

**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

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**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

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**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).

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**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

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**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

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**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.

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**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.



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**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

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**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

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**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.

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

J.C. Drury  
Trustee

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**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

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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

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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

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**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 £
<b>Income from:</b>	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
<b>Total</b>		<b>483,219</b>	<b>5,069</b>	<b>-</b>	<b>488,288</b>	<b>521,227</b>
<b>Expenditure on:</b>	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
<b>Total</b>		<b>633,138</b>	<b>5,069</b>	<b>12,559</b>	<b>650,766</b>	<b>589,604</b>
Net gains/(losses) on investments	4	37,883	-	70,437	108,320	216,277
<b>Net income/(expenditure)</b>		<b>(112,036)</b>	<b>-</b>	<b>57,878</b>	<b>(54,158)</b>	<b>147,900</b>
<b>Transfers between funds</b>	5	<b>(60,020)</b>	<b>-</b>	<b>60,020</b>	<b>-</b>	<b>-</b>
Net movement in funds	12	(172,056)	-	117,898	(54,158)	147,900
<b>Reconciliation of funds:</b>	6					
Total funds brought forward		960,709	-	1,089,377	2,050,086	1,902,186
<b>Total funds carried forward</b>		<b>788,653</b>	<b>-</b>	<b>1,207,275</b>	<b>1,995,928</b>	<b>2,050,086</b>

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

	<u>Notes</u>	<u>Total Funds £</u>	<u>Prior year Funds As restated £</u>
<b>Fixed assets:</b>			
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>
<b>Current assets:</b>			
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>
<b>Liabilities:</b>			
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>
<b>The funds of the charity:</b>	6		
Endowment funds			
General reserve	896,932	771,817	
Revaluation reserve	<u>310,343</u>	<u>1,207,275</u>	<u>317,560</u>
			1,089,377
Restricted income funds		-	-
Unrestricted funds			
General reserve	646,271	815,016	
Revaluation reserve	<u>142,382</u>	<u>788,653</u>	<u>145,693</u>
			960,709
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**

<b>2. Income from:</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total funds</b>	<b>Prior Year Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and legacies					
Donations	1,307	-	-	1,307	9,535
Legacies	-	-	-	-	37,509
	<b>1,307</b>	<b>-</b>	<b>-</b>	<b>1,307</b>	<b>47,044</b>
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	-	-	-	-	-
	<b>374,122</b>	<b>-</b>	<b>-</b>	<b>374,122</b>	<b>320,919</b>
Income from residential home	374,122	-	-	374,122	320,919
Day centre	26,930	-	-	26,930	2,576
	<b>401,052</b>	<b>-</b>	<b>-</b>	<b>401,052</b>	<b>323,495</b>
Investments					
Fixed interest	3,637	-	-	3,637	3,399
Dividends	44,519	-	-	44,519	40,268
	<b>48,156</b>	<b>-</b>	<b>-</b>	<b>48,156</b>	<b>43,667</b>
Portfolio investment income	48,156	-	-	48,156	43,667
Short-term interest	4	-	-	4	81
	<b>48,160</b>	<b>-</b>	<b>-</b>	<b>48,160</b>	<b>43,748</b>
Other					
Timber and sundry	-	-	-	-	1,196
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196</b>
Total income	<b>483,219</b>	<b>5,069</b>	<b>-</b>	<b>488,288</b>	<b>521,227</b>

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

**3. Expenditure on:**

	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Prior Year 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>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>
	£	£	£	£	£
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>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>
	£	£	£	£	£
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.**

	<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>
Endowment funds:				
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	896,932	310,343	1,207,275	1,089,377

	<u>Total</u> <u>£</u>	<u>Prior Year</u> <u>Total funds</u> <u>£</u>
Restricted income funds:		
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)	-
	-	330
Transfer between funds	-	(330)
Fund balances carried forward	-	-

	<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>
Unrestricted funds:				
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)	-
	646,271	142,382	788,653	960,709

**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	220,153	-	479,847	700,000

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
	788,653	-	1,207,275	1,995,928

**THE YERCOMBE (GLOUCESTERSHIRE) TRUST**  
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**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	483,703	434,540

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

**THE YERCOMBE (GLOUCESTERSHIRE) TRUST**  
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**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>
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**  
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<b>13. Tangible assets</b>	<u>Freehold land and buildings £</u>	<u>Fixtures fittings and equipment £</u>	<u>Total £</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>
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**  
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**14. Investments cont.**

Stocks which individually represent more than 5% of the portfolio:	<u>£</u>	<u>2021</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>funds</u>	<u>Unrestricted</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>£</u>	<u>2021</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**  
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**16. Cash at bank and in hand**

		<u>2021</u>
	<u>£</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>2021</u>
	<u>£</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>2021</u>
	<u>£</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**  
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**18. Day Centre service users cont.**

		<u>2021</u>
	<u>£</u>	<u>£</u>
Day centre service users		
Brought forward	1,548	1,498
Amounts collected	-	200
	<hr/>	<hr/>
	1,548	1,698
Amounts expended	686	150
	<hr/>	<hr/>
Carried forward	862	1,548
	<hr/>	<hr/>

**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**  
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**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**  
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**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**  
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**23. Prior period adjustment cont.**

Changes to the comparative information:

	<u>As previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
	<u>£</u>	<u>£</u>	<u>£</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>