131	196,525
	<u>37,883</u>	<u>-</u>	<u>70,437</u>	<u>108,320</u>	<u>216,277</u>

5. Transfers between funds

During the year £60,000 was withdrawn from the investment portfolio for cashflow purposes. This sum was raised by the sale of stocks held within the Endowment Fund. In order to maintain the value of that Fund stocks to an equal value were transferred from Unrestricted Funds.

During the year ended 5th April 2021 £330 was transferred from Restricted Funds to Unrestricted Funds. This represented amounts donated to purchase personal protective equipment for staff prior to the official scheme.

6. Reconciliation of funds:

Endowment funds:

The endowment fund represents the trust capital account. It arises from the original donations made by the Settlor, from various transfers from income funds, and from transactions shown in the Statement of Financial Activities, including movements in unrealised reserves.

The unrestricted income fund represents the accumulated general income of the trust, including unrealised reserves.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

6. Reconciliation of funds: cont.

Endowment funds:	<u>General</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	771,817	317,560	1,089,377	1,009,657
Profit/(loss) on portfolio disposals - note 4	31,606	-	31,606	18,153
Movement in unrealised reserve - note 4	38,831	-	38,831	73,808
Net expenditure per SOFA	(12,559)	-	(12,559)	(12,241)
Transfer of excess depreciation on revalued assets	7,217	(7,217)	-	-
Transfer from unrestricted funds	60,020	-	60,020	-
 Fund balances carried forward	 <u>896,932</u>	 <u>310,343</u>	 <u>1,207,275</u>	 <u>1,089,377</u>

Restricted income funds:	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	-	-
Donation received during year	-	330
Grants recognised during year - note 22	5,069	-
Provision for expenditure recognised - note 22	(5,069)	-
	<hr/>	<hr/>
Transfer between funds	-	330
	<hr/>	<hr/>
Fund balances carried forward	-	-

Unrestricted funds:	<u>General</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	815,016	145,693	960,709	892,529
Profit/(loss) on portfolio disposals - note 4	583	-	583	1,599
Movement in unrealised reserve - note 4	37,300	-	37,300	122,717
Net income per SOFA	(149,919)	-	(149,919)	(56,466)
Transfer of excess depreciation on revalued assets	3,311	(3,311)	-	-
Transfer from restricted funds	-	-	-	330
Transfer to Endowment fund	(60,020)	-	(60,020)	-
	<hr/> <u>646,271</u>	<hr/> <u>142,382</u>	<hr/> <u>788,653</u>	<hr/> <u>960,709</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

6. Reconciliation of funds: cont.

The freehold property was valued on 17th March 2015, the figure being incorporated into the accounts with effect from 5th April 2015. The valuation was carried out under instructions given under Section 36 of the Charities (Qualified Surveyors Reports) Regulations 1992, and was prepared by C.J. Soane FRICS, a member of Ash & Co CS LLP. The present day existing use value was given as approximately £700,000. Accordingly, this figure was used by the trustees under the policy of revaluation. Should this policy not have been adopted the net book value of the freehold property would have been £173,579. The trustees obtained a further valuation in September 2022. The results were largely unchanged from the 2015 valuation and the trustees have taken the view that no adjustment to the figures included in the accounts is justified.

The revaluation reserve arising was credited to funds in the proportion that the property is held within those funds. The gain arose in the accounts for the year ended 5th April 2015 as follows:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>
	£	£	£	£
Freehold land and buildings:				
Net book value prior to revaluation	54,594	-	118,985	173,579
Revaluation reserve	165,559	-	360,862	526,421
Existing use value 5th April 2015	<u>220,153</u>	-	<u>479,847</u>	<u>700,000</u>

The funds are represented by:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total</u>
	£	£	£	£
Tangible fixed assets - note 13	149,075	-	483,037	632,112
Investments - note 14	583,674	-	724,238	1,307,912
Net current assets	55,904	-	-	55,904
	<u>788,653</u>	-	<u>1,207,275</u>	<u>1,995,928</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

7. Trustee remuneration

No remuneration is paid to the trustees. (2021: £Nil).

8. Trustee expenses

No expenses were paid either to or on behalf of trustees during the year. (2021: £Nil).

9. Staff costs:

	<u>£</u>	<u>2021</u> <u>£</u>
Wages and salaries	364,799	378,258
Social security costs	17,415	16,672
Employer's contribution to defined contribution pension scheme	5,089	4,845
	<hr/>	<hr/>
	387,303	399,775
Staff agency costs	96,400	34,765
	<hr/>	<hr/>
Total staff costs	<u>483,703</u>	<u>434,540</u>

No employee had emoluments (including benefits) in excess of £60,000 (2021: None).

The average number of employees during the year was 30 (2021: 34). This figure includes part-time employees. It is estimated that the average full time equivalent employees was 16 (2021: 15). It is estimated that 9 full time equivalents were employed in the respite home in both years, 2 in the day centre (2021: 1), and 5 in administration and other areas (2021: 5). During periods of disruption caused by the Covid-19 pandemic available staff were redeployed to fit requirements. All employees in both years were engaged in the operation of Yercombe Lodge.

Agency staff are used as required on a shift by shift basis when employed staff are not available. The trust obtains staff through a number of agencies.

The trust makes use of the National Employment Savings Trust (NEST). In both years contributions were made at a rate of 3% of the qualifying earnings of those employees within the scheme.

10. Amounts payable to auditor:

	<u>£</u>	<u>2021</u> <u>£</u>
Cost of statutory audit	<hr/>	<hr/>
	4,960	5,000
	<hr/>	<hr/>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

10. Amounts payable to auditor cont.

In addition to the costs of the statutory audit, £360 (2021: Nil) was paid for financial advice.

11. Ex gratia payments:

During the year the charity made no ex gratia payments as defined by the Charity Commission in guidance CC7. (2021: £Nil). Payments to staff for long service, or on retirement, are considered to be in the interests of the charity and are included as expenditure of funds for charitable purposes within support costs.

12. Net movement of funds:

	<u>£</u>	<u>2021</u> <u>£</u>
Income from charitable activities	401,052	323,495
Total expenditure	650,766	589,604
Operational (deficit)/surplus	<u>(249,714)</u>	<u>(266,109)</u>
	<u>£</u>	<u>2021</u> <u>£</u>
Other sources of income:		
Donations and legacies	1,307	47,044
Grants recognised	37,769	105,744
Investments	48,160	43,748
Other	-	1,196
	<u>87,236</u>	<u>197,732</u>
		<u>2021</u>
Income less operational deficit	(162,478)	(68,377)
Gains/(losses) on investments	108,320	216,277
Net income/(expenditure)	<u>(54,158)</u>	<u>147,900</u>

The net movement in funds represents the increase/(decrease) in resources available to the charity.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

13. Tangible assets	<u>Freehold</u> <u>land and</u> <u>buildings</u> <u>£</u>	<u>Fixtures</u> <u>fittings and</u> <u>equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost or valuation			
At beginning of the year	711,267	239,178	950,445
Additions	-	782	782
At end of the year	<u>711,267</u>	<u>239,960</u>	<u>951,227</u>
Depreciation			
At beginning of the year	84,675	207,421	292,096
Depreciation charge for the year	14,224	12,795	27,019
At end of the year	<u>98,899</u>	<u>220,216</u>	<u>319,115</u>
Net book value at beginning of the year	<u>626,592</u>	<u>31,757</u>	<u>658,349</u>
Net book value at end of the year	<u>612,368</u>	<u>19,744</u>	<u>632,112</u>

14. Investments:

The investment portfolio was valued by J.M. Finn & Co Ltd. at current market value. Historical cost was £879,405 (2021: £864,889). The investments included within the portfolio are mainly quoted on the London Stock Exchange. The structure of the portfolio is as follows:

	<u>£</u>	<u>2021</u> <u>£</u>
Gilt edged stock	43,475	41,546
Fixed interest	69,804	72,810
Equities	1,184,817	1,137,806
	<u>1,298,096</u>	<u>1,252,162</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

14. Investments cont.

Stocks which individually represent more than 5% of the portfolio:	<u>2021</u>	
	<u>£</u>	<u>£</u>
LXI REIT PLC	75,319	63,405
BB Healthcare Trust PLC	66,500	66,150
Diageo PLC	69,641	
Croda International PLC		64,180

Analysis of movement in investment portfolio:	<u>Total</u>	<u>Endowment</u>	<u>Unrestricted</u>
		<u>funds</u>	<u>funds</u>
Invested portfolio:			
Market value at beginning of year	1,252,162	646,924	605,238
Add: Additions to investments at cost	44,068	44,068	-
Less: Disposals at carrying value	(74,265)	(72,368)	(1,897)
Transfers between funds - note 6	-	60,020	(60,020)
Add: Net gains on revaluation	76,131	38,831	37,300
Market value at end of year	<u>1,298,096</u>	<u>717,475</u>	<u>580,621</u>
Invested portfolio	1,298,096	717,475	580,621
Cash held by brokers	9,816	6,763	3,053
Total investments held 5th April 2022	<u>1,307,912</u>	<u>724,238</u>	<u>583,674</u>
Total investments held 5th April 2021	<u>1,265,748</u>	<u>656,519</u>	<u>609,229</u>

The cash held by brokers represents monies arising from investment transactions still to be re-invested. As explained above, during the year £60,000 was withdrawn from the portfolio. No sums were withdrawn during the year ended 5th April 2021.

