

YORK CONSERVATION TRUST LIMITED

England & Wales · Charity number 504302

Details

Other names INGS PROPERTY COMPANY LIMITED

Status Registered

Legal form Charitable company

Company number [00395954](#)

Registered 1975-10-20

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: a. To provide for the conservation and preservation for the public benefit of buildings of significant historic interest, architectural or constructional merit or amenity value in the City of York and the County of North Yorkshire and lands adjacent to and associated with such buildings;b. To promote the public knowledge and enjoyment of those places of historic interest, or architectural or constructional merit, in the City of York and the County of North Yorkshire, which are owned by the Company;c. To advance education and skills in the conservation of buildings and land adjacent thereto and associated therewith.

Activities: The charitable company's policy is to acquire, renovate and maintain property of historical, architectural or constructional interest in the County of North Yorkshire in accordance with its objects. The charity does not generally award grants to third parties.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** CITY OF YORK AND COUNTY OF NORTH YORKSHIRE PARTICULARLY THOSE AREAS WITH A YO POSTCODE
- City Of York
- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,358,982	£2,620,289	£30,284,584	6
2024-03-31	£2,536,040	£3,465,644	£28,614,982	6
2023-03-31	£4,415,334	£2,718,252	£29,938,830	6
2022-03-31	£2,348,552	£1,885,629	£28,079,064	6
2021-03-31	£2,065,974	£1,644,283	£27,323,621	6

Trustees

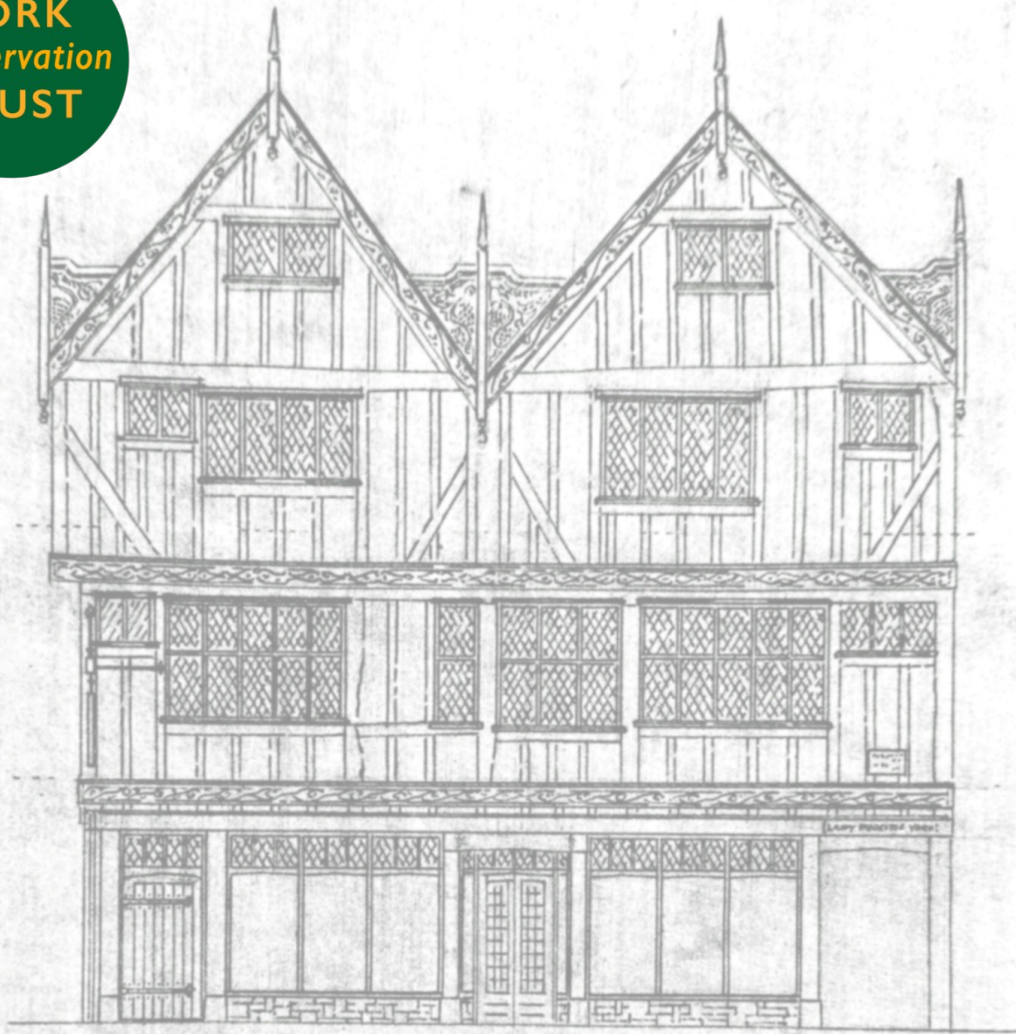
Name	Role	Appointed
Anna Euphemia Gawthorp		2023-11-08
Dr CHARLES HEDLEY ESDON BUTLER		
Dr RUTH ISOBEL MORRELL		2017-07-18
JAMES ROBERT MORRELL		
JEREMY SPENCE MORRELL		
James Edward Naish		2024-11-04
James Roderick Jocelyn Grierson		2024-01-17
MARGARET ANNE MORRELL		
MS VANESSA RACHEL MORRELL BUTLER		
OLIVIA HOLDEN MORRELL		
PATRICIA ANNE BUTLER		

YORK CONSERVATION TRUST LIMITED

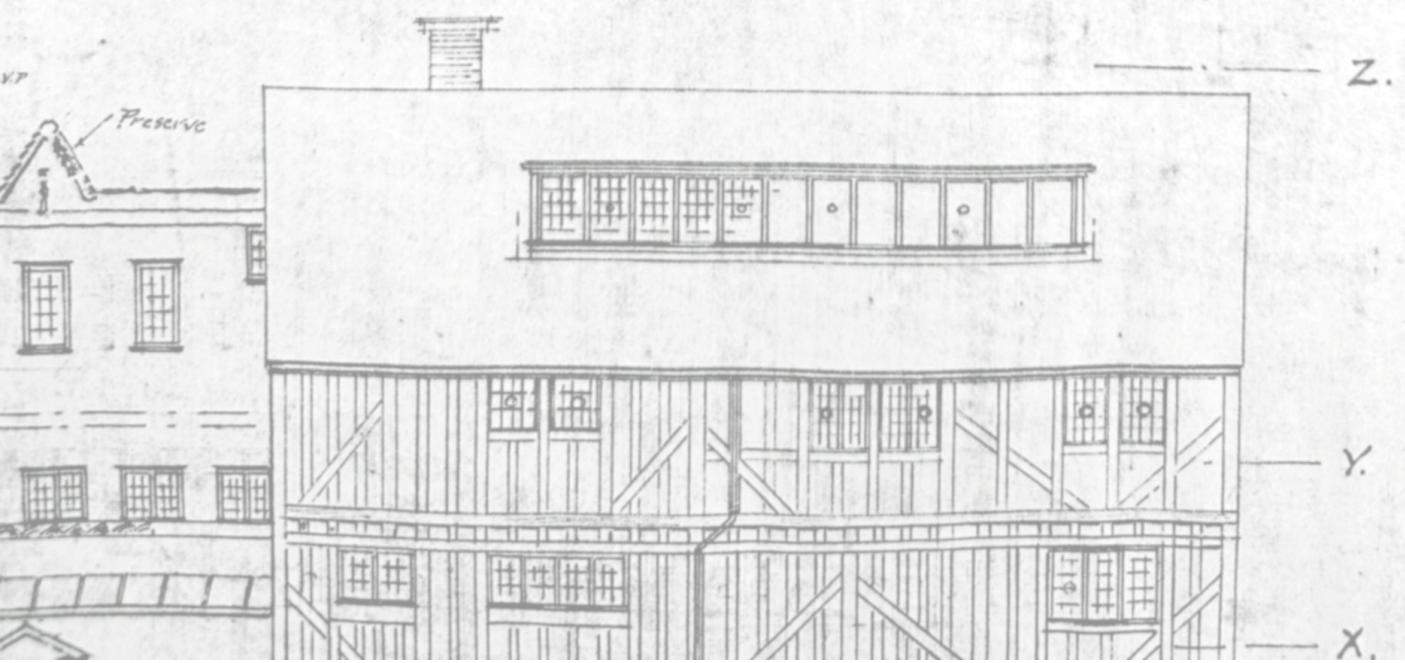
England & Wales - Charity number 504302

Accounts

TO THE RESTORATION OF PREMISES...
HOUSE THE PAVEMENT YORK.



ELEVATION TO THE PAVEMENT.



Annual Report & Financial Statements for the year ended 31 March 2025

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V4 Final

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MESSAGE FROM OUR CHAIR

As we reflect on the 2024/25 financial year, it is evident that this has been a period of significant strategic review and planning for the York Conservation Trust. We have undertaken and approved a comprehensive 10-year portfolio review, a process that has clarified our long-term financial objectives. The outcome will guide our activities, focusing on strategic debt repayment, optimising our assets through the selective sale of properties, and carefully building a robust contingency fund – all aimed at ensuring the Trust's long-term sustainability, particularly in today's turbulent economic and political climate.

YORK CONSERVATION TRUST LIMITED

A particularly exciting development this year has been the fruition of our pilot engagement project at Herbert House. This significant York historic building holds special importance, as it was close to the hearts of our organisation's founders. We are optimistic that our planned submission to the National Lottery Heritage Fund will be successful, enabling us to unlock public access to this historic building and broaden our organisation's reach within the community.

I am delighted to welcome James Grierson and James Naish to the Board of Trustees. Their diverse experience and perspectives will be invaluable as we navigate the challenges and opportunities that lie ahead. We also appointed Dav Smith as our part-time Heritage Manager, whose expertise and passion will be a tremendous asset to the Trust. Dav commenced his employment with the Trust on 1 April 2025.

It is with deep sadness that I must acknowledge the recent passing of Peter Morrell. Peter was a very dedicated longstanding Trustee, and his passion for our mission, along with his financial acumen, will be sorely missed. We are exploring appropriate ways to honour Peter's extraordinary contribution to the Trust.

As always, I would like to extend my sincere gratitude to our staff, volunteers, and Trustees for their unwavering support and dedication.

James Morrell, Chair, 4 July 2025

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2025. They have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, in preparing their annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts. They comply with the charity's governing document, the Charities Act 2011 and Accounting & Reporting by Charities: Statement of Recommended Practice applying to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland, published in October 2019.

Since the charitable company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

OBJECTS

The Trust's objects are:

- To provide for the conservation and preservation for the public benefit of buildings of significant historic interest, architectural merit or amenity value in the City of York and the County of North Yorkshire and lands adjacent to and associated with such buildings.
- To promote the public knowledge and enjoyment of those places of historic interest, or architectural or constructional merit, in the City of York and the County of North Yorkshire, which are owned by the Company.
- To advance education and skills in the conservation of buildings and land adjacent thereto and associated therewith.

STRUCTURE

The Trust was incorporated by shares and registered as Ings Property Company Ltd in June 1945. Following reviews and amendments to the Articles of Association, it became a registered charity from 1976.

The directors of the charitable company are the trustees of the charity for the purpose of charity law. Throughout this report they are referred to as trustees.

Through our activities we aim to be responsible custodians of a financially sustainable portfolio of significant historic buildings, to engage the public in that activity and to promote the development of building conservation skills and knowledge.