15. Debtors

	<u>2021</u>	
	<u>£</u>	<u>£</u>
Trade debtors	17,171	12,186
Prepayments and accrued income	14,911	22,698
Other debtors	220	1,524
	<u>32,302</u>	<u>36,408</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

16. Cash at bank and in hand

	<u>£</u>	<u>2021</u> <u>£</u>
Lloyds Bank:		
Current accounts	70,723	74,346
Deposit accounts	10,590	39,588
National Westminster Bank	223	345
Charities Deposit Fund	-	20,600
Cash with brokers	1,118	2,343
Cash in hand	529	119
	<u>83,183</u>	<u>137,341</u>

17. Creditors

	<u>£</u>	<u>2021</u> <u>£</u>
Trade creditors	6,406	8,203
Accruals and deferred income	34,393	33,067
Day centre service users - note 18	862	1,548
Other creditors	17,920	4,942
	<u>59,581</u>	<u>47,760</u>

18. Day Centre service users

Following the closure of the local branch of Barclays Bank PLC, separate accounts are no longer maintained to hold funds belonging to day centre service users. At 5th April 2022 the trust was holding £832 (2021: £1,540) in its Lloyds Bank account on behalf of the day centre service users.

	<u>£</u>	<u>2021</u> <u>£</u>
Funds held in Lloyds Bank account	832	1,540
Day centre cash held	30	8
	<u>862</u>	<u>1,548</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

18. Day Centre service users cont.

	<u>£</u>	<u>2021</u> <u>£</u>
Day centre service users		
Brought forward	1,548	1,498
Amounts collected	-	200
	<hr/> 1,548	<hr/> 1,698
Amounts expended	686	150
Carried forward	<hr/> <hr/> 862	<hr/> <hr/> 1,548

19. Potential legacies

The trust has received notification of the following legacies:

(1.) Mrs. F.W.M. Bignell dec'd.

The trust has received notification from solicitors acting on behalf of the Executors of the estate of Mrs. F.W.M. Bignell dec'd. that the trust has been left one-fifth of the residue of her estate. Mrs. Bignell died on 6th May 2007, and Probate was granted on 31st August 2007. The trustees understand that the estate remains in administration. They have combined with the other parties interested in the residue to appoint Wilsons Solicitors LLP to represent their interests.

The total received to date from the estate is £60,778. The most recent distribution was £22,978.25 on 13th July 2017. The solicitors acting on behalf of the Executors now claim that due to an error on their part the trust has been overpaid by £4,595.65, and they are seeking to recover the money. The trust has resisted this claim as in the opinion of the trustees further amounts are due from the estate. At the date of the approval of the accounts information is not available which would enable a reliable estimate of amounts receivable or payable to be made. Negotiations between the solicitors acting on behalf of the parties continue.

Fees of £1,226 (2021: £737) payable to Wilsons Solicitors LLP are included within professional fees under the heading of Other expenditure. Additional costs are likely to be incurred, but will depend upon the progress of the claims.

In addition to the claims regarding the conduct of the estate, the trustees understand

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

19. Potential legacies cont.

that there remains a property subject to a life interest tenancy held by a third party. Information is not available which would allow an estimate to be made of the potential benefit to the trust.

(2.) Miss. E.E. May dec'd.

The trust has received notification that it has been left one fifth of the residue of the estate. The principal asset consists of a residential property. In combination with the other parties interested in the residue, the trust is exploring the possibility of re-activating a lapsed planning permission relating to the garden of the property. At the date of the approval of the accounts information is not available which would enable a reliable estimate of amounts likely to be received to be made. Costs are likely to be incurred in relation to the application for planning permission.

(3.) Miss. E.M. Wyatt dec'd.

No sums were received during the year (2021: Nil), and it is believed that the estate is insufficient to cover the costs of administration.

20. Additional insurance

The trust has taken out a 'Directors & Officers' insurance policy. This policy provides management liability and corporate liability cover, each to an aggregate limit of all claims of £1,000,000. The cover includes the trust, staff, and trustees to the extent permitted by the provisions of section 189 of the Charities Act 2011. The premium payable in the year was £1,516 (2021: £1,111).

21. Related party transactions

In the opinion of the trustees there were no related party transactions during the year that require disclosure (2021: None).

22. Grants received

During the year the trust made a number of claims relating to the Covid-19 pandemic. As outlined below, these included both unrestricted and restricted funds. Although the unrestricted funding came with conditions, including reporting requirements, the trustees have taken the view that the nature of the schemes was insufficient to make the monies received in both years restricted.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

22. Grants received cont.

		<u>2021</u>
The nature of the unrestricted grants is as follows:	£	£
Infection control and testing grants	14,828	23,167
Rapid testing grants	9,374	-
Day centre grants	8,121	61,134
Furlough claims	-	13,656
Statutory sick pay claims	377	2,785
Covid relief grants	-	1,675
Workforce capacity grants	-	3,329
	<u>32,700</u>	<u>105,746</u>

On 29th March 2022 the trust made an application for a grant from the Adult Social Care Workforce Recruitment and Retention Fund (Round 2). This application was to Gloucestershire County Council. The trustees has previously decided not to make an application, but this decision was reversed following representations from staff, although it was known that the time limits relating to the grant could not be complied with. It was a condition that the entire grant should be paid to eligible employees as a bonus in addition to their wages/salaries in recognition of their contribution during the Covid-19 pandemic, and the payments had to be made by 31st March 2022. Any funds not paid out by that date were due to be refunded. The trustees are grateful to the Council for accepting the application in these circumstances. The amount receivable was not agreed until the end of April 2022, and payments to employees were made in May 2022. As required, the full amount was paid out to employees. The trust received no benefit from the scheme. However, the trustees were advised that the transactions met the criteria for recognition for the year ended 5th April 2022. The agreed sum of £5,069 is included as a restricted grant recognised during the year (2021: £Nil). The associated provision for the expenditure is included within staff costs, as shown in note 9 above.

All grants received in both years were funded by government, government agencies, and similar bodies within the UK whole of government accounts (WGA).

23. Prior period adjustment

In prior periods, starting from the year ended 5th April 2016, the Revaluation reserves shown in the Balance Sheet included all unrealised reserves. This presentation has now been amended so that the Revaluation reserves include only the unrealised reserves arising from the revaluation of the freehold property. Unrealised reserves arising from changes in the fair value of stocks and shares held within the investment portfolio are included in general reserves. This adjustment required the restatement of the comparative information for the year ended 5th April 2021 as shown in the Balance Sheet.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

23. Prior period adjustment cont.

Changes to the comparative information:

	<u>As previously reported</u> £	<u>Adjustment</u> £	<u>As restated</u> £
Endowment funds			
Realised reserves	554,552	(554,552)	-
General reserve	-	771,817	771,817
Revaluation reserve	-	317,560	317,560
Total endowment funds	<u>554,552</u>	<u>534,825</u>	<u>1,089,377</u>
Restricted income funds	-	-	-
Unrestricted funds			
Realised reserves	645,008	(645,008)	-
General reserve	-	815,016	815,016
Revaluation reserve	-	145,693	145,693
	<u>645,008</u>	<u>315,701</u>	<u>960,709</u>
Revaluation reserves			
Endowment funds	534,825	(534,825)	-
Unrestricted funds	315,701	(315,701)	-
	<u>850,526</u>	<u>(850,526)</u>	<u>-</u>
Total charity funds	<u><u>2,050,086</u></u>	<u><u>-</u></u>	<u><u>2,050,086</u></u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

England & Wales - Charity number 263687

Accounts

Charity number: 263687

THE YERCOMBE (GLOUCESTERSHIRE) TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5TH APRIL 2021

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THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102. Comparative information is for the year ended 5th April 2020.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trust was established by the late H. Maxwell Workman for the benefit of the old and needy of Gloucestershire. To this end it utilizes Yercombe Lodge, the settlor's former home, as a residential care home with respite facilities and as a day centre for the elderly and disabled. The trust also makes provision for up to four day care places. There was no change in the intention to provide these services during the year under review, or in the previous year, but see below for the impact of the Covid-19 pandemic.