In determining our aims, we have considered Charity Commission guidance on public benefit. We believe that by conserving and maintaining buildings of architectural and historic significance and making them available to the public through residential and commercial tenancies, we contribute to a community that values its history and takes pride in its future.

ACTIVITIES & ACHIEVEMENTS

Safeguarding historic buildings

The first of our objects relates to maintaining our historic buildings to ensure that they are properly conserved while also contributing to local amenity.

Although previous surveys had already highlighted a substantial list of major conservation works required over the coming years, we deliberately paused many of our plans this year to focus on completing a comprehensive portfolio review (see below). This thorough evaluation of all Trust properties has enabled us to develop a clear and sustainable strategy for resourcing and funding our most urgent conservation projects over the next decade. We have also prioritised and scheduled works to ensure the most effective and strategic use of the Trust's resources. Nevertheless, during the year, we did carry out several large, essential, conservation projects in addition to our routine maintenance works. These included:

- 4 Jubbergate: Urgent remedial works.
- 12-16 Stonegate: This project was undertaken in Spring / Summer 2024. The project consisted of external repairs, which were straightforward in nature. However, the access was not so simple and required a specially designed self-supporting scaffold to the front elevation.
- 35/41 North Street and 3/5 Tanner Row: These properties required extensive repairs which were carried out in Summer 2024. The redecorated frontages have greatly improved the presence of these properties on the local streetscape.
- 60 Bootham: A full external overhaul of this property was undertaken in Autumn 2024. The windows, roofs, and railings required minor repair and all the exterior items were decorated.
- Assembly Rooms: Repairs were undertaken to the roofs and lantern.
- Herbert House: Works were undertaken in Summer 2024 to allow a rear storage room to be used for a trial crafts training event. Further works are required to allow further, similar, usage of the building's empty spaces and a grant is currently being sought for this.
- York Theatre Royal: In Spring 2024 the final phase of external repairs to the stonework and joinery was undertaken. In Autumn 2024, damaged glazing panels to the curtain walling in the 1967 extension were replaced.

In addition, we recognised the financial importance of filling voids to bolster rental income and prioritised the refurbishment of apartments at:

- 15-16 Fossgate
- 27 and 29 St Saviourgate
- 23 Stonegate

We continue to evaluate which apartments and houses are best let under an assured shorthold tenancy and which are better suited to being utilised as furnished guest accommodation, contributing to our second object (see below).

We also put significant effort into obtaining advance planning consents and quotations so that we are well placed to press on with planned conservation works as they fall due.

Promoting public knowledge and enjoyment of our historic buildings

Our second object focuses on promoting public enjoyment and knowledge of our historic buildings.

As well as having been able to appreciate the exterior of our historic buildings, the public has had access to the interiors of many of our commercially let properties such as The Assembly Rooms and Fairfax House through our tenants' commercial and charitable activities. In addition, we have continued to promote public knowledge and enjoyment of our buildings directly by the provision of furnished guest accommodation through Wheelwrights (www.wheelwrightsyork.com), our lettings agent.

We also continued to develop our evolving programme of engagement. Events this year included:

- During York Festival of Ideas week, we hosted daily tours of Herbert House and Guy Bowyer, Chief Executive Officer, gave a talk on the Trust's approach to climate change and its buildings.
- In September we hosted a lime workshop in the upgraded rear section of Herbert House for MA Students at the University of York studying Buildings Conservation; this was presented by Pinnacle Conservation Limited.

We have also continued to develop our website and social media offering, enabling us to share more information about the history of, and conservation of, our historic properties. Increasing visitors to our website demonstrates the public's continuing interest in our work. We are grateful to consultants, Jacky Fitt and Ned Hoste of the Big Ideas Collective, and volunteer, Peter Brown, for their contributions to this work.

Advancing education and skills in the conservation of buildings

Our third object is to advance education and skills in the conservation of buildings.

To support the development of building conservation skills particularly among young people, we provided a grant of £5,000 (2024: £5,500) to York Foundation for Conservation and Craftsmanship. The foundation runs an annual bursary award scheme with an established process for promoting bursaries, assessing applications, and making awards across a wide range of conservation interests. It invited trustee Ruth Morrell to join its assessment panel both to assist deliberations across all areas of conservation interest and to ensure the Trust's grant was applied specifically to applicants engaged in historic building-related conservation. A bursary of £3,000 was awarded to support a traineeship in stained glass conservation at Eden Stained Glass. We also co-sponsored bursaries for Jim Brearley-Ratcliffe, Ellie Jae Dobson and Marlene Kate Longworth, to support their William Morris Craft Fellowships with the Society for the Protection of Ancient Buildings.

During the year we also awarded two dissertation prizes of £500 each (2024: £500 each) to two students at the University of York's Department of Archaeology, for submissions connected with historic buildings. One prize went

to an undergraduate, Grace Carroll, in support of course fees for continued study. Her dissertation focused on All Saints Church in Huntington. The other prize went to a student who has completed an MA in Historic Building Conservation, Delara Daniali. Her dissertation focused on the evolution of timber-framed buildings in Coney Street.

In addition, we gave a grant of £1,750 (2024: £1,500) to York Design Awards towards the costs of funding their annual event.

On a more practical level:

- Guy Bowyer, Chief Executive Officer, gave his annual lecture to students at the University of York on the approach of the Trust to climate change and its buildings.
- He also provided two training sessions to the Planning Inspectorate on heritage buildings.
- We offered a three-month University of York Archaeology Community Placement to Drashti Nakrani who has been of great assistance to us in producing architectural drawings.

Property portfolio review

Like many other charities, we have felt pressure on our financial resources in recent years especially as our income has fallen well short of our conservation and maintenance requirements. In recent years we had started a programme of property disposals to help fund our work, but we were conscious that we needed much more information about our property portfolio if we were to manage it effectively.

During the year we completed an exhaustive review of our property portfolio, assessing each property for its heritage value, its market value and yield, and its current capital requirement costs and, in November 2024, the board adopted a new 10-year financial plan. Given a level playing field, at the end of the 10 years, trustees are confident that the Trust should have addressed its most pressing conservation needs, be debt free and be on a much sounder financial footing to deal with future challenges.

We are grateful to consultants, Dr Dav Smith and Mr Geoff Maybank for their contributions to this review.

Legacy

During the year we received payment of £125k from the estate of the late Prunella King. This was in addition to the £55k we received in the previous year. We are extremely grateful for such legacies which make such an important contribution to our work.

Archive

During the year, with the invaluable support of our volunteers, Jack Pearce, Genevieve Rainey, Miriam Samuels and Megan Slater, we have continued the process of digitising our archive - specifically the older deeds and conveyances which had not previously been catalogued. This helps feed into our understanding of the history of our buildings and with the preparation of statements of significance.

We were particularly excited to unearth some original, historic and exquisitely detailed drawings of Herbert House which will be of great use to our Framing the Future project.

FUTURE PLANS

Property portfolio

In the short-term we plan to carry out the following works:

- 12-18 High Petergate: External repairs are required to all four buildings in this terrace in addition to various internal upgrades.
- 60 Goodramgate: We are planning to sensitively refurbish this Grade 1 listed building. Its partially intact C19th interiors require careful conservation and we are exploring methods to improve the thermal efficiency of the building.
- 77 Walmgate: Cuthbert Morrell engaged architects Brierley Rutherford to work on this building. We are planning to convert this building from two apartments into one residence, thereby improving its heritage significance and the quality of accommodation.
- 83-89 Micklegate: External repairs are required to all four buildings in this terrace in addition to various internal upgrades.
- Assembly Rooms: Although we have completed the first phase of roof repair works, significant external and internal repairs are still required.
- Goathland properties: All three of our Goathland properties and grounds require significant works.

Other significant works planned for the near to medium term include:

- 5 Colliergate: This building is one of the longest held by the Trust and was converted into a café in the 1930s by architects Brierley Rutherford for Cuthbert Morrell. It is the last remaining example of a timber-framed building on the street. Following a poor-quality shop fit, we are hoping to expose its incredible architectural and historical details.
- De Grey buildings: The rear extension of De Grey House requires renovation, including exposure of the impressive Edwardian roof structure while the interior of De Grey Rooms requires total refurbishment, including all of the ballroom and cocktail room on the first floor.
- Herbert House: This building represents one of the Trust's biggest renovation challenges due to its size and complexity, its current state of disrepair and the associated costs of the required work. We are extremely grateful to the Architectural Heritage Fund for a grant of £10k which will be received and spent in the next financial year. This will allow us to appoint external consultants to produce high quality design information to explore creative ideas for new uses for Herbert House and Lady Peckett's Yard.

We are mindful of the advantages of working in partnership with others on our conservation projects. We are currently engaging with York Citizens Theatre Trust around its plans to improve access for staff and actors to the back of house areas and improved access to the Keregan Room, which is formed from the remains of the medieval vaulted stone undercroft of St Leonard's Hospital, and Tate Wilkinson House.

Longer term aspirations

We recognise that in the short to mid-term our focus must be on our first object and keeping the estate in good order will draw on most of our available financial resources.

However, we are aware that this body of important conservation work presents an opportunity to meet our other objects, those of promoting public knowledge and enjoyment of our buildings and advancing education and skills in the conservation of buildings. Through public engagement and education activity, and with assistance from partners and funders, we are seeking to bolster our resources to deliver on these. Indeed, our current plans for the renovation of Herbert House and the grant from the Architectural Heritage Fund is an exemplar of such opportunities.

In short, we recognise that public benefit is not simply achieved through historic property ownership, and we are clear that we want to share not only our buildings but also our knowledge and our networks and our resources.

In his book 'The City of our Dreams', John Bowes Morrell wrote 'Our efforts in the future should be directed to making a better City... I am not concerned with a bigger City, I want a better one'. Similarly, we recognise that we do not need to be a bigger Trust. Rather our aspiration is to be a better one.

FINANCIAL REVIEW

In our financial statements we account for heritage assets at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. One impact of our method of accounting for heritage properties is that their market value is considerably more than the figure shown in the financial statements. In view of the nature of the charitable company's heritage properties, we are not able to give a realistic estimate of that value. However, the total value of the heritage properties for insurance purposes as at 31 March 2025 was £150m (2024: £152m) and the total sum insured was £188m (2024: £187m).

Over the year we returned a net surplus of £1.7m (2024: £(930)k) before losses on investment properties of £(69)k (2024: £(394)k).

We are conscious of the material demands we face for ongoing conservation works, particularly on some of our larger heritage properties which are not financially self-sustaining. Given this, in recent years, we have sold a number of properties and, this year, we have put in place a 10-year financial plan to bolster our longer-term financial resilience.

The balance held as unrestricted funds as at 31 March 2025 was £30.3m (2024: £28.6m). This figure reflected all known liabilities as at the balance sheet date and there are no material uncertainties. This sum comprised assets totalling £31.7m (2024: £32.0m) and creditors totalling £1.4m (2024: £3.4m).

Of the assets, none (2024: £476k) were held as free reserves, due to a £4.3m transfer to designated funds in relation to the 10-year financial plan. At the year end, £75k (2024: £115k) was pre-contracted to material conservation projects.

Of the year-end total reserves of £30.3m (2024: £28.6m), £28.1m (2024: £24.0m) were held as unrestricted designated funds and £3k (2024: £4k) were held as restricted funds.

Investment powers and policy

Our investment powers and policy are governed by the Articles of Association which permit funds to be deposited or invested. Decisions on our investment strategy and management are taken by the full board of trustees.

Our investments, and our approach to investment, are integral to supporting the Trust's objects. We seek out investments which:

- Contribute to the conservation of the historic built environment of York and North Yorkshire.
- Provide funding for our work.
- Allow us the flexibility to be responsive to changing demands on our resources.
- Do not conflict with our desire to protect the natural environment, an essential precursor to conserving the historic built environment.

We hold the following types of investment:

- A small portfolio of investment properties which we have developed using our knowledge and expertise in property development, and which we manage ourselves. These properties are held with the primary motive of generating financial returns.
- Cash on deposit with Epworth Asset Management and CAF Bank, external managers whose approach to sustainable investment is compatible with ours. These monies are used for any unexpected fluctuations in income or expenditure together with monies held for future scheduled conservation works which cannot be met out of income.

We manage risk in several ways:

- Through our cash deposits we aim to maintain sufficient liquidity to meet our commitments to staff and creditors for at least one year ahead to reduce the likelihood of becoming a forced seller of property.
- Given our cash reserves, we can take a long-term view of our investment property values and are usually comfortable with short term volatility in property prices.
- We periodically review how comfortable we are with holding our non-cash investments solely in property.
- We are open to the possibility of investing in equities and bonds, recognising that, longer term, equities tend to outperform all other mainstream investments.
- We avoid speculative and opaque investments and other investments that we do not understand.

Investment performance and future plans

At the year end, within our investment property portfolio we held 12 (2024: 15) residential units and one (2024: one) furnished guest-letting unit with a combined value of £3.0m (2024: £3.4m). During the year we sold our three investment properties at Malt Shovel Court. We also held cash on deposit (including our working cash balance) of £3.4m(2024: £1.1m).

We review the performance of our investment properties on an annual basis to ensure that we are achieving returns in line with the market after allowing for the fact that we do not incur external management costs. In the year, we made a capital return on our investment properties of -2.0% (2024: -10.3%) and an income return of 2.5% (2024: 1.7%).

We keep the interest rates achieved on our cash deposits under constant review to ensure that we achieve the best returns available subject to our investment criteria and cash requirements. We are also mindful of the risk of placing the majority of our funds with one deposit holder and, in the coming year, plan to start managing some of our cash through the Flagstone platform to achieve greater diversity.

Reserves policy

Historically, our income has been obtained primarily from property rentals and furnished guest lets. In the past, our expectation was that, in a typical year, our income would not only cover new property purchases, the routine maintenance of our properties and our overheads but also that it would contribute towards the demanding restorative requirements of some of our heritage properties.

However, as the challenges around conservation have increased over time along with related costs, it has become increasingly clear that that we cannot fund this work from operational income alone. In the short term we are plugging the gap through the sale of some of our properties but this approach is not sustainable in the long term. To address this issue, in 2024 we completed an extensive programme of work to determine our conservation work priorities over the following ten years and, to the extent that we are able, we are designating funds to deliver on these plans. Where we anticipate a financial deviation between our aspirations and our ability to deliver on such works, works have been postponed until such time as we can afford to carry them out. Inevitably, there is a cost to such delays, either through lost income or additional expense.

Despite our best endeavours when preparing this 10 year plan, there will be times when we are financially exposed in the short term due to a host of routine operating factors that we cannot reasonably prepare for. We might experience a substantial short-term loss of income if a large commercial tenant unexpectedly vacates. We might need to renovate a flat at short notice if a residential tenant suddenly moves out. We might face an unforeseen and complex emergency repair which is in the nature of managing heritage properties. Our programme of work might be delayed due to access difficulties or planning delays. To the extent that we have not allowed for such eventualities within our 10 year programme of work, we have set aside £600k as a designated contingency fund for this period to deal with such issues.

We are also aware that our income and expenditure streams can vary due to random factors outside our control. For example, we had an unexpected drop in

our property rental and guest accommodation income during the recent COVID-19 pandemic. Similarly, should a member of staff take a prolonged period of sick leave, given our very small staff team, this could have a disproportionate effect on our finances. To allow the Trust to ride out any unpredictable variances in income and expenditure, we have set aside an undesignated cash reserve of £200k to act as a buffer until the Trust is able to reorganise its finances.

We recognise that the above policy primarily addresses our first charitable objective of providing for the conservation and preservation for the public benefit of buildings and land of significant historic interest, architectural merit or amenity value in York and North Yorkshire. We are equally committed to our other objectives of promoting public knowledge and enjoyment of our properties and advancing education and skills in buildings conservation. However, we acknowledge that, as we work through our 10-year conservation plan, we are likely to have to rely on support from grant makers and donors, both alone and in partnership with other charities, to pursue these objectives.

Going concern

We recognise when preparing our financial statements on a going concern basis, we must make our own assessment of the Trust's ability to continue as a going concern to assure ourselves of the validity of this assumption. Such an assessment is part of our ongoing oversight process that takes place throughout the year. To this end, we have adopted a robust reserves policy which we carefully monitor. We also expect that, in addition to its routine reporting to the board on income and expenditure, our management team will provide us with projected cashflow and any other relevant information about the future which covers at least the next 12 months and up to 10 years ahead.

Over the next few years, we face significant costs associated with our required programme of conservation works. Recognising that these exceed our projected income from rents, we have earmarked designated funds from the proceeds of the recent disposal of some properties of lesser conservation significance. A further property disposal is anticipated in the next financial year. If this sale is delayed, this will not impact on our immediate spending plans but we may need to modify the timing of our longer-term conservation works. This strategy, combined with our existing cash reserves, gives us confidence in the Trust's ability to continue as a going concern beyond the next 12 months.

GOVERNANCE & MANAGEMENT

Appointment & recruitment of trustees / directors

The directors of the charitable company are the trustees of the charity so conditions regarding appointments as set out in the written resolutions apply to both.

Shares in the company are held by direct descendants of one of our founders, John Bowes Morrell, and shareholders are eligible to hold office as a trustee / director. They may be appointed and act as such subject to becoming a member within two months of their appointment. However, share ownership is not a prerequisite to becoming a trustee / director and up to three non-family trustees / directors can be appointed. This helps us improve the diversity and skill set of the board.

Trustee / directors must be at least eighteen years of age as at the date of appointment. Each trustee / director can hold office for a term of three years following which they must retire but they may offer themselves for reappointment. The maximum number of trustees / directors of the company is twelve and the minimum three.

Trustees give their time and expertise on a wholly voluntary basis and receive no benefits from the Trust other than personal satisfaction from the public benefit achieved through its areas of activity.

Details of reimbursed expenses incurred by trustees while fulfilling their duties are set out in note 20 to the financial statements.

Members

No dividend or any other form of distribution has been or will be declared or paid on any or all the shares of the company. If on winding up or dissolution there remains, after satisfaction of all liabilities, any property whatsoever, it will be given or transferred to a charitable institution, or institutions, having objects similar to the objects of the company. Under no circumstance can or will, property be given or distributed to the members of the charitable company.

Trustees' induction & training

Prior to and following appointment, trustees are familiarised with the objects, policies and processes of the Trust including their responsibilities in respect of both company and charity compliance obligations. All new trustees receive a welcome pack and we are currently developing a dedicated trustee handbook.

Trustees are encouraged to participate in relevant seminars / training sessions, including those on charity governance and finance, and to broaden their knowledge of conservation management in the historic built environment sector. They seek to learn from the experience of other heritage and conservation bodies and to contribute to the shared pool of knowledge and best practice.

Organisation

Trustees determine the policies of the Trust and delegate day-to-day management of both assets and activities to a chief executive officer who is also company secretary. The chief executive supports the trustees in establishing policies and reviewing their development over time. Trustees are kept regularly up to date by the chief executive and encouraged to discuss areas of both substance and general interest in between formal meetings.

Board decisions are based on a simple majority, subject to a quorum of five trustees. If a majority cannot be established, then the chair has a second and casting vote.

Staff remuneration

Trustees' review staff remuneration annually based on individual and collective contributions to the objects and work of the Trust. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

Risk management

Trustees are responsible for the management of the risks faced by the Trust. We have a formal risk management process to assess the risks and implement risk management strategies. This involves identifying the risks we face, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Our findings are documented in two formal risk registers, a high-level strategic risk register and a more detailed operational risk register, both of which are updated at least annually. Risk Committee oversees this process, approving the operational risk register and recommending the strategic risk register to the board.

We recognise, however, that we can only manage risk, we cannot eliminate it. We consider that the three greatest risks currently facing us are:

- The danger of adverse changes to the world economic order created by events outside of our control, resulting in very high interest rates, extreme inflationary pressures on our suppliers and our tenants no longer being able to meet their rental obligations. We have mitigated against this risk with a discrete programme of property disposals which has allowed us to reduce our exposure to debt and to put us on a sounder financial footing to meet our longer-term conservation obligations.
- Failure to resource and manage all the conservation works required by our property portfolio, leading to project backlogs, compromised or neglected conservation work and significant, unproductive, rental void periods. To mitigate against this risk, in the current year we have completed a portfolio review assessing all our heritage properties, enabling us to make fully informed decisions about their ongoing conservation requirements. Some of the proceeds of recent property disposals have been specifically earmarked for the conservation works identified through this process.
- Property compliance and health and safety is neglected, putting our tenants and the public at risk. To mitigate against this risk, responsibility for compliance is delegated to experienced staff members. They are advised by external consultants to ensure that our compliance work meets current legal and regulatory requirements, and they use accredited contractors to carry out our programme of compliance checks and remedial works. Progress against that programme is recorded on our property database.

Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

Conflicts of interest & related party transactions

The Trust has a conflict of interest policy which is written into the articles of association and applies to all trustees and staff members. Related party transactions are disclosed in note 20 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees (who are also directors of York Conservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware.
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by trustees on 4 July 2025 and signed on their behalf by
James R Morrell, Chair of trustees.

REFERENCE AND ADMINISTRATIVE INFORMATION

Company registration no	00395954	
Charity registration no	504302	
Registered office	De Grey House St Leonard's Place York YO1 7HE	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Deposit Holder	Epworth Investment 9 Bonhill Street London EC2A 4PE	
Solicitors	Drivers Solicitors 56A Bootham York YO30 7XZ	Hempsons 100 Wood Street London EC2V 7AN
	Andrew Jackson Solicitors LLP Foss Islands House Foss Islands Road York YO31 7UJ	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH	

REFERENCE AND ADMINISTRATIVE INFORMATION CONT'D

Trustees	Charles H E Butler		Appointments committee
	Patricia A Butler		
	Vanessa R M Butler		Risk committee
	Anna E Gawthorp		
	James R J Grierson	From 18 October 2024	
	James R Morrell		Chair & Appointments committee
	Jeremy S Morrell		Risk Committee
	Margaret A Morrell		Appointments committee
	Olivia H Morrell		Appointments committee
	Ruth I Morrell		Risk committee
	James E Naish	From 18 October 2024	
Staff			
	Guy F J Bowyer		Secretary / chief executive
	Richard T Fearnley		Assistant building manager
	Tony S Leonard		Buildings manager
	Kelly J Storrer		Operations administrator
	Lizzie C Taylor		Operations manager
	Jackie L Turpin		Finance manager

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS & TRUSTEES OF YORK CONSERVATION TRUST LIMITED

Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health & safety, building regulations and employment law.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the charitable company.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls we:

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1d were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants, Statutory Auditor
Rievaux House
1 St Mary's Court
Blossom Street
York YO24 1AH