The charity's main aim is to seek to continue to provide the services as outlined above. In the provision of those services the charity seeks to meet agreed client requirements in accordance with the limits of availability. The aim is client satisfaction within a context of fairness, reliability, and accountability. The charity wishes to conduct all its relationships on a basis of trust, efficiency, and best practice.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities. In particular, the trustees consider how activities will contribute to the objectives they have set.

The trustees consider that the benefits provided by the operation of the trust outweigh any detriments or harm created.

To achieve its objectives the charity has adopted a series of formal procedures. These are set out in a quality assurance manual. This manual is subject to regular review in order to respond to changing circumstances. Advice is sought from relevant outside bodies as appropriate. In particular, the charity has sought to maintain a good relationship with relevant inspecting authorities. Internal audit is undertaken according to a planned schedule throughout the year to ensure compliance with the procedures set out in the manual.

The trustees are aware of the difficulties created by seeking to provide services in a climate of ever-increasing regulation and restrictions on funding increases. They are also mindful of the need to try to preserve the value of the charity's funds from the effects of inflation.

The charity does not make grants.

The Trust Deed limits the services provided by the charity to those resident in the County of Gloucester. Since the creation of the trust there have been a number of changes in the structure

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT cont.

of local government. The trustees have adopted the view that the geographical area covered should continue to be as originally established. This currently includes Gloucestershire County Council, South Gloucestershire County Council, and a large part of the City of Bristol.

In preparing this report the trustees have reviewed the objectives and activities as established. This review involves more than the consideration of the financial results, although the trustees are aware that the success of the charity depends upon adequate resources.

ACHIEVEMENTS AND PERFORMANCE

Covid-19: Yercombe Lodge was placed in lockdown on 19th March 2020. Restrictions therefore applied for 17 days within the year ended 5th April 2020, and continued throughout the year under review. The nature of the restrictions changed as the guidance evolved. The main features were:

- (1.) The closure of the day centre, except for a brief period prior to the second lockdown on 31st October 2020.
- (2.) The cessation of day care.
- (3.) The cessation of regular respite care.
- (4.) Severe restriction on the visitors allowed to the home.
- (5.) Certain staff considered to be vulnerable were instructed to isolate at home. These staff were subsequently placed on furlough.
- (6.) Procedures were amended in order to give effect to guidance, including the adoption of personal protective equipment (PPE).
- (7.) The allocation of a room within the home for use as an isolation unit should the circumstances demand.
- (8.) The cessation of fundraising activities, including the cancellation of the summer and Christmas fayres.

These measures resulted both in a significant loss of income and an increase in costs. The measures and their impact continued after the year end. Furlough claims made are included as grants receivable within the Statement of Financial Activities.

Both Gloucestershire County Council and South Gloucestershire County Council made grants to the trust subsequent to the year end in order to maintain the capacity of the day centre to reopen. In addition, grants and donations have been received in relation to the acquisition of PPE, infection control, statutory sick pay, and furlough claims. The trustees are grateful to all the bodies and individuals involved.

The home was subject to an unannounced inspection by the Care Quality Commission on 18th and 19th December 2019. The trustees are pleased to record that the home was rated as good in all five categories - safe, effective, caring, responsive, and well-led. The overall

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

ACHIEVEMENTS AND PERFORMANCE cont.

rating was good. The programme of routine inspections was suspended by CQC in March 2020 in response to Covid-19. They continued a system of monitoring to ensure the public could have assurance as to the safety and quality of care. On 22nd July 2020 the home was subject to an engagement and support telephone assessment. The trust was assessed as managing the impact of the Covid-19 pandemic. Further reviews were carried out on 5th August and 7th October 2021. CQC have stated that they found no evidence that they need to carry out an inspection or to reassess their rating.

The trustees take the view that prior to the onset of the pandemic the services provided were in accord with their objectives, and that there was no alternative to the changes made to give effect to the lockdown. They are grateful to all members of staff and volunteers for the efforts made to enable the home to continue to operate.

The services as outlined above are provided to self-funded individuals, users funded by local authorities, and occasionally to users funded by other charities. In the past Gloucestershire County Council maintained a 'block' booking of one room in the respite home. This arrangement came to an end on 31st August 2016. A number of service users who had benefited expressed concern about the alternatives to be made for them by the County Council. The trustees decided to offer to continue to accept bookings for these service users, to be paid for at the Council rate, for as long as the service users wish. The Council rate is substantially below the amount charged to privately funded service users. No attempt has been made to quantify the impact of this commitment as it depends upon unknown factors, such as the frequency of visits, life expectancies, and the relative movement of funding rates. In the view of the trustees it was appropriate to enter into this arrangement for the benefit of the individuals concerned as several had been coming to the home for many years.

The trustees take the view that the arrangements with Social Services enable users unable to afford the trust's fees to access the services provided. The trust is not a party to the arrangements made between users and Social Services regarding funding. The trust is committed to equal access to its services restricted only by the terms of the Trust Deed, legislation, the requirements of the regulatory authorities, and the capacity of the facilities.

The trustees are aware that the services as outlined above are of benefit not just to the service users themselves. In most cases the user has a carer or carers who benefit from the break provided. The trustees do not consider it would be practicable, or cost effective, to seek to quantify this benefit, but take the view that it is significant.

As shown in note 6 to the accounts, the trustees have adopted a policy of revaluation of the freehold property. This took effect at 5th April 2015. A further revaluation would have been due in the year ended 5th April 2021 under the terms of the previous policy. In view of the restrictions on visits to the home the trustees decided that this should be postponed. They do not consider this to be a change of policy. They intend the property to be revalued

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

ACHIEVEMENTS AND PERFORMANCE cont.

when circumstances allow.

As is shown in the Statement of Financial Activities the trust achieved net income of £147,900 (2020: net expenditure £346,493). Total funds rose to £2,050,086 (2020: fell to £1,902,186). The charity experienced an operational deficit of £266,109 (2020: £197,325). In view of the impact of Covid-19 on both income and expenditure the trustees do not consider it meaningful to compare this result with budgeted figures.

The charity lacks the resources to carry out material fundraising activities. It relies upon the efforts of volunteers, generally acting in conjunction with individual trustees. Accordingly, it is not considered appropriate to seek to set targets or benchmarks for the amounts raised.

Legacy income of £37,509 (2020: £Nil) was recognised during the year. This relates to the estate of B.Bailey dec'd. As explained in note 19 to the accounts the trust has been notified of additional potential legacies. Included within these potential legacies is the estate of Mrs. F.W.M. Bignell dec'd. The trustees continue their claim against the Executors. Professional fees of £737 (2020: £942) were incurred as the trust's share of the solicitor's costs associated with the claims.

During the year the trust received unrestricted donations of £9,205 (2020: £4,226). Restricted donations of £330 were received. These related to the acquisition of personal protective equipment necessary for the protection of staff prior to the official scheme. The trustees are grateful to all the donors who contributed.

As explained in note 22 to the accounts grant income of £105,744 (2020: £669) was received under a number of government and local authority schemes. Although much of the funding came with conditions, including reporting requirements, the trustees have taken the view that the nature of the schemes was insufficient to make the grant monies restricted funds.

As noted above, the day centre was closed throughout the year, except for a few weeks prior to the second lockdown. These means that there were no volunteer hours worked in the day centre. The only volunteer hours worked related to the grounds and woodlands. Total hour are estimated at 150 (2020: 968). If these hours were to be valued at the National Living Wage of £8.91 (2020: £8.72) the voluntary effort would represent a value of £1,337 (2020: £8,441). The trustees hope that the volunteers who previously contributed to the day centre will return once circumstances allow.

It is the policy of the trustees to delegate the management of the investment portfolio to a firm of stockbrokers. They have been granted discretionary powers subject to a statement of policy. This statement seeks to ensure that the funds are properly protected; that the capital is not put at risk and is protected against inflation; and the best income consistent with

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

ACHIEVEMENTS AND PERFORMANCE cont.

these objectives is obtained. Within these overall objectives the trustees have set a number of conditions. These conditions include the expressed wish that the portfolio should yield a given net income. The figure set by the trustees is £45,000 (2020: £45,000). As shown in Note 2 to the accounts, dealing with Incoming Resources, net income from the portfolio was £43,667 (2020: £48,219). The trustees take the view that this performance was satisfactory in relation with the objectives set given the circumstances which applied to the stockmarket during the year.

Financial activities, and explained in Note 4, the trust experienced a profit (2020: loss) on portfolio of £216,277 (2020: £203,293 loss). The profit was broadly in line with the movement in the stockmarket during the year.

Factors relevant to the achievement of the charities objectives are noted above in relation to the performance during the year. The Covid-19 pandemic meant that the trust was severely constrained in the activities it could undertake. The trustees are grateful to all staff for their efforts in difficult circumstances.

FINANCIAL REVIEW

In the opinion of the trustees the accounts reflect the financial position of the charity and the financial management policies adopted. A sub-committee has been established to deal with financial and administrative matters. It prepares and monitors the overall business plan and the annual budget. It reviews cashflow on a regular basis. In conjunction with the stockbroker, it monitors the transactions and movements of the investment portfolio. These policies and procedures did not change during the year.

Details of fixed assets are shown in note 13 to the accounts. All the tangible assets are used for charitable purposes. The cost of freehold property represents the original purchase of Yercombe Lodge and improvements since. In accordance with current accounting practice, the trustees adopted a policy of writing off this cost. As noted above, and as explained in note 6 to the accounts, the trustees adopted a policy of the revaluation of freehold property. Depreciation charges are based upon the revalued amount.

The Trust Deed enables the trustees to apply or invest monies liable to be invested under the Deed in property or investments as the trustees in their absolute discretion think fit. The investment portfolio has been acquired in accordance with these powers. The Deed allows the trustees to spend the income arising but requires the trust capital fund to be maintained. As noted above, the portfolio experienced a rise in value during the year. No additional funds were invested in the portfolio or withdrawn during the year. The trustees intend that any capital growth should continue to be retained within the portfolio.

Note 6 to the financial statements shows the assets and liabilities attributable

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

FINANCIAL REVIEW cont.

to the funds by type, and also describes the various funds of the charity, and summarises the year's movements on each fund. The endowment fund is shown at £1,089,377. Unrestricted funds amounted to £960,709, but of this only £ 735,218 is freely available as £225,491 is invested in fixed assets.

The balance of unrestricted funds represents the accumulated general income of the charity. No funds have been designated within these reserves. It is not the policy of the trustees to set aside specific amounts to meet future expenditure. No funds were in deficit at any time during the year.

The circumstances relating to the funding of the day centre are outlined above. The residential home is funded from fees charged to service users. These include amounts charged both to private service users and public providers. The expenditure incurred in operating Yercombe Lodge relates to all of these activities, and supports the objective of seeking to maintain them. The apportionment of expenses between the different activities has always been difficult. The restrictions imposed by the Covid-19 pandemic have meant that the costs incurred during the year have related to the limited activities undertaken. The trustees have therefore taken the view that no apportionment could yield meaningful results for budgeting purposes.

As noted above, the investment portfolio is invested under an agreement with a firm of stockbrokers. This agreement includes a statement of policy specified by the trustees which includes a number of conditions. These include a condition that the trustees do not wish to invest in companies which manufacture tobacco products. They also include conditions that the portfolio should normally be invested in United Kingdom equities and fixed interest stocks quoted on the stock exchange, and that those equity stocks should normally be companies within the FTSE 100 list. There were no changes in these policies during the year, or in the previous year.

As shown in note 7 to the accounts, no trustee received any remuneration during the year. All gave their time voluntarily, and, in the view of the trustees, received no private benefit from the charity.

The trustees are concerned by the level of the operational deficits experienced, and expected. They recognise that the drain on resources poses a threat to the future. Despite the continuing uncertainty, the trustees consider that the financial position of the trust remains strong. Total funds of £2,050,086 (2020: £1,902,186), as shown on the Balance Sheet, enable the trust to retain control over future strategy.

RISK MANAGEMENT

The trustees acknowledge their responsibility to make a statement that they have regularly reviewed

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

and assessed the risks faced by the charity in all areas of its work, and have planned for the management of those risks. The processes adopted are based upon the guidance issued by the Charity Commission for England and Wales, CC26. They involve the assessment of the issues raised in the context of governance, management, operations, financial circumstances, environmental and external factors, and compliance with applicable laws and regulations. The trustees seek to apply what they consider to be a prudent approach in the management of potential risks. The aim is to manage risk in such a way as enables the trustees to achieve their objectives, as noted above, and to safeguard the assets of the trust.

Risks are identified by staff or trustees, and are reviewed in relation to established policies and procedures within the framework of the financial and development plan. Amendments are made as appropriate, and are included within the operational manual. The trustees have reviewed the major risks identified, and to the best of their belief have established control systems to manage those risks. In common with many similar operations and businesses the general level of economic uncertainty presents a significant challenge. As noted above, the consequences of the changes in the provision of adult social care also create a level of uncertainty which is beyond the control of the trust. The trustees also acknowledge that there may be risks which are unknown or which are presently judged not to be significant but later prove to be significant.

STATEMENT OF POLICY ON RESERVES

It is the policy of the trustees to hold cash deposits as a reserve. The amount is subject to regular review, and will depend upon perceived operational and strategic requirements. The amount fluctuates, and the trustees have not fixed a minimum amount to be held. The amount is held on deposit with no restrictions on the ability to withdraw funds. As at 5th April 2021 the reserve held in this way was £20,600 (2020: £55,600). The principal reason to hold funds on reserve is to be able to maintain operational cashflows should the need arise. Subsequent to the year end it became necessary to utilise the whole of the balance previously held in reserve.

It is not the policy of the trustees to set aside designated amounts for use in future periods.

FUNDRAISING

During the year no costs were incurred in what the trustees would consider to be fundraising activities (2020: £Nil). The trust does not employ any person or organisation to raise funds on its behalf, nor does it subscribe to any voluntary scheme of fundraising regulation. No complaints have been received regarding fundraising activities.

PLANS FOR THE FUTURE

It is a requirement of the regulatory authorities that the trust is able to demonstrate that it is

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

PLANS FOR THE FUTURE cont.

able to continue in operation in order to provide service users with security and continuity. It has been the practice to prepare a business plan on an annual basis. In view of the continuing Covid-19 pandemic, and the changing guidance as the response to the pandemic, the trustees take the view that such a plan would not be meaningful. The trust has received substantial support from outside bodies. This support continued beyond the year end. Also, as noted in note 19 to the accounts, the trust has been notified of potential legacies which it is hoped will yield significant sums.

The trustees intend to reopen all the services operated prior to the pandemic. However, they appreciate that this will not be possible until circumstances improve. The comments of service users and their carers suggest that demand for the services remains.

In view of the financial pressures created by the pandemic, the trustees have decided to limit capital expenditure to that considered to be essential. They recognise that major items of equipment may need to be replaced. These include the hot water boiler at an estimated cost of £12,000, and the respite home baths at an estimated cost of £22,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust was established by a Trust Deed dated 10th February 1972. It is governed under the terms of the Deed by the trustees. The property of the trust is vested in the trustees. The Trust Deed limits the total number of trustees to twenty. New trustees are invited to join and are appointed by election at a meeting of trustees.

The trustees have established a section within the Yercombe Lodge Quality Manual dealing with the induction and training of new trustees. This is intended to allow new trustees to familiarise themselves with the premises, organisation, activities, systems, and ethos of the charity, and to ensure that they are competent, knowledgeable, and well-informed as to their duties. This process involves a tour of the premises, the passing of relevant documentation, attendance at a trustees meeting, direct discussion with existing trustees, and the completion of DBS checks.

The charity has adopted an organisational structure based upon the allocation of areas of responsibility to sub-committees. Each sub-committee is chaired by a portfolio holder.

The portfolio holders are as follows:
Administration and finance - Mr. J.C. Drury.
Property - Mr. P.S. Gilbert
Operational - Dr. M.J. McDowell.

The membership of the committees is as follows:

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT cont.

Administration and Finance - Mr. J.C. Drury, Mr. V.H. Jotcham, Dr. P.J. Sprague.

Dr. A.J. Keith, Mrs. J.M. Thomas.

Property - Mr. V.H. Jotcham, P.S. Gilbert.

Operational - Dr. M.J. McDowell, P.S. Gilbert, Dr. A.J. Keith, Mrs. J.M. Thomas

Miss. T.J. Bingle, E.G. Frayco.

The property sub-committee is supplemented by volunteers, one of which has taken responsibility for dealing with the woodlands and grounds. Each committee operates with a standardised agenda, and makes recommendations to the meetings of trustees as appropriate.

The freehold property is registered with the Land Registry in the names of a committee of trustees acting on behalf of the body of trustees. The committee consists of Mr.J.C. Drury, Dr.M.J. McDowell, Mr.P.S. Gilbert, Dr.P.J. Sprague and Dr. A.J. Keith.

The routine administration of Yercombe Lodge is delegated to the manager of the home. She reports regularly to the various portfolio holders. The trustees meet monthly, except that no meetings are held in August or December.

REFERENCE AND ADMINISTRATIVE INFORMATION

NAME

The registered name of the charity is The Yercombe (Gloucestershire) Trust.

It is also known as Yercombe Lodge.

REGISTRATION NUMBER

The charity is registered with the Charity Commission for England and Wales.

The registration number is 263687.

REGISTERED ADDRESS

Yercombe Lodge, Stinchcombe, Dursley, Glos. GL11 6AS

TRUSTEES

Trustees at the date that the report was approved:

Mr. J.C. Drury

Dr. M. J. McDowell

Mr. V.H. Jotcham

P.S. Gilbert

Dr. P.J. Sprague

Dr. A.J. Keith

Mrs. J.M. Thomas

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

REFERENCE AND ADMINISTRATIVE INFORMATION cont.

MANAGEMENT STAFF

The trustees delegate day to day management of the charity to the following senior staff:

Manager - Ms. C. Kay

Assistant manager - E.G. Frayco

The service contracts and remuneration of senior staff are negotiated by the trustees with the individuals concerned.

PRINCIPAL BANKERS

Lloyds Bank - 12 Rowcroft, Stroud, Glos. GL5 3BD

AUDITORS

Azets Audit Services - 5 Pullman Court, Gloucester GL1 3ND

STOCKBROKERS

J.M. Finn & Co Ltd. - 25 Copthall Avenue, London, EC2R 7AH

AUDITORS

The re-appointment of Azets Audit Services will be discussed at the next meeting of the trustees. The costs of the audit are included within Other Expenditure.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- 1.) select suitable accounting policies and then apply them consistently;
- 2.) observe the methods and principles in the applicable Charities SORP;
- 3.) make judgements and estimates that are reasonable and prudent;
- 4.) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5.) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 5TH APRIL 2021

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

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

Approved by the trustees on the 18th January 2022
and signed on their behalf:

J.C. Drury
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

Opinion

We have audited the financial statements of The Yercombe (Gloucestershire) Trust for the year ended 5th April 2021 which comprise the statement of financial activities, the balance sheet, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs at 5th April 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 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 doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more the compliance with a law or

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE YERCOMBE (GLOUCESTERSHIRE) TRUST

regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Handscombe (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

18th January 2022
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Chartered Accountants
Statutory Auditor

Prospect House
5 May Lane
Dursley
Gloucestershire
GL11 4JH

Azets Audit Services is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2021

	Notes	<u>Unrestricted</u> <u>funds</u> <u>£</u>	<u>Restricted</u> <u>funds</u> <u>£</u>	<u>Endowment</u> <u>funds</u> <u>£</u>	<u>Total funds</u> <u>£</u>	<u>Prior year</u> <u>total funds</u> <u>£</u>
Income from:	2					
Donations and legacies		46,714	330	-	47,044	4,226
Grants received		105,744	-	-	105,744	669
Charitable activities		323,495	-	-	323,495	494,830
Investments		43,748	-	-	43,748	49,130
Other		1,196	-	-	1,196	100
Total		520,897	330	-	521,227	548,955
Expenditure on:	3					
Raising funds		2,233	-	2,419	4,652	4,877
Charitable activities		569,393	-	9,822	579,215	680,978
Other		5,737	-	-	5,737	6,300
Total		577,363	-	12,241	589,604	692,155
Net gains/(losses) on investments	4	124,316	-	91,961	216,277	(203,293)
Net income/(expenditure)		67,850	330	79,720	147,900	(346,493)
Transfers between funds	5	330	(330)	-	-	-
Net movement in funds	12	68,180	-	79,720	147,900	(346,493)
Reconciliation of funds:	6					
Total funds brought forward		892,529	-	1,009,657	1,902,186	2,248,679
Total funds carried forward		960,709	-	1,089,377	2,050,086	1,902,186

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
BALANCE SHEET AT 5TH APRIL 2021

	<u>Notes</u>	<u>Total Funds</u> £	<u>Prior year Funds</u> £
Fixed assets:			
Tangible assets	13	658,349	685,330
Investments	14	1,265,748	1,052,944
		<u>1,924,097</u>	<u>1,738,274</u>
Current assets:			
Debtors	15	36,408	38,107
Cash at bank and in hand	16	137,341	175,912
		<u>173,749</u>	<u>214,019</u>
Liabilities:			
Creditors: Amounts falling due within one year	17	47,760	50,107
		<u>125,989</u>	<u>163,912</u>
		<u>2,050,086</u>	<u>1,902,186</u>
The funds of the charity:			
	6		
Endowment funds		554,552	536,730
Restricted income funds		-	-
Unrestricted funds		645,008	705,578
Revaluation reserves		850,526	659,878
		<u>2,050,086</u>	<u>1,902,186</u>

Approved by the trustees on the 18th January 2022
and signed on their behalf:

J.C. Drury
Trustee

Dr. P.J. Sprague
Trustee

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies

The Basis of the Preparation of Accounts

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts. They are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains and losses included in the accounts.

The accounts of the charity are 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 FRS102, applicable Accounting Standards, and The Charities (Accounts and Reports) Regulations 2008, issued under the provisions of the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS102. The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared on the basis that the charity is a going concern. They have been prepared under the historic cost basis of accounting except for investments, which have been included at market value, and freehold property which is included at a revalued amount.

Income

Income generated from the provision of services at Yercombe Lodge is accounted for on the accruals basis. Resources received in advance of the provision of a service by the charity - for example, deposits received to secure a booking in the respite home - are deferred until the service has been provided.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the trustees. Donations and gifts under the Gift Aid scheme, together with the associated income tax recovery, are recognised as income when the donation is received. Funds collected are included gross.

The charity receives the benefit of work carried out by volunteers. No monetary value is placed on this, although the operations of the charity would be difficult without such work.

Gifts of assets for use by the charity are recognised when the assets is received. If details of the value of the asset are not known the trustees will include it at an estimated figure based upon appropriate comparative information, such as price lists etc. Such assets are capitalised under

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies cont.

the heading of fixed assets if their nature and value falls within the charity's normal criteria for the capitalisation of assets, as outlined below.

Gifts of assets donated for resale are included at the amount realised on disposal, or at an estimated value if the asset is still held at the year end.

Legacies are accounted for when notification has been received from personal representatives, except no amount is included when there is uncertainty as to entitlement, receipt or measurability.

Revenue grants are credited to the Statement of Financial Activities as received, unless they relate to a specific period, when they are placed in deferred income funds until allocated. Grants for capital projects are held within restricted funds until the expenditure to which they relate is incurred.

The Trust Deed requires the capital of the endowment fund to be preserved but permits the income arising from the fund to be spent. Accordingly, the incoming resources arising from the investment of assets within the endowment fund are included within unrestricted funds.

As explained in note 18 to the accounts, the trust holds monies on behalf of the day centre users. As these funds do not belong to the charity they are not recognised as income. The expenditure made from these funds is not included as expenditure of the charity. In cases where the day centre users have donated funds to the charity such donations are recognised as income in accordance with the policy as outlined above.

Expenditure

Expenditure is accounted for on an accruals basis. Expenses are included when the trustees recognise that a liability exists to a third party. A liability will arise when the charity is under an obligation to make a transfer of value to a third party as a result of past transactions or events.

In the case of on-going contracts with Gloucestershire Social Services for the provision of services, costs are included in the Statement of Financial Activities on the accruals basis, no provision is made for any costs which might arise should the contracts be terminated or not be renewed.

The SORP requires the allocation of resources expended to relevant activity categories and to material activities or programmes within each category. Costs directly incurred in relation to an activity are allocated to that activity. Costs which involve more than one activity are

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies cont.

attributed on the basis that the trustees consider most reasonable. In view of the nature of the charity's operations - which involve a single building with shared services and overheads - the majority of costs have to be allocated in this way. There is inevitably a high degree of estimation and approximation. In the opinion of the trustees the costs of maintaining records sufficient to enable a more accurate allocation would be substantial and would outweigh any benefits.

Despite the provision within the Trust Deed that the income arising from the endowment fund can be treated as unrestricted income, and not added to the fund, the SORP requires costs arising in relation to the fund to be charged against it. Investment management costs are allocated between funds on the basis of their relative values at the end of the year. A charge for depreciation on fixed assets held within the endowment fund is included within resources expended upon Charitable Activities on the basis outlined in the Asset Policy Note included below.

In the opinion of the trustees support costs are only material in relation to the category of resources expended upon Charitable Activities. Accordingly, no support costs are allocated to other categories.

The basis of allocation of costs to activities within the category Charitable Activities was followed by the trustees for many years for budgeting purposes. This basis was followed for the year ended 5th April 2020, but with the onset of Covid-19, which required the suspension of activities associated with day care and the day centre, the trustees took the view that the allocation of costs in this way would not be meaningful. Accordingly, no such analysis is presented in the accounts. The trustees will review the policy when normal activities resume.

Other expenditure includes the costs associated with the governance arrangements of the charity which relate to the general running of the charity. They include costs associated with the strategic management of the charity's activities.

Fixed Assets

The trustees have adopted a policy of revaluation relating to freehold property. This took effect from 5th April 2015, and will involve valuation every five years.

Other fixed assets acquired for the charity's own use are included at cost. It is the policy of the trustees not to capitalise items costing less than £500 (previously £300) unless they form part of a larger project where the total expenditure on the project exceeds £500 (£300).

The charity occupies the former home of the Settlor. It is the view of the trustees that the terms of the Trust Deed do not make the property inalienable as defined by the SORP.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies cont.

Yercombe Lodge has extensive grounds which include woodlands. Whilst the trustees are aware of their responsibilities in relation to these grounds, it is their opinion that they do not constitute heritage assets as defined by the SORP, as the assets are not central to the purposes of the charity as set out in the Trust Deed.

No depreciation was provided in relation to the freehold property prior to the year ended 5th April 1999. The trustees were of the opinion that the residual value would be in excess of cost as shown. This policy was amended in accordance with current accounting practice. Depreciation at a rate of 2% of cost per annum has been included. Records are not available which would enable the trustees to accurately evaluate the impact on the accounts had this policy been applied in earlier years. Where improvements to freehold property include items of mechanical equipment depreciation at a rate of 20% is applied to the cost of that equipment. No depreciation is provided on assets in the course of construction.

Depreciation is provided on fixtures, fittings and equipment at 20% per annum, except costs associated with the new space heating boilers have a charge of 10% per annum. With effect from 6th April 2017 this is charged on a straight-line basis, having formerly been on a reducing balance basis. The remaining cost of assets acquired prior to 6th April 2012 was written-off at 5th April 2017. Depreciation is charged on the cost of additions in the first quarterly accounts following acquisition.

It is the policy of the trustees that the property sub-committee review the condition of fixed assets on a regular basis for possible deterioration. A programme of necessary works is maintained. The costs of repair and maintenance are included in the Statement of Financial Activities.

Investments are included at market value at the balance sheet date. Gains and losses on revaluation are recognised in the Statement of Financial Activities as unrealised gains and losses at the balance sheet date. Realised gains and losses are recognised at the date that the investment was sold.

The charity holds items for resale. These include tea-towels and postcards. It is not the policy of the trustees to include such items in the balance sheet as stocks as their value is likely to be immaterial in relation to the accounts. Items of craftwork held in the day centre for sale to the public are not included as they are not the property of the charity.

Funds structure

The endowment fund represents permanent capital as established under the terms of the Trust

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies cont.

Deed. The trustees have no power to convert these funds into income and apply them as such. The fund is invested in assets. These assets can be exchanged provided that their place in the fund is taken by the assets taken in exchange. Depreciation and other losses arising in relation to the assets held in the fund are charged to the fund, as are other costs - such as investment management costs - when they relate to assets held in the fund.

The restricted income funds are funds subject to specific trusts within the wider purposes of the charity. The specific trusts are generally created by the expression of a particular purpose by the donor of the funds. The trustees are then required to expend those funds for that purpose.

The unrestricted income fund consists of funds which are expendable at the discretion of the trustees in furtherance of the charity's objects. It is not the policy of the trustees to designate particular amounts of unrestricted income to specific purposes.

The Trust Deed grants the trustees a power of accumulation whereby they can augment the endowment fund from income funds. Prior to the SORP it was not always the policy of the trustees to use this power in relation to improvements to freehold property. Records do not exist which demonstrate beyond doubt the history of the expenditure on the property, or the reasons for previous transfers to the endowment fund. The SORP makes it clear that in circumstances where income funds are used to erect, extend, or improve a building which is an endowment asset those income funds will normally become permanent endowment. Accordingly, the policy has been adopted to transfer amounts equal to the cost of any such improvements to freehold property from income to endowment funds. The absence of records does not allow the trustees to quantify the impact on the accounts in previous years had this policy applied.

Other transfers between funds may arise. Each transfer depends upon its own circumstances in relation to the requirements of the SORP. Transfers have taken place from restricted income funds to unrestricted income funds of the value of fixed assets when the asset has been purchased from a restricted donation but the asset is held for a general purpose. It is the policy of the charity to seek grants and donations to purchase assets to be held for general purposes only.

Pension costs

The trust is required to automatically enrol certain workers into a pension scheme and contribute towards it. Contributions are accounted for on an accruals basis. The trust contributes the minimum amount required by law.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1. Accounting policies cont.

Taxation

As a registered charity, the trust is generally exempt from the burden of Income Tax and from Capital Gains Tax, but not from Value Added Tax. Irrecoverable VAT is included in the cost of the item to which it relates.

Cashflow Statement

The trust is exempt from the requirement to prepare a cashflow statement as a small charity.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

2. Income from:	Unrestricted	Restricted	Endowment	Total funds	Prior Year
	funds	funds	funds		Total funds
	£	£	£	£	£
Donations and legacies					
Donations	9,205	330	-	9,535	4,226
Legacies	37,509	-	-	37,509	-
	<u>46,714</u>	<u>330</u>	<u>-</u>	<u>47,044</u>	<u>4,226</u>
Grants received					
Grants received	105,744	-	-	105,744	669
Charitable activities					
Fees from residents	320,919	-	-	320,919	342,389
Day care	-	-	-	-	8,814
	<u>320,919</u>	<u>-</u>	<u>-</u>	<u>320,919</u>	<u>351,203</u>
Income from residential home	2,576	-	-	2,576	143,627
Day centre					
	<u>323,495</u>	<u>-</u>	<u>-</u>	<u>323,495</u>	<u>494,830</u>
Investments					
Fixed interest	3,399	-	-	3,399	4,010
Dividends	40,268	-	-	40,268	44,209
	<u>43,667</u>	<u>-</u>	<u>-</u>	<u>43,667</u>	<u>48,219</u>
Portfolio investment income	81	-	-	81	911
Short-term interest					
	<u>43,748</u>	<u>-</u>	<u>-</u>	<u>43,748</u>	<u>49,130</u>
Other					
Timber and sundry	1,196	-	-	1,196	100
	<u>1,196</u>	<u>-</u>	<u>-</u>	<u>1,196</u>	<u>100</u>
Total income	<u>520,897</u>	<u>330</u>	<u>-</u>	<u>521,227</u>	<u>548,955</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

3. Expenditure on:	Unrestricted	Restricted	Endowment	Total funds	Prior Year
	funds	funds	funds		Total funds
	£	£	£	£	£
Raising funds					
Costs of generating funds	-	-	-	-	-
Investment management costs	2,233	-	2,419	4,652	4,877
	<u>2,233</u>	<u>-</u>	<u>2,419</u>	<u>4,652</u>	<u>4,877</u>
Charitable activities					
Direct variable costs:					
Staff costs	434,540	-	-	434,540	448,473
Food	23,866	-	-	23,866	36,490
Consumables	7,457	-	-	7,457	8,752
Transport	-	-	-	-	44,270
	<u>465,863</u>	<u>-</u>	<u>-</u>	<u>465,863</u>	<u>537,985</u>
Property and overhead expenses:					
Water	2,389	-	-	2,389	2,000
Light and heat	13,195	-	-	13,195	16,658
Insurance	9,155	-	-	9,155	8,278
Telephone	1,927	-	-	1,927	1,977
Repairs and maintenance	39,417	-	-	39,417	67,862
Printing, stationery and postage	3,175	-	-	3,175	3,901
Staff travel expenses	125	-	-	125	220
Training costs	1,350	-	-	1,350	2,778
Recruitment expenses	212	-	-	212	223
Publicity	1,880	-	-	1,880	95
Sundry expenses	5,673	-	-	5,673	4,155
Depreciation	17,159	-	9,822	26,981	26,231
	<u>95,657</u>	<u>-</u>	<u>9,822</u>	<u>105,479</u>	<u>134,378</u>
Support costs:					
Software expenses	2,609	-	-	2,609	2,436
Bank charges	906	-	-	906	1,108
Professional fees	4,358	-	-	4,358	5,071
Sundry items	-	-	-	-	-
	<u>7,873</u>	<u>-</u>	<u>-</u>	<u>7,873</u>	<u>8,615</u>
	<u>569,393</u>	<u>-</u>	<u>9,822</u>	<u>579,215</u>	<u>680,978</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

3. Expenditure on: cont.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other					
Audit	5,000	-	-	5,000	4,680
Professional fees	737	-	-	737	1,620
	<u>5,737</u>	<u>-</u>	<u>-</u>	<u>5,737</u>	<u>6,300</u>
Total expenditure	<u>577,363</u>	<u>-</u>	<u>12,241</u>	<u>589,604</u>	<u>692,155</u>

4. Gains/(losses) on investments

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total funds</u>	<u>Prior Year</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) on disposal	1,599	-	18,153	19,752	(8,584)
Movement in unrealised reserve	122,717	-	73,808	196,525	(194,709)
	<u>124,316</u>	<u>-</u>	<u>91,961</u>	<u>216,277</u>	<u>(203,293)</u>

5. Transfers between funds

During the year £330 (2020: £750) was transferred from Restricted funds to Unrestricted funds. This amount represents sums donated in order to purchase personal protective equipment for staff prior to the official scheme. The transfer in the year ended 5th April 2020 represents amounts donated in relation to the purchase of furniture for use on the patio area in front of the respite home.

6. Reconciliation of funds:

Endowment funds:

The endowment fund represents the trust capital account. It arises from the original donations made by the Settlor, from various transfers from income funds, and from transactions shown in the Statement of Financial Activities, including movements in unrealised reserve arising from the revaluation of assets held in the fund.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

6. Reconciliation of funds: cont.

Endowment funds:	<u>Realised</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserves</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	536,730	472,927	1,009,657	1,142,270
Profit/(loss) on portfolio disposals - note 4	18,153	-	18,153	(7,314)
Realised reserve on portfolio disposals	4,693	(4,693)	-	-
Movement in unrealised reserve - note 4	-	73,808	73,808	(112,844)
Net expenditure per SOFA	(12,241)	-	(12,241)	(12,455)
Transfer from unrestricted funds	-	-	-	-
Transfer of excess depreciation on revalued assets	7,217	(7,217)	-	-
Fund balances carried forward	<u>554,552</u>	<u>534,825</u>	<u>1,089,377</u>	<u>1,009,657</u>

Restricted income funds:	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	-	750
Donation received during year	330	-
Grants received during year	-	-
	<u>330</u>	<u>750</u>
Transfer between funds	(330)	(750)
Fund balances carried forward	<u>-</u>	<u>-</u>

Unrestricted funds:	<u>Realised</u> <u>Reserves</u> <u>£</u>	<u>Revaluation</u> <u>Reserves</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Fund balances brought forward	705,578	186,951	892,529	1,105,659
Realised reserve on portfolio disposals	(9,344)	9,344	-	-
Profit/(loss) on portfolio disposals - note 4	1,599	-	1,599	(1,270)
Movement in unrealised reserve - note 4	-	122,717	122,717	(81,865)
Net income per SOFA	(56,466)	-	(56,466)	(130,745)
Transfer of excess depreciation on revalued assets	3,311	(3,311)	-	-
Transfer from restricted funds	330	-	330	750
Transfer to Endowment fund	-	-	-	-
	<u>645,008</u>	<u>315,701</u>	<u>960,709</u>	<u>892,529</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

6. Reconciliation of funds: cont.

The unrestricted income fund represents the accumulated general income of the trust together with the unrealised reserves arising from the revaluation of the unrestricted assets.

The freehold property was valued on 17th March 2015, the figure being incorporated into the accounts with effect from 5th April 2015. The valuation was carried out under instructions given under Section 36 of the Charities (Qualified Surveyors Reports) Regulations 1992, and was prepared by C.J. Soane FRICS, a member of Ash & Co CS LLP. The present day existing use value was given as approximately £700,000. Accordingly, this figure was used by the trustees under the policy of revaluation. Should this policy not have been adopted the net book value of the freehold property would have been £173,579. The trustees have no reason to believe that the valuation will have changed between the date of its preparation and the date of approval of the accounts. It is their intention to continue with the use of external valuers when considering the appropriate amounts to be incorporated into the accounts.

The revaluation reserve arising was credited to funds in the proportion that the property is held with those funds. The gain arose in the accounts for the year ended 5th April 2015 as follows:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>
	£	£	£	£
Freehold land and buildings:				
Net book value prior to revaluation	54,594	-	118,985	173,579
Revaluation reserve	165,559	-	360,862	526,421
Existing use value 5th April 2015	<u>220,153</u>	<u>-</u>	<u>479,847</u>	<u>700,000</u>

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>	<u>Prior Year</u> <u>Total funds</u>
	£	£	£	£	£
Freehold property	145,693	-	317,560	463,253	473,781
Investments	170,008	-	217,265	387,273	186,097
	<u>315,701</u>	<u>-</u>	<u>534,825</u>	<u>850,526</u>	<u>659,878</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

6. Reconciliation of funds: cont.

The funds are represented by:

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets - note 13	225,491	-	432,858	658,349
Investments - note 14	609,229	-	656,519	1,265,748
Net current assets	125,989	-	-	125,989
	<u>960,709</u>	<u>-</u>	<u>1,089,377</u>	<u>2,050,086</u>

7. Trustee remuneration

No remuneration is paid to the trustees. (2020: £Nil).

8. Trustee expenses

No expenses were paid either to or on behalf of trustees during the year. (2020: £Nil).

9. Staff costs:

	<u>£</u>	<u>2020</u> <u>£</u>
Wages and salaries	378,258	368,359
Social security costs	16,672	13,246
Employer's contribution to defined contribution pension scheme	4,845	4,105
	<u>399,775</u>	<u>385,710</u>
Staff agency costs	34,765	62,763
Total staff costs	<u>434,540</u>	<u>448,473</u>

No employee had emoluments (including benefits) in excess of £60,000 (2020: None).

The average number of employees during the year was 34 (2020: 38). This figure includes part-time employees. It is estimated that the average full time equivalent employees was 15 (2020: 18). It is estimated that 9 full time equivalents were employed in the respite home in both years, 1 in the day centre (2020: 3), and 5 in administration and other areas (2020: 6). All employees in both years were engaged in the operation of Yercombe Lodge. employees in both years were engaged in the operation of Yercombe Lodge.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

9. Staff costs: cont.

Agency staff are used as required on a shift by shift basis when employed staff are not available. The trust obtains staff through a number of agencies.

The trust had a staging date of 1st October 2015 for the enrolment of employees in a pension scheme. Implementation took place on schedule making use of the National Employment Savings Trust (NEST). The contributions noted above were made at a rate of 3% of the qualifying earnings of those employees within the scheme. (2020: 3%). The previous group stakeholder pension plan is no longer available to staff. No member of staff ever took advantage of the stakeholder scheme.

10. Amounts payable to auditor:

	<u>£</u>	<u>2020</u> <u>£</u>
Cost of statutory audit	5,000	4,680

11. Ex gratia payments:

During the year the charity made no ex gratia payments as defined by the Charity Commission in guidance CC7. (2020: £Nil). Payments to staff for long service, or on retirement, are considered to be in the interests of the charity and are included as expenditure of funds for charitable purposes within support costs.

12. Net movement of funds:

	<u>£</u>	<u>2020</u> <u>£</u>
Income from charitable activities	323,495	494,830
Total expenditure	589,604	692,155
Operational (deficit)/surplus	<u>(266,109)</u>	<u>(197,325)</u>

	<u>£</u>	<u>2020</u> <u>£</u>
Other sources of income:		
Donations and legacies	47,044	4,226
Grants received	105,744	669
Investments	43,748	49,130
Other	1,196	100
	<u>197,732</u>	<u>54,125</u>

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

12. Net movement of funds: cont.

	<u>2020</u>	
Income less operational deficit	(68,377)	(143,200)
Gains/(losses) on investments	216,277	(203,293)
Net income/(expenditure)	<u>147,900</u>	<u>(346,493)</u>

The net movement in funds represents the increase/(decrease) in resources available to the charity. However, as shown in note 6, other recognised gains/(losses) include the movement in the unrealised revaluation reserves of £190,648 (2020: (£200,848)).

13. Tangible assets

	<u>Freehold</u> <u>land and</u> <u>buildings</u> <u>£</u>	<u>Fixtures</u> <u>fittings and</u> <u>equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost or valuation			
At beginning of the year	711,267	239,178	950,445
Additions	-	-	-
At end of the year	<u>711,267</u>	<u>239,178</u>	<u>950,445</u>
Depreciation			
At beginning of the year	70,450	194,665	265,115
Depreciation	14,225	12,756	26,981
At end of the year	<u>84,675</u>	<u>207,421</u>	<u>292,096</u>
Net book value at beginning of the year	<u>640,817</u>	<u>44,513</u>	<u>685,330</u>
Net book value at end of the year	<u>626,592</u>	<u>31,757</u>	<u>658,349</u>

14. Investments:

The investment portfolio was valued by J.M. Finn & Co Ltd. at current market value. Historical cost was £864,889 (2020: £844,826). The investments included within the portfolio are mainly quoted on the London Stock Exchange. The structure of the portfolio is as follows:

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14. Investments cont.

	<u>£</u>	<u>2020</u> <u>£</u>
Gilt edged stock	41,546	42,272
Fixed interest	72,810	65,063
Equities	1,137,806	923,588
	<u>1,252,162</u>	<u>1,030,923</u>

Stocks which individually represent more than 5% of the portfolio:

	<u>£</u>	<u>2020</u> <u>£</u>
Croda International PLC	64,180	58,117
LXI REIT PLC	63,405	-
BB Healthcare Trust PLC	66,150	-
Segro PLC		67,086

Analysis of movement in investment portfolio:

	<u>Total</u>	<u>Endowment</u> <u>funds</u>	<u>Unrestricted</u> <u>funds</u>
Invested portfolio:			
Market value at beginning of year	1,030,923	552,118	478,805
Add: Additions to investments at cost	85,970	79,469	6,501
Less: Disposals at carrying value	(61,256)	(58,471)	(2,785)
Add: Net gains on revaluation	196,525	73,808	122,717
Market value at end of year	<u>1,252,162</u>	<u>646,924</u>	<u>605,238</u>
Invested portfolio	1,252,162	646,924	605,238
Cash held by brokers	13,586	9,595	3,991
Total investments held 5th April 2021	<u>1,265,748</u>	<u>656,519</u>	<u>609,229</u>
Total investments held 5th April 2020	<u>1,052,944</u>	<u>566,977</u>	<u>485,967</u>

The cash held by brokers represents monies arising from investment transactions still to be re-invested. During the year all sums realised on the disposal of investment assets were retained for re-investment in the portfolio.

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15. Debtors	<u>2020</u>
	<u>£</u>
Trade debtors	12,186
Prepayments and accrued income	22,698
Other debtors	1,524
	<u>36,408</u>
	<u>38,107</u>

16. Cash at bank and in hand	<u>2020</u>
	<u>£</u>
Lloyds Bank:	
Current accounts	74,346
Deposit accounts	39,588
National Westminster Bank	345
Barclays Bank PLC - day centre accounts - note 18	-
Charities Deposit Fund	20,600
Cash with brokers	2,343
Cash in hand	119
	<u>137,341</u>
	<u>175,912</u>

17. Creditors	<u>2020</u>
	<u>£</u>
Trade creditors	8,203
Accruals and deferred income	33,067
Day centre service users - note 18	1,548
Other creditors	4,942
	<u>47,760</u>
	<u>50,107</u>

18. Day Centre service users

Following the closure of the local branch of Barclays Bank PLC, separate accounts are no longer maintained to hold funds belonging to day centre service users. At 5th April 2021 the trust was holding £1,540 (2020: £1,176) in its Lloyds Bank account on behalf of the day centre service users.

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18. Day Centre service users cont.

	<u>£</u>	<u>2020</u> <u>£</u>
Funds held in trust accounts	1,540	1,176
Day centre cash held	8	322
	<u>1,548</u>	<u>1,498</u>

	<u>£</u>	<u>2020</u> <u>£</u>
Day centre service users		
Brought forward	1,498	1,498
Amounts collected	200	3,034
	<u>1,698</u>	<u>4,532</u>
Amounts expended	150	3,034
Carried forward	<u>1,548</u>	<u>1,498</u>

19. Potential legacies

The trust has received notification of the following legacies:

(1.) Mrs. F.W.M. Bignell dec'd.

The trust has received notification from solicitors acting on behalf of the Executors of the estate of Mrs. F.W.M. Bignell dec'd. that the trust has been left one-fifth of the residue of her estate. Mrs. Bignell died on 6th May 2007, and Probate was granted on 31st August 2007. The trustees understand that the estate remains in administration. They have combined with the other parties interested in the residue to appoint Wilsons Solicitors LLP to represent their interests.

The total received to date from the estate is £60,778. The most recent distribution was £22,978.25 on 13th July 2017. The solicitors acting on behalf of the Executors now claim that due to an error on their part the trust has been overpaid by £4,595.65, and they are seeking to recover the money. The trust has resisted this claim as in the opinion of the trustees further amounts are due from the estate. At the date of the approval of the accounts information is not available which would enable a reliable estimate of amounts receivable or payable to be made. Negotiations between the solicitors acting on behalf of the parties continue.

THE YERCOMBE (GLOUCESTERSHIRE) TRUST
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19. Potential legacies cont.

Fees of £737 (2020: £942) payable to Wilsons Solicitors LLP are included within professional fees under the heading of Other expenditure. Additional costs are likely to be incurred, but will depend upon the progress of the claims.

In addition to the claims regarding the conduct of the estate, the trustees understand that there remains a property subject to a life interest tenancy held by a third party. Information is not available which would allow an estimate to be made of the potential benefit to the trust.

(2.) Miss. E.E. May dec'd.

The trust has received notification that it has been left one fifth of the residue of the estate. The principal asset consists of a residential property. In combination with the other parties interested in the residue, the trust is exploring the possibility of re-activating a lapsed planning permission relating to the garden of the property. At the date of the approval of the accounts information is not available which would enable a reliable estimate of amounts likely to be received to be made. Costs are likely to be incurred in relation to the application for planning permission.

(3.) Miss. E.M. Wyatt dec'd.

The trust has received notification that it has been left one third of the residuary estate. Solicitors acting for the Executors have estimated that the estate is unlikely to exceed £10,000. Miss Wyatt was a former manager of Yercombe Lodge. The trustees were saddened to hear of her death from Covid-19.

20. Additional insurance

The trust has taken out a 'Directors & Officers' insurance policy. This policy provides management liability and corporate liability cover, each to an aggregate limit of all claims of £1,000,000. The cover includes the trust, staff, and trustees to the extent permitted by the provisions of section 189 of the Charities Act 2011. The premium payable in the year was £1,111 (2020: £926).

21. Related party transactions

In the opinion of the trustees there were no related party transactions during the year that require disclosure (2020: None).

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22. Grants received

During the year the trust made a number of claims relating to the Covid-19 pandemic. The trustees believe that the various conditions attaching to the grants have been satisfied.

		<u>2020</u>
	<u>£</u>	<u>£</u>
Furlough claims	13,656	669
Statutory sick pay claims	2,785	-
Day centre grants	61,134	-
Covid relief grants	1,675	-
Infection control grants	23,167	-
Workforce capacity grants	3,329	-
	<u>105,746</u>	<u>669</u>