4 July 2025

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT FOR YEAR ENDED MARCH 2025

	Note	Unrestrict ed undesignat ed £	Unrestrict ed designated £	Restrict ed £	Total funds 2025 £	Total funds 2024 £
Income from						
Donations and legacies	2	125,082	-	20,000	145,082	55,594
Charitable activities	2	2,205,101	-	-	2,205,101	2,265,425
Investments	2	285,048	-	-	285,048	222,883
Other	2	263,887	-	-	263,887	10,430
Net gains / (losses) on disposal of heritage assets	2	1,459,864	-	-	1,459,864	(18,292)
Total income		<u>4,338,982</u>	<u>-</u>	<u>20,000</u>	<u>4,358,982</u>	<u>2,536,040</u>
Expenditure on						
Raising funds	3	81,738	-	-	81,738	97,431
Charitable activities	3	2,355,432	162,513	20,606	2,538,551	3,368,213
Total expenditure		<u>2,437,170</u>	<u>162,513</u>	<u>20,606</u>	<u>2,620,289</u>	<u>3,465,644</u>
Net income/ (expenditure) before (losses)/ gains on investment properties						
		1,901,812	(162,513)	(606)	1,738,693	(929,604)
(Losses) / gains on investment properties	9	(69,091)	-	-	(69,091)	(394,244)
Net income / (expenditure) Transfers between funds	16	1,832,721	(162,513)	(606)	1,669,602	(1,323,848)
	15	(4,348,104)	4,348,104	-	-	-
Net movement in funds		(2,515,383)	4,185,591	(606)	1,669,602	(1,323,848)
Reconciliation of funds						
Total funds brought forward		<u>4,659,451</u>	<u>23,951,769</u>	<u>3,762</u>	<u>28,614,982</u>	<u>29,938,830</u>
Total funds carried forward	15	<u>2,144,068</u>	<u>28,137,360</u>	<u>3,156</u>	<u>30,284,584</u>	<u>28,614,982</u>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 47 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Heritage assets	7		24,540,526		26,599,927
Tangible assets	8		488,749		531,329
Investment assets	9		3,036,134		3,446,960
			<u>28,065,409</u>		<u>30,578,216</u>
Current assets					
Debtors	10	293,751		367,610	
Cash at bank and in hand	11	3,364,626		1,064,042	
		<u>3,658,377</u>		<u>1,431,652</u>	
Creditors					
Amounts falling due within one year	12	521,216		838,465	
			<u>3,137,161</u>		<u>593,187</u>
Net current assets					
			<u>31,202,570</u>		<u>31,171,403</u>
Total assets less current liabilities					
Creditors					
Amounts falling due after more than one year	13		917,986		2,556,421
			<u>30,284,584</u>		<u>28,614,982</u>
Total net assets					
Capital and reserves					
Unrestricted funds					
Share capital	14	130,000		130,000	
Unrestricted designated fund	15	28,137,360		23,951,769	
Unrestricted revaluation fund	15	1,814,068		2,162,575	
Unrestricted income and expenditure account	15	200,000		2,366,876	
Total unrestricted funds			<u>30,281,428</u>		<u>28,611,220</u>
Restricted funds			<u>3,156</u>		<u>3,762</u>
			<u>30,284,584</u>		<u>28,614,982</u>

The financial statements were authorised for issue and approved by the board on 4 July 2025 and signed on its behalf by

James R Morrell
Director & trustee

Ruth I Morrell
Director & trustee

The notes on pages 29 to 47 form part of these financial statements.

STATEMENT OF CASH FLOWS AS AT MARCH 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash (absorbed) / provided by operating activities	16	(97,770)	(1,416,167)
Cash flows from investing activities			
Net rents and interest from investments	2	285,048	222,883
Purchase of fixed assets	8	(9,171)	(18,206)
Net proceeds from sale of fixed assets: heritage properties	7	3,519,265	(18,292)
Net proceeds from sale of fixed assets: investment properties	9	341,735	-
Net cash provided by investing activities		4,136,877	186,385
Cash flows from financing activities			
Repayments of borrowings	13	(1,738,523)	(113,869)
Net cash provided by financing operations		(1,738,523)	(113,869)
Change in cash and cash equivalents in the reporting period		2,300,584	(1,343,651)
Cash and cash equivalents at the beginning of the reporting period		1,064,042	2,407,693
Cash and cash equivalents at the end of the reporting period	11	3,364,626	1,064,042

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the charity. This constraint has not adversely affected the cash flows stated above.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES

Organisation address and registration

York Conservation Trust Limited is a company limited by shares (00395954) registered in England and Wales and a registered charity (504302). The address of the registered office and principal place of business is De Grey House, St Leonard's Place, York, YO1 7HE. In these notes to the financial statements, the charitable company is referred to as the charity.

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

b. Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

c. Going concern

We consider that there are no material uncertainties about the charity's ability to continue as a going concern and therefore it is appropriate to prepare the financial statements on a going concern basis.

Our long-term loan facilities are renewed annually. We are not aware of any circumstances which might adversely affect the renewal of these facilities.

d. Key judgements and estimates

In applying the financial reporting framework, we have made some subjective judgments, for example in respect of significant accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of estimation means the actual outcomes could differ from those estimates. Any significant estimates or judgments affecting these financial statements are detailed below:

A key judgment which the charity has made that has a significant impact on the financial statements is the valuation of heritage properties. They are valued at cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. We consider that this approach is likely to significantly understate the market value of our heritage properties.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES CONT'D

d. Key judgements and estimates cont'd

Our investment properties included on the balance sheet at fair value (market value) at the balance sheet date. Fair value is based on desktop valuations attributed as at 31 March 2024 to the charity's investment properties, uplifted as at 31 March 2025 in line with the Office for National Statistics house price statistics as applied to York. The desktop valuations were determined during the Trust's portfolio review process by its external advisors, which included a Chartered Buildings Surveyor, and were sense-checked by an external property agent and compared with actual valuations received as part of the charity's property disposals process.

We do not consider that there are any other material sources of estimation uncertainty at the reporting date which have a significant risk of causing a material adjustment to the carrying amounts of our assets and liabilities within the reporting period.

e. Income

Grants and other monies received for specific works are matched against the project costs in the year that the expenditure is incurred. All other income, including bank interest, is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably. Rental income invoiced in the year to 31 March 2025 which relates to future periods has been deferred in the financial statements.

f. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through, our investment properties including staff costs together with an allocation of support costs and governance.
- Charitable activities: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through, our heritage properties including staff costs, heritage property related legal fees, depreciation and interest on loans relating to the heritage properties together with an allocation of support costs and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES CONT'D

g. Allocation of support costs

Staff costs have been apportioned between property management, governance and support costs based on staff time working in these areas. The split of property-related staff costs between the cost of raising funds and charitable activities is allocated in proportion to their respective property management costs.

Support costs, primarily staff costs, office costs and general legal costs, have been allocated between the cost of raising funds, charitable activities and governance in proportion to their related costs.

h. Allocation of support costs cont'd

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include staff costs and other costs related to statutory audit, governance-related legal costs and Trust meetings together with an apportionment of support costs. They have been allocated to raising funds and charitable activities in proportion to their related costs.

i. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the costs directly attributable to making the asset capable of operating as intended.

Generally, depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- Plant and equipment, 5 years straight line
- Fixtures and fittings, 5 years straight line

Due to their exceptional nature, the costs of refurbishing York Theatre Royal incurred in 2016 are being written off over 20 years straight line.

j. Heritage assets

The charity holds 67 freehold heritage properties (2024: 71) dating from the C14th which are let commercially, residentially or as furnished guest accommodation.

All properties are included at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Any further conservation costs are released through the Statement of Financial Activities when they are carried out.

In addition, the Trust owns the Thompson Mausoleum, Little Ouseburn, North Yorkshire, which was donated to the charity in 2010.

Due to the historic nature of the land and buildings, they are deemed to have indefinite lives. Therefore, the charity values the assets at full cost with no depreciation.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES CONT'D

k. Heritage assets cont'd

Details of our heritage properties can be found on the Trust's website www.yorkconservationtrust.org.

The charity holds historic artefacts which were purchased with the Assembly Rooms. They were professionally valued on purchase. They are not depreciated because they are classified as heritage assets with indefinite lives.

k. Investments

All three groups of our investment properties are freehold. They are let residentially or as furnished guest accommodation.

They are included on the balance sheet at fair value at the balance sheet date. Fair value is based on desktop valuations attributed as at 31 March 2024 to the charity's investment properties, uplifted as at 31 March 2025 in line with the Office for National Statistics house price statistics as applied to York as at 28 February 2025. The desktop valuations were determined during the Trust's portfolio review process by its external advisors, which included a Chartered Buildings Surveyor, and were sense-checked by an external property agent and compared with actual valuations received as part of the charity's property disposals process.

Gains and losses are reflected in the Statement of Financial Activities and allocated to the appropriate funds.

Details of our investment properties can be found on the Trust's website www.yorkconservationtrust.org.

l. Impairment

Assets not measured at fair value are reviewed at the balance sheet date for any indication that the asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset has been previously written down in value by an amount exceeding the current impairment estimate.

m. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n. Bank and cash in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES CONT'D

o. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p. Funds structure

Unrestricted funds are funds which are available for use or retention at our discretion in accordance with the charity's objects.

Designated funds represent the written down value of our heritage buildings less the outstanding loan charged on our properties and taken out to finance conservation works on our heritage properties and related creditors, together with any material expenditure commitments at the year end and funds set aside in the current year to finance conservation projects specifically identified by the portfolio review.

Restricted funds are funds where the income can only be used for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

q. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction date and subsequently measured at their settlement value except for the bank loan which has been subsequently measured at amortised cost using the effective interest method.

r. Pension scheme

The charity contributes to defined contribution pension schemes on behalf of all staff members and operates an auto-enrolment scheme with NEST. The assets of the NEST scheme are invested and managed independently of the finances of the charity. The charge for pension costs included in the financial statements represents the employer contributions payable by the charity in the period.

s. Taxation

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

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH
2025**

1 ACCOUNTING POLICIES CONT'D

t. Related party transactions and conflicts of interest

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, staff and advisors to declare an interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

u. Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

2 INCOME AND ENDOWMENTS

	2025	2024
	£	£
Donations and legacies		
Legacy: from the estate of the late Prunella King	124,916	54,958
Grants: restricted	20,000	-
Donations: restricted	-	500
Donations: unrestricted	166	136
	<u>145,082</u>	<u>55,594</u>
Charitable activities		
Rental income	1,907,145	1,982,455
Tenant recharges	161,192	142,189
Room hire	9,401	2,566
Furnished guest accommodation	127,363	138,215
	<u>2,205,101</u>	<u>2,265,425</u>
Investments		
Rental income	106,332	109,900
Furnished guest accommodation	30,721	31,986
Bank interest	147,995	80,997
	<u>285,048</u>	<u>222,883</u>
Other		
Grants: unrestricted	5,000	5,000
Dilapidations	233,002	5,000
Sundry income	25,885	430
	<u>263,887</u>	<u>10,430</u>
Net gains / (losses) on disposal of heritage assets (note 7)	<u>1,459,864</u>	<u>(18,292)</u>
Total income	<u>4,358,982</u>	<u>2,536,040</u>

Other than the restricted grants in donations and legacies noted above, all the above income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

3 ANALYSIS OF EXPENDITURE

Current year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2025 £	Total 2024 £
Expenditure						
Property management costs: unrestricted	58,720	1,821,622	-	-	1,880,342	2,724,433
Property management costs: restricted	3,701	16,299	-	-	20,000	1,963
Staff costs	8,016	236,005	8,617	49,336	301,974	318,701
Legal and professional fees	6,200	99,425	602	-	106,227	29,039
Auditor's remuneration	-	-	14,135	-	14,135	13,525
Office costs	-	-	5,923	77,424	83,347	124,180
Depreciation	-	44,272	-	7,479	51,751	56,412
Loss on disposal of assets	-	-	-	-	-	-
Loan interest	-	162,513	-	-	162,513	197,391
	<u>76,637</u>	<u>2,380,136</u>	<u>29,277</u>	<u>134,239</u>	<u>2,620,289</u>	<u>3,465,644</u>
Allocation of support costs	<u>4,138</u>	<u>128,520</u>	<u>1,581</u>	<u>(134,239)</u>	<u>-</u>	<u>-</u>
	80,775	2,508,656	30,858	-	2,620,289	3,465,644
Allocation of governance costs	<u>963</u>	<u>29,895</u>	<u>(30,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditure 2025	<u>81,738</u>	<u>2,538,551</u>	<u>-</u>	<u>-</u>	<u>2,620,289</u>	<u>-</u>
Total expenditure 2024	<u>97,431</u>	<u>3,368,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,465,644</u>

Other than the property management costs noted, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

3 ANALYSIS OF EXPENDITURE (CONT'D)

Prior year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2024 £
Expenditure					
Property management costs: unrestricted	82,639	2,641,794	-	-	2,724,433
Property management costs: restricted	-	1,963	-	-	1,963
Staff costs	7,967	253,766	11,227	45,741	318,701
Legal and professional fees	-	21,363	3,539	4,137	29,039
Auditor's remuneration	-	-	13,525	-	13,525
Office costs	-	-	8,672	115,508	124,180
Depreciation	932	48,117	-	7,363	56,412
Gain on disposal of assets	-	-	-	-	-
Loan interest		197,391	-	-	197,391
	91,538	3,164,394	36,963	172,749	3,465,644
Allocation of support costs	4,800	166,009	1,940	(172,749)	-
	96,338	3,330,403	38,903	-	3,465,644
Allocation of governance costs	1,093	37,810	(38,903)	-	-
Total expenditure 2024	97,431	3,368,213	-	-	3,465,644

Other than property management costs noted, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

4 STAFF COSTS

	2025 £	2024 £
Total cost of all paid staff		
Gross salaries and wages	240,495	272,509
Employer's national insurance	20,656	25,325
Employer's pension contributions	40,823	20,867
	301,974	318,701

None of the trustees received any remuneration or benefits during the year (2024: none).

The average weekly number of employees during the year was 6 (2024: six). In both 2025 and 2024, all staff were employed in an administrative capacity.

During the year, one employee earned between £70,000 and £79,999 (2024: none) and no employee earned between £60,000 and £69,999 (2024: one).

One higher paid employee accrued benefits under a money purchase scheme (2024: one). In the year, contributions under a money purchase scheme paid on behalf of the higher paid employee totalled £10,768 (2024: £4,533).

The key management personnel of the charity are the chief executive officer, finance manager and operations manager. Total employee emoluments of the key management personnel, including employer's national insurance and pensions, were £188,891 (2024: £239,914).

5 NET INCOME

	2025 £	2024 £
This is stated after charging		
Auditor's remuneration	14,135	13,525
Depreciation	51,751	56,412

6 AUDITOR REMUNERATION

	2025 £	2024 £
Audit of the financial statements	14,135	13,525
Other services	375	4,588
	14,510	18,113

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

7 HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
Cost or valuation			
1 April 2024	74,870	27,344,670	27,419,540
Additions	-	-	-
Disposals	-	(2,059,401)	2,059,401
31 March 2025	<u>74,870</u>	<u>25,285,269</u>	<u>25,360,139</u>
Impairment			
1 April 2024	-	819,613	819,613
Additions	-	-	-
Disposals	-	-	-
31 March 2025	<u>-</u>	<u>819,613</u>	<u>819,613</u>
Net book values			
31 March 2025	<u>74,870</u>	<u>24,465,656</u>	<u>24,540,526</u>
31 March 2024	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>
Valuation	57,000	-	57,000
Cost including restoration charges and after impairment charge	<u>17,870</u>	<u>24,465,656</u>	<u>26,542,927</u>
Total	<u>74,870</u>	<u>24,465,656</u>	<u>26,599,927</u>

The charity owns 67 freehold heritage properties (2024: 71) dating from the C14th and the Thompson Mausoleum, Little Ouseburn, North Yorkshire. All have conservation and preservation interest.

During the current year, the Trust disposed of properties at 4-8 Walmgate, 1 Museum Street and 8 Colliergate.

The heritage properties are let commercially, residentially or as furnished guest accommodation. The mausoleum was donated to the charity in 2010.

Due to the nature of the property, the Mausoleum is deemed to have no market value. The building was valued for insurance reinstatement purposes at £621k at the year-end (2024: £602k)

Details of these properties can be found at www.yorkconservationtrust.org

The charity acquired historic artefacts with the purchase of The Assembly Rooms. They were valued for insurance purposes by Tennants on 21 June 2024 at £244k.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

7 HERITAGE FIXED ASSETS CONT'D

Five-year financial summary of heritage asset transactions

	2025	2024	2023	2022	2021
	£	£	£	£	£
Additions: purchases and restoration					
Properties	-	-	-	-	-
Artefacts	-	-	-	-	-
Total additions	-	-	-	-	-
Disposal costs					
Properties	2,059,401	18,292	437,471	-	-
Artefacts	-	-	-	8,000	-
Total disposal costs	2,130,183	18,292	437,471	8,000	-
Disposals proceeds					
Properties	3,519,265	-	2,411,065	-	-
Artefacts	-	-	-	-	-
Net total proceeds	1,459,864	(18,292)	1,973,594	-	-

During the current year, the Trust disposed of properties at 4-8 Walmgate, 1 Museum Street and 8 Colliergate.

8 FIXED ASSETS

	Fixtures and fittings £	Plant and equipment £	Total £
Cost			
1 April 2024	905,608	34,396	940,004
Additions	3,420	5,751	9,171
Disposals	-	(2,646)	(2,646)
31 March 2025	909,028	37,501	946,529
Depreciation			
1 April 2024	389,778	18,897	408,675
Provision for the year	44,272	7,479	51,751
Disposals	-	(2,646)	(2,646)
31 March 2025	434,050	23,730	457,780
Net book values			
31 March 2025	474,978	13,771	488,749
31 March 2024	515,830	15,499	531,329

All fixed assets are used in the furtherance of the charity's objectives.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

9 INVESTMENTS

	Properties
	£
At valuation	
1 April 2024	3,446,960
Revaluation	(61,866)
Loss on disposal	(7,225)
Proceeds of disposal	(341,735)
31 March 2025	<u>3,036,134</u>

The Trust owns investment properties at Morrell Cottages and Morrell Yard, which are let residentially and Trinity Cottage which is let as furnished guest accommodation. The combined historic cost of all the investment properties was £1.2m (2024: £1.3m).

During the current year, three investment properties at Malt Shovel Court, which were let residentially, were disposed of for £342k as part of a block disposal with 4-8 Walmgate.

The baseline for the valuation of our investment properties was a desktop valuation carried out in the previous year during the Trust's portfolio review process by its external advisors, which included a Chartered Buildings Surveyor. It was sense-checked by an external property agent and compared with actual valuations received as part of the charity's property disposals. The valuation has been uplifted as at 31 March 2025 in line with the Office for National Statistics house price statistics as applied to York as at 28 February 2025.

10 DEBTORS

	2025	2024
	£	£
Amounts falling due within one year		
Rent debtors	256,515	301,476
Prepayments	21,146	27,439
Accrued income	12,500	23,532
Other debtors	3,590	-
Other taxes	-	15,163
	<u>293,751</u>	<u>367,610</u>

11 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
At bank	<u>3,364,626</u>	<u>1,064,042</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

12 CREDITORS DUE WITHIN ONE YEAR

	2025 £	2024 £
Amounts falling due within one year		
Bank loans (secured)	25,649	125,737
Rents received in advance	277,782	313,305
Trade creditors	127,074	326,503
Other taxes and social security costs	41,353	6,984
Other creditors	12,168	96
Pension contributions	3,390	1,329
Accruals	33,800	64,511
	<u>521,216</u>	<u>838,465</u>

At the year end, tenant bonds totalling £216k (2024: £246k) were held in designated bank accounts and were not included in cash at bank and in hand.

13 CREDITORS DUE AFTER ONE YEAR

	2025 £	2024 £
Amounts falling due after more than one year		
Bank loan (secured)	<u>917,986</u>	<u>2,556,421</u>

The loan is secured on the following properties: The Assembly Rooms, 13/14 Fossgate, 15/16 Fossgate, 14/16 Lendal, Morrell Yard. The loan is repayable as follows:

	2025 £	2024 £
Bank loans repayable as follows		
Within one year	25,649	125,737
More than one year but not more than two years	27,408	134,501
More than two years but not more than five years	94,023	324,414
More than five years	796,555	2,097,506
	<u>943,635</u>	<u>2,682,158</u>

14 CALLED UP SHARE CAPITAL

	2025 £	2024 £
Allotted, called up and fully paid		
130,000 Ordinary Shares of £1 each	<u>130,000</u>	<u>130,000</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

15 FUNDS

Fund balances at 31 March 2025 are represented by:

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2025 £	2024 £
Unrestricted funds					
Designated funds	26,251,341	2,804,005	(917,986)	28,137,360	23,951,769
Undesignated funds	1,814,068	330,000	-	2,144,068	4,625,717
	<u>28,065,409</u>	<u>3,134,005</u>	<u>(917,986)</u>	<u>30,281,428</u>	<u>28,611,220</u>
Restricted funds					
Thompson Mausoleum	-	3,156	-	3,156	3,762
	<u>28,065,409</u>	<u>3,137,161</u>	<u>(917,986)</u>	<u>30,284,584</u>	<u>28,614,982</u>

Fund balances at 31 March 2024 are represented by:

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2024 £
Unrestricted funds				
Designated funds	26,525,057	16,867	(2,556,421)	23,951,769
Undesignated funds	4,053,159	572,558	-	4,625,717
	<u>30,578,216</u>	<u>589,425</u>	<u>(2,556,421)</u>	<u>28,611,220</u>
Restricted funds				
Thompson Mausoleum	-	3,762	-	3,762
	<u>30,578,216</u>	<u>593,187</u>	<u>(2,556,421)</u>	<u>28,614,982</u>

Designated funds at 31 March 2025 are represented by:

	Balance at 1 April 2024 £	Income/ expenditure £	Transfer £	Balance at 31 March 2025 £
Heritage assets	23,951,769	(162,513)	4,348,104	28,137,360

Designated funds at 31 March 2024 are represented by:

	Balance at 1 April 2023 £	Income/ expenditure £	Transfer £	Balance at 31 March 2024 £
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YORK CONSERVATION TRUST LIMITED

Heritage assets	24,237,454	(197,391)	(88,294)	23,951,769
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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

15 FUNDS (CONT'D)

Undesignated funds at 31 March 2025 are represented by:

	Balance at 1 April 2024	Net income/ (expenditure)	Transfer	Balance at 31 March 2025
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	2,366,876	1,901,812	(4,068,688)	200,000
Revaluation reserve	2,162,575	(69,091)	(279,416)	1,814,068
Undesignated assets	4,659,451	1,832,721	(4,348,104)	2,144,068

Undesignated funds at 31 March 2024 are represented by:

	Balance at 1 April 2023	Net income/ (expenditure)	Transfer	Balance at 31 March 2024
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	3,009,332	(730,750)	88,294	2,366,876
Revaluation reserve	2,556,819	(394,244)	-	2,162,575
Undesignated assets	5,696,151	(1,124,994)	88,294	4,659,451

The undesignated fund has remained in credit throughout the year (2024: the fund remained in credit). During the year, £4,348,104 was transferred from undesignated funds to designated funds (2024: £88,294). The year-end balance on the designated funds represents the written down value of our heritage buildings less the outstanding loan charged on our properties and taken out to finance conservation works on our heritage properties and related creditors, together with any material expenditure commitments at the year end and funds set aside in the current year to finance conservation projects specifically identified by the portfolio review.

Restricted funds at 31 March 2025 are represented by:

	Balance at 1 April 2024	Income	Expenditure	Balance at 31 March 2025
	£	£	£	£
Thompson Mausoleum	3,762	-	606	3,156
Grant from City of York Council under its LEAD project	-	20,000	20,000	-
Restricted funds	3,762	20,000	20,606	3,156

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

15 FUNDS (CONT'D)

Restricted funds at 31 March 2024 are represented by:

	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£	£	£	£
Thompson Mausoleum	5,225	-	1,463	3,762
Donations towards new memorial benches in St Anthony's Gardens	-	500	500	-
Restricted funds	<u>5,225</u>	<u>500</u>	<u>1,963</u>	<u>3,762</u>

The charity took over the assets of the Thompson Mausoleum Limited in 2010. The balance of the monies received are to be spent on the upkeep of the Thompson Mausoleum, Little Ouseburn, North Yorkshire.

During the year the Trust received £20k from the City of York Council under their Local Energy Advice Demonstrator (LEAD) Project, to deliver retrofit assessments and heritage statements for some of our residential properties. The funds were spent in full during the year.

16 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net (expenditure) / income	1,669,602	(1,323,848)
Losses / (gains) on investment properties	69,091	394,244
Net income/(expenditure) for the reporting period	<u>1,738,693</u>	<u>(929,604)</u>
Adjustments for:		
Depreciation charges	51,751	56,412
(Gains)/losses on disposal of fixed and heritage assets	(1,459,864)	18,292
Returns from investments and interest	(285,048)	(222,883)
Decrease in debtors	73,859	165,044
Decrease in short term deposits	-	-
(Decrease) / increase in creditors	(217,161)	(503,428)
Net cash (absorbed) / provided by operating activities	<u>(97,770)</u>	<u>(1,416,167)</u>

17 ANALYSIS OF CHANGE IN NET DEBT

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,064,042	2,300,584	3,364,626
Debt due within 1 year	(125,737)	100,088	(25,649)
Debt due after 1 year	(2,556,421)	1,638,435	(917,986)
	<u>(1,618,116)</u>	<u>4,039,107</u>	<u>2,420,991</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

18 CAPITAL COMMITMENTS

Future capital commitments not otherwise included in these accounts:

	2025 £	2024 £
Contracted for	<u>75,000</u>	<u>115,000</u>

19 CONTINGENT LIABILITY

A contingent liability exists in respect of restricted donations totalling £2,658,068 which were received from the Arts Council of England in 2015/16 and related to the refurbishment of York Theatre Royal which was subsequently completed. As a pre-requisite of the funding, a twenty-year charge was put in place by Arts Council England. At the end of the period the charge will be revoked provided certain conditions laid out by the Arts Council have been met.

20 RELATED PARTY TRANSACTIONS

No remuneration was paid to any of the trustees in 2025 (2024: £0).

During the year, travel and subsistence totalling £4,089 (2024: £6,628) were reimbursed to seven (2024: eight) trustees and catering and travel costs of £1,781 (2024: £1,435) were met on their behalf.

Jonathan Bryant who was chief executive officer until 30 September 2023 was a member of the key management personnel and rented a flat for a short period during previous financial year ended 31 March 2024. This was an arm's length transaction at market value of £605.

Occasionally we rent our properties or make grants to organisations with which our trustees or staff members are involved or are connected to. This is not unexpected given the nature of the heritage properties which we own, and that trustees and staff are expected to bring relevant experience in the specialist area in which we work. All such conflicts are declared and managed according to our articles of association and conflict of interest policy.

During the year a grant totalling £5,000 (2024: £5,500) were made to York Foundation for Conservation and Craftsmanship of which James Grierson, trustee, and Jonathan Bryant, chief executive officer up to 30 September 2023, are trustees. They did not participate in any decisions relating to the Trust's funding of the organisation. Ruth Morrell, trustee, attended the YFCC bursary judging days in both 2024 and 2025, interviewing candidates shortlisted by YFCC for bursaries and assisting with deciding who should be recipients of YCT sponsored funding.

21 VOLUNTEERS

We recognise the invaluable support of volunteers and plan to broaden the scope of their involvement in future years. Individual contributions are noted in the Annual Report.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

22 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE STATEMENT

	Unrestricted Undesignated	Unrestricted designated	Restricted	Total funds 2024
	£	£	£	£
Income from				
Donations and legacies	55,094	-	500	55,594
Charitable activities	2,265,425	-	-	2,265,425
Investments	222,883	-	-	222,883
Other	10,430	-	-	10,430
Net gains on disposal of heritage assets	(18,292)	-	-	(18,292)
Total income	2,535,540	-	500	2,536,040
Expenditure on				
Raising funds	97,431	-	-	97,431
Charitable activities	3,168,859	197,391	1,963	3,368,213
Total expenditure	3,266,290	197,391	1,963	3,465,644
Net income/(expenditure) before gains on investments	(730,750)	(197,391)	(1,463)	(929,604)
Gains on investments	(394,244)	-	-	(394,244)
Net income/(expenditure)	(1,124,994)	(197,391)	(1,463)	(1,323,848)
Transfer between funds	88,294	(88,294)	-	-
Net movement in funds	(1,036,700)	(285,685)	(1,463)	(1,323,848)
Reconciliation of funds				
Total funds brought forward	5,696,151	24,237,454	5,225	29,938,830
Total funds carried forward	4,659,451	23,951,769	3,762	28,614,982

YORK CONSERVATION TRUST LIMITED

England & Wales - Charity number 504302

Accounts



**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Registered Charity No 504302 Registered Company No 00395954

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MESSAGE FROM OUR CHAIR

Welcome to the 2024 annual report for the York Conservation Trust. This year has seen both challenges and opportunities, and I am proud of the dedication and hard work of our staff, volunteers, and trustees in ensuring the continued success of the Trust.

The Trust has maintained a resilient financial position, albeit against a macro backdrop of economic volatility and the ever-demanding needs of a historic property portfolio. To ensure the Trust's long term financial stability we have conducted a portfolio review and identified the need to optimise our assets to raise funds for essential conservation work. Consequently, we are continuing the strategic sale of select properties in conjunction with the board approved strategic plan.

Furthermore, recognising the importance of sustainable revenue streams, we are continuing to implement measures to enhance our income generation efforts. This includes advocating for responsible rent increases across our property portfolio and additionally, fundraising initiatives continue to be investigated for select projects to diversify our income sources.

I am delighted to announce the appointment of Mr. Guy Bowyer as the new Chief Executive Officer and express my confidence in his ability to lead the Trust forward. Guy brings with him a wealth of experience with the Trust and a deep passion for conservation. We also extend a warm welcome to Ms. Kelly Storrer, who joins us as the new Administrator. Kelly will undoubtedly contribute to the efficient functioning of the Trust, ensuring that our operations remain streamlined and effective.

We also bid farewell to longstanding trustees, Mr. Peter and Mr. Nicolas Morrell, who have retired after years of dedicated service. We express our heartfelt gratitude for their invaluable contributions to the Trust, and we wish them all the best in their respective retirements.

In light of these retirements, we are now considering the appointment of new trustees who share our passion for conservation and possess the expertise to guide the Trust forward. Thus far, we are pleased to announce the appointment of Ms. Anna Gawthorp as a new trustee, whose wealth of experience and fresh perspectives will undoubtedly enrich our governance and strategic decision-making.

I would like to extend my sincere gratitude to our staff, volunteers, trustees for their unwavering support and dedication.

James Morrell, Chair, 12 July 2024

TRUSTEES ANNUAL REPORT FOR THE YEAR TO 31 MARCH 2024

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2024. They have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, in preparing their annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts. They comply with the charity's governing document, the Charities Act 2011 and Accounting & Reporting by Charities: Statement of Recommended Practice applying to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland, published October 2019.

Since the charitable company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

OBJECTS

The Trust's objects are:

- To provide for the conservation and preservation for the public benefit of buildings of significant historic interest, architectural merit or amenity value in the City of York and the County of North Yorkshire and lands adjacent to and associated with such buildings.
- To promote the public knowledge and enjoyment of those places of historic interest, or architectural or constructional merit, in the City of York and the County of North Yorkshire, which are owned by the Company.
- To advance education and skills in the conservation of buildings and land adjacent thereto and associated therewith.

STRUCTURE

The Trust was incorporated by shares and registered as Ings Property Company Ltd in June 1945. Following reviews and amendments to the Articles of Association, it became a registered charity from 1976.

The directors of the charitable company are the trustees of the charity for the purpose of charity law. Throughout this report they are referred to as trustees.

Through our activities we aim to be responsible custodians of a financially sustainable portfolio of significant historic buildings, to engage the public in that activity and to promote the development of building conservation skills and knowledge.

In determining our aims, we have considered Charity Commission guidance on public benefit. We believe that by conserving and maintaining buildings of architectural and historic significance and making them available to the public through residential and commercial tenancies, we contribute to a community that values its history and takes pride in its future.

ACTIVITIES & ACHIEVEMENTS

Safeguarding historic buildings

By necessity, during the year the focus of our activities was on the first of our objects. This relates to maintaining our historic buildings to ensure that they are properly conserved while also contributing to local amenity. Over time a material back log of repairs to our property portfolio has built up and, recognising that we can only be an effective charity if we are an effective property company, it has been essential to prioritise these.

To address this issue, we have needed a comprehensive programme of major conservation works which runs over several years. To some extent our ambitions for the year were thwarted by planning delays and protracted negotiations around access to our properties. Nevertheless, during the year we were able to carry out several large conservation projects including the following:

- De Grey House: We completed the first phase of the interior and external refurbishment of De Grey House which included the conservation of a 1920's linoleum floor and the restoration of the two principal reception rooms on the first floor. These rooms have been named Bowes and Cuthbert after our founders, John Bowes Morrell and Cuthbert Morrell, and are proving popular for private room hire.
- De Grey Rooms: We renovated the exterior of the building and made some minor upgrades to its interior to allow its use by St Martin Le Belfry while their church refurbishment project is completed.
- The Red House: We made significant repairs to the exterior of the building including re-roofing the outer roof slopes with new natural Welsh slates.
- 27 St Saviourgate: We re-roofed the main roofs with handmade terracotta pantiles and carried out other extensive repairs.

In addition to these works, we were able to carry out several smaller projects including:

- York Theatre Royal: Emergency stonework and other external repairs were made to the façade of the building, pending further works.
- St Anthony's complex: We carried out internal and external repairs to the Old School House and this building has now been let to the Thin Ice Press, the York centre of traditional printing. External repairs were also carried out to both St Anthony's Hall and 47 Aldwark and repairs were undertaken in St Anthony's Garden.
- Ingram House: Significant internal and external repairs have been made to the building, including the repair of a quarry tile floor discovered under the hall carpet.

During the year several of our residential apartments were also upgraded.

Promoting public knowledge and enjoyment of our historic buildings

As well as having been able to appreciate the exterior of our historic buildings, the public has had access to the interiors of many of our commercially let properties such as The Assembly Rooms and Fairfax House through their tenants' commercial and charitable activities. In addition, we have continued to promote public knowledge and enjoyment of our buildings directly through the provision of furnished guest accommodation through Wheelwrights (www.wheelwrightsyork.com), our lettings agent.

We also continued to develop our evolving programme of engagement. Events this year included:

- Various tours and open days at De Grey Rooms including timber carving and plaster moulding demonstrations. One of these open days took place during the York Unlocked weekend.
- A stone carving and timber carving demonstration at York Theatre Royal in partnership with Pinnacle. Conservation Ltd which specialises in the repair and conservation of historic buildings.
- A lime plaster day with MA students from the University of York.
- A tour of Sir Thomas Herbert House for the Institute Of Historic Building Conservation.

We have also continued to develop our website and social media offering, enabling us to share more information about the history of, and conservation of, our historic properties. Increasing visitors to our website demonstrates the public's continuing interest in our work. We are grateful to consultants, Jacky Fitt and Ned Hoste of the Big Ideas Collective, and volunteer, Peter Brown, for their contributions to this work.

Advancing education and skills in the conservation of buildings

To support the development of building conservation skills, among young people particularly, we provided a grant of £5,500 to York Foundation for Conservation and Craftsmanship. The foundation runs an annual bursary award scheme with an established process for promoting bursaries, assessing applications, and making awards across a wide range of conservation interests. It invited trustee Ruth Morrell to join its assessment panel both to assist deliberations across all areas of conservation interest and to ensure the Trust's grant was applied specifically to applicants engaged in historic building related conservation. Nerida Whale was awarded a bursary of £3,000 to support her two-year traineeship in stained glass conservation at Eden Stained Glass. Kate Longworth, a conservation bricklayer (mason) and James Osborne, a conservation blacksmith, were awarded bursaries of £1,500 and £1,000 respectively to support their 2023 William Morris Craft Fellowships with the Society for the Protection of Ancient Buildings.

During the year we also awarded two dissertation prizes of £500 to students at the University of York's Department of Archaeology, for submissions connected with historic buildings. One prize went to an undergraduate, Miriam Samuael in support of course fees for continued study. Her dissertation was titled 'The household in Seventeenth Century York: A view through building alterations and decorative features'. The other prize went to a student who has completed an MA

in Historic Building Conservation, Genevieve Rainey, for her dissertation - 'Clifton Croft a 19th-Century Villa Estate in Suburban York'.

In addition, we gave a grant of £1,500 to York Design Awards towards the costs of funding their annual event.

Property portfolio review

Like many other charities, we have felt pressure on our financial resources in recent years especially as our income has fallen well short of our conservation and maintenance requirements. Last year we had started a programme of property disposals to help fund our work, but we were conscious that we needed much more information about our property portfolio if we were to manage it effectively.

Recognising this, during the year we carried out an extensive review of our property portfolio, assessing for each property its heritage value, its market value and yield and its current capital requirement costs. Work on this has carried on into 2024/25 with a series of strategy and board meetings to determine our strategy going forward. Our expectation is that the board will adopt a new 10-year plan in November 2024.

That said, the interim results of the review confirmed that we were right to press ahead with our proposed disposal of 4-8 Walmgate and our Malt Shovel Court properties and we completed on these sales in May 2024.

We are grateful to consultants, Dr Dav Smith and Mr Geoff Maybank, and volunteer external advisors, Mr James Grierson and Dr Lu Cooke, for their contributions to this review.

Legacy

During the year we received a partial payment of £55k from the estate of the late Prunella King. We are extremely grateful for such legacies which make an important contribution to our work. We have not accrued for the balance of the legacy due the difficulty in quantifying it at this stage.

Archive

During the year we have continued the process of digitising our archive - specifically the older deeds and conveyances which had not previously been catalogued. This helps feed into our understanding of the history of the buildings and help with preparation of Statements of Significance. We are grateful to our regular volunteers, Jack Pearce, Miriam Samuels and Genevieve Rainey whose support has been integral to this work.

FUTURE PLANS

Property portfolio

Recognising the impact of planning delays on our programme of works, we are going to allocate significant resources to building up our stock of approvals so that, by the end of the year, we can get as many projects as possible to RIBA Stage 4 (detailed design) and are ready to tender. We aim to secure a pipeline of work for over 3 years. Current plans for works beyond 2025/26 include, but are not limited to, the following:

- Sir Thomas Herbert House: This building represents one of the Trust's biggest renovation challenges due to its size and complexity, its current state of disrepair and the associated costs of the required work. We plan to hold some workshops in the building in the summer of 2024 to encourage public engagement with this project.
- The Assembly Rooms: Although we have completed the first phase of roof repair works, significant external and internal repairs are still required.
- De Grey buildings: The rear extension of De Grey House requires renovation, including exposure of the impressive Edwardian roof structure while the interior of De Grey Rooms requires total refurbishment, including of the ballroom and cocktail room on the first floor.
- Red House: In due course, major interior refurbishment of the building is required.
- St Anthony's Hall: The main slate roofs on the building are in very poor condition and it requires re-roofing in the next 3-5 years.
- 83-89 Micklegate: External repairs are required to all four buildings in this terrace in addition to various internal upgrades.
- 60 Goodramgate: We are developing ideas for the sensitive refurbishment of this Grade 1 listed building. Its partially intact C19th interiors require careful conservation, and we are exploring methods for sensitively adapting the building to improve its thermal efficiency.
- 5 Colliergate: This building is one of the longest held by the Trust and was converted into a café in the 1930s by Architects Brierley Rutherford for Cuthbert Morrell. It is the last remaining example of a timber framed building on the street. Following a poor-quality shop fit, we are exploring the possibility of exposing its incredible architectural and historical details and converting it back into a café or small restaurant.
- 77 Walmgate: Cuthbert Morrell also engaged Architects Brierley Rutherford to work on this building. We are currently exploring plans to convert this building from two apartments into one residence, thereby improving its heritage significance and the quality of accommodation.
- Goathland properties: All three of our Goathland properties and the grounds require significant works.

We are mindful of the advantages of working in partnership with others on our conservation projects, both from a public engagement and a financial perspective. Examples of such partnerships include the following:

- York Theatre Royal: We are working with York Citizens Theatre Trust (YCTT) on the Layer 9 Project which seeks to improve access for staff and actors to the back of house areas and repairs and improved access to the Keregan Room, which is formed from the remains of the medieval vaulted stone undercroft of St Leonard's Hospital, and Tate Wilkinson House. YCTT is hoping to secure grant funding for at least some of this work.
- Fairfax House: We are working in partnership with York Civic Trust which is leading on the Fixing Fairfax project. The proposed scope of work includes extending the property with a modern intervention that improves access at all levels, extending the museum offer to the second floor, sustainability

upgrades and external fabric repairs. Again, York Civic Trust is seeking external support towards these works.

Longer term aspirations

We recognise that in the short to mid-term our focus must be on our first object and keeping the estate in good order will draw on most of our available resources. However, we are mindful this body of important conservation work presents an opportunity to meet our other objects, those of promoting public knowledge and enjoyment of our buildings and advancing education and skills in the conservation of buildings. Through public engagement and education activity, and with assistance from partners and funders, we are seeking to bolster our resources to deliver on these. Indeed, our current plans for the renovation of Sir Thomas Herbert House incorporate such opportunities. In short, we recognise that public benefit is not simply achieved through historic property ownership, and we are clear that we want to share not only our buildings but also our knowledge and our networks and our resources.

In his book 'The City of our Dreams', John Bowes Morrell wrote 'Our efforts in the future should be directed to making a better City... I am not concerned with a bigger City, I want a better one'. Similarly, we recognise that we do not need to be a bigger Trust. Rather our aspiration is to be a better one.

FINANCIAL REVIEW

In our financial statements we account for heritage assets at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. One impact of our method of accounting for heritage properties is that their market value is considerably more than the figure shown in the financial statements. In view of the nature of the charitable company's heritage properties, we are not able to give a realistic estimate of that value. However, the total value of the heritage properties for insurance purposes as at 31 March 2024 was £152m (2023: £147m) and the total sum insured was £187m (2023: £180m).

Over the year we returned a net deficit of £(930)k (2023: £1.7m surplus) before investment property losses of £(394)k (2023: £163k gains).

While we recognise that we cannot keep generating deficits into the long term, we are also conscious of the material demands we face for ongoing conservation works on some of our larger heritage properties which are not financially self-sustaining. Going forward we are not complacent about our financial strength.

The balance held as unrestricted funds as at 31 March 2024 was £28.6m (2023: £29.9m). This figure reflected all known liabilities as at the balance sheet date and there are no material uncertainties. This sum comprised assets totalling £32.0m (2023: £33.7m) and creditors totalling £3.4m (2023: £3.8m).

Of the assets, £476k (2023: £1.1m) was held as free reserves. Of these free reserves, £115k (2023: £518k) was committed to material conservation projects.

Of the year end total reserves of £28.6m (2023: £29.9m), £24.0m (2023: £24.2m) were held as unrestricted designated funds and £4k (2023: £5k) were held as restricted funds.

Investment powers and policy

Our investment powers and policy are governed by the Articles of Association which permit funds to be deposited or invested. Decisions on our investment strategy and management are taken by the full board of trustees.

Our investments, and our approach to investment, are integral to supporting the Trust's objects. We seek out investments which:

- Contribute to the conservation of the historic built environment of York and North Yorkshire.
- Provide funding for our work.
- Allow us the flexibility to be responsive to changing demands on our resources.
- Do not conflict with our desire to protect the natural environment, an essential precursor to conserving the historic built environment.

We hold the following types of investment:

- A small portfolio of investment properties which we have developed using our knowledge and expertise in property development, and which we manage ourselves. These properties are held with the primary motive of generating financial returns.
- Cash on deposit with Epworth Asset Management and CAF Bank, external managers whose approach to sustainable investment is compatible with ours. These monies are used for any unexpected fluctuations in income or expenditure together with monies held for future scheduled conservation works which cannot be met out of income.

We manage risk in several ways:

- Through our cash deposits we aim to maintain sufficient liquidity to meet our commitments to staff and creditors for at least one year ahead to reduce the likelihood of becoming a forced seller of property.
- Given our cash reserves, we can take a long-term view of our investment property values and are usually comfortable with short term volatility in property prices.
- We periodically review how comfortable we are with holding our non-cash investments solely in property.
- We are open to the possibility of investing in equities and bonds, recognising that, longer term, equities tend to outperform all other mainstream investments.
- We avoid speculative and opaque investments and other investments that we do not understand.

At the year end, within our investment property portfolio we held 14 residential units and one furnished guest-letting unit with a combined value of £3.4m (2023: £3.8m). We also held cash on deposit (including our working cash balance) of £1.1m (2023: £2.2m).

We review the performance of our investment properties on an annual basis to ensure that we are achieving returns in line with the market, allowing for the fact that we do not incur external management costs. In the year, we made a capital

return on our investment properties of -10.3% (2023: 4.5%) and an income return of 1.7 % (2023: 2.1%). The fall in the capital value of our investment properties largely arose because we sold our Malt Shovel Court units after the year end as part of a multi-unit sale, rather than as individual units. The year end valuation of our investment properties reflects the sales price achieved for these units.

We keep the interest rates achieved on our cash deposits under constant review to ensure that we achieve the best returns available subject to our investment criteria and cash requirements.

Reserves policy

Historically, our income has been obtained primarily from property rentals and furnished guest lets. In the past, our expectation has been that, in a typical year, our income will not only cover new property purchases and the routine maintenance of our properties and our overheads but also that it will contribute towards the demanding restorative requirements of some of our heritage properties.

However, as the challenges around conservation have increased over time along with related costs, it has become increasingly clear that that we cannot fund this work from operational income alone. In the short term we are plugging the gap through the sale of some of our properties, but this approach is not sustainable in the long term. Through our portfolio review, we are looking at ways to manage our property portfolio and financial resources to maximise our charitable outputs while improving our sustainability. We are also looking for support from grant makers and donors, both alone and in partnership with other charities, to help fund our work.

Generally, we can plan for a scheme of conservation works, addressing the specific financial challenges over time. To the extent that we anticipate a financial deviation between our aspirations and our ability to deliver on such works, they will be postponed until such time as we can afford to carry them out although, inevitably, there is a cost to such delays, either through lost income or additional expense.

In addition to planned deficits, we recognise that there will also be times when we are unexpectedly financially exposed in the short term, either because our income streams fall or our expenditure is higher than predicted. For example, we occasionally experience unexpected calls on our funds due to unforeseen and complex emergency repairs to our properties (which is in the nature of managing heritage properties).

We consider that the Trust should maintain sufficient reserves as will allow it to ride out these unexpected variances in income and expenditure. Our view is that a cash reserve of £200k should provide sufficient cover against such contingencies until the Trust is able to reorganise its finances.

Going concern

We recognise when preparing our financial statements on a going concern basis, we must make our own assessment of the Trust's ability to continue as a going concern to assure ourselves of the validity of this assumption. Such an assessment is part of our ongoing oversight process that takes place throughout the year. To this end, we have adopted a robust reserves policy which we carefully monitor. We also expect that, in addition to its routine reporting to the board on income and expenditure, our management team will provide us with projected cashflow and any other relevant information about the future which covers at least the next 12 months.

Over the next few years, we face significant costs associated with our required programme of conservation works. To the extent that these exceed our projected income from rents, we have put in place a timetable for the disposal of some properties of lesser conservation significance, some of which we anticipate selling in the next financial year. If these sales are delayed, we will modify the timing of our programme of conservation works. This strategy, combined with our existing cash reserves, gives us confidence in the Trust's ability to continue as a going concern beyond the next 12 months.

GOVERNANCE & MANAGEMENT

Appointment & recruitment of trustees / directors

The directors of the charitable company are the trustees of the charity so conditions regarding appointments as set out in the written resolutions apply to both.

Shares in the company are held by direct descendants of one of our founders, John Bowes Morrell. Shareholders are eligible to hold office as a trustee / director, but a person may be appointed subject to becoming a member within two months of that appointment. Any person so appointed may act as a trustee / director pending becoming a member.

Following a change to the Articles of Association made during the year, share ownership is no longer a pre-requisite to becoming a trustee / director and up to three non-family trustees / directors can be appointed. We welcome this change which has enabled us to improve the diversity and skill set on the board.

Trustee / directors must be at least eighteen years of age as at the date of appointment. Each trustee / director can hold office for a term of three years following which they must retire but may offer themselves for reappointment. The maximum number of trustees / directors of the company is twelve and the minimum three.

Trustees give their time and expertise on a wholly voluntary basis and receive no benefits from the Trust other than personal satisfaction from the public benefit achieved through its areas of activity.

Details of reimbursed expenses incurred by trustees while fulfilling their duties are set out in note 19 to the financial statements.

Members

No dividend or any other form of distribution has been or will be declared or paid on any or all the shares of the company. If on winding up or dissolution there remains, after satisfaction of all liabilities, any property whatsoever, it will be given or transferred to a charitable institution, or institutions, having objects similar to the objects of the company. Under no circumstance can or will, property be given or distributed to the members of the charitable company.

Trustees' induction & training

Prior to and following appointment, trustees are familiarised with the objects, policies and processes of the Trust including their responsibilities in respect of both company and charity compliance obligations. We are currently in the process of developing a dedicated trustee handbook.

Trustees are encouraged to participate in relevant seminars / training sessions and to broaden their knowledge of conservation management in the historic built environment sector. They seek to learn from the experience of other heritage and conservation bodies and to contribute to the shared pool of knowledge and best practice.

Organisation

Trustees determine the policies of the Trust and delegate day-to-day management of both assets and activities to a chief executive officer who is also company secretary. The chief executive supports the trustees in establishing policy and the development of it over time. Trustees are kept regularly up to date by the chief executive and encouraged to discuss areas of both substance and general interest in between formal meetings through a Teams platform.

Board decisions are based on a simple majority, subject to a quorum of five trustees. If a majority cannot be established, then the chair has a second and casting vote.

Staff remuneration

Trustees' review staff remuneration annually based on individual and collective contributions to the objects and work of the Trust. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

Risk management

Trustees are responsible for the management of the risks faced by the Trust. We have a formal risk management process to assess the risks and implement risk management strategies. This involves identifying the risks we face, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Our findings are documented in two formal risk registers, a strategic risk register and an operational risk register, which are updated at least annually. A trustee risk committee oversees this process and makes recommendations to the board.

We recognise, however, that we can only manage risk, we cannot eliminate it. We consider that the two greatest risks currently facing us are:

- Failure to generate sufficient funds to resource all the conservation works required, leading to project backlogs, compromised or neglected conservation work and significant rental void periods, compounding the problem. To mitigate against this risk, in the year we instigated a portfolio review process to ensure that we that we can make fully informed decisions about our heritage properties, ensuring that we maximise our charitable impact while carefully managing our financial resources. As an interim measure, a decision was taken by the board in 2021 to dispose of up to £10m worth of properties over the next five years to free up funds for our programme of conservation.
- Property compliance and health and safety is neglected, putting our tenants and the public at risk. To mitigate against this risk, responsibility for compliance is delegated to experienced staff members. They are advised by external consultants to ensure that our compliance work meets current legal and regulatory requirements, and they use accredited contractors to carry out our programme of compliance checks and remedial works. Progress against that programme is recorded on our property database.

Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

Conflicts of interest & related party transactions

The Trust has a conflict of interest policy which is written into the articles of association and applies to all trustees and staff members. Related party transactions are disclosed in note 19 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees (who are also directors of York Conservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware.
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.
- Approved by trustees on 12 July 2024 and signed on their behalf by

James R Morrell, Chair of trustees.

REFERENCE & ADMINISTRATIVE INFORMATION

Company registration no	00395954	
Charity registration no	504302	
Registered office	De Grey House St Leonard's Place York YO1 7HE	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Virgin Money UK plc 30 St Vincent Place Glasgow G1 2HL
Deposit Holder	Epworth Investment 9 Bonhill Street London EC2A 4PE	
Solicitors	Drivers Solicitors 56A Bootham York YO30 7XZ	Hempsons 100 Wood Street London EC2V 7AN
	Andrew Jackson Solicitors LLP Foss Islands House Foss Islands Road York YO31 7UJ	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH	

REFERENCE & ADMINISTRATIVE INFORMATION CONT'D

Trustees	Charles H E Butler		Appointments committee
	Patricia A Butler		
	Vanessa R M Butler		Risk committee
	Anna E Gawthorp	From 10 November 2023	
	James R Morrell		Chair & Appointments committee
	Jeremy S Morrell		Risk Committee
	Margaret A Morrell		Appointments committee
	Nicholas C Morrell	To 10 November 2023	Risk committee
	Olivia H Morrell		Appointments committee
	Peter S Morrell	To 21 July 2023	
Ruth I Morrell		Risk committee	
Staff	Guy F J Bowyer	To 30 September 2023 From 1 October 2023	Trust architect Secretary / chief executive
	Jonathan A Bryant	To 30 September 2023	Secretary / chief executive
	Richard T Fearnley		Assistant building manager
	Tony S Leonard		Buildings manager
	Kelly Storrer	From 1 February 2024	Operations administrator
	Lizzie C Taylor		Operations manager
	Jackie L Turpin		Finance manager

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS & TRUSTEES OF YORK CONSERVATION TRUST LIMITED

Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health & safety, building regulations and employment law.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the charitable company.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls we:

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Mashedder (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants, Statutory Auditor
Rievaulx House
1 St Mary's Court
Blossom Street
York YO24 1AH

12 July 2024

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT FOR YEAR ENDED MARCH 2024

	Note	Unrestricted undesignated £	Unrestricted designated £	Restricted £	Total funds 2024 £	Total funds 2023 £
Income from						
Donations and legacies	2	55,094	-	500	55,594	1,540
Charitable activities	2	2,265,425	-	-	2,265,425	2,218,839
Investments	2	222,883	-	-	222,883	179,328
Other	2	10,430	-	-	10,430	42,033
Net (losses) / gains on disposal of heritage assets	2	(18,292)	-	-	(18,292)	1,973,594
Total income		2,535,540	-	500	2,536,040	4,415,334
Expenditure on						
Raising funds	3	97,431	-	-	97,431	71,162
Charitable activities	3	3,168,859	197,391	1,963	3,368,213	2,647,090
Total expenditure		3,266,290	197,391	1,963	3,465,644	2,718,252
Net income / (expenditure) before (losses) / gains on investment properties						
		(730,750)	(197,391)	(1,463)	(929,604)	1,697,082
(Losses) / gains on investment properties	9	(394,244)	-	-	(394,244)	162,684
Net income / (expenditure)	16	(1,124,994)	(197,391)	(1,463)	(1,323,848)	1,859,766
Transfers between funds						
	15	88,294	(88,294)	-	-	-
Net movement in funds						
		(1,036,700)	(285,685)	(1,463)	(1,323,848)	1,859,766
Reconciliation of funds						
Total funds brought forward		5,696,151	24,237,454	5,225	29,938,830	28,079,064
Total funds carried forward	15	4,659,451	23,951,769	3,762	28,614,982	29,938,830

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 43 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Heritage assets	7		26,599,927		26,599,927
Tangible assets	8		531,329		569,535
Investment assets	9		<u>3,446,960</u>		<u>3,841,204</u>
			<u>30,578,216</u>		<u>31,010,666</u>
Current assets					
Debtors	10	367,610		532,654	
Cash at bank and in hand	11	<u>1,064,042</u>		<u>2,407,693</u>	
		1,431,652		2,940,347	
Creditors					
Amounts falling due within one year	12	<u>838,465</u>		<u>1,370,514</u>	
Net current assets			<u>593,187</u>		<u>1,569,833</u>
Total assets less current liabilities			<u>31,171,403</u>		<u>32,580,499</u>
Creditors					
Amounts falling due after more than one year	13		<u>2,556,421</u>		<u>2,641,669</u>
Total net assets			<u>28,614,982</u>		<u>29,938,830</u>
Capital and reserves					
Unrestricted funds					
Share capital	14	130,000		130,000	
Unrestricted designated fund	15	23,951,769		24,237,454	
Unrestricted revaluation fund	15	2,162,575		2,556,819	
Unrestricted income and expenditure account	15	<u>2,366,876</u>		<u>3,009,332</u>	
Total unrestricted funds			28,611,220		29,933,605
Restricted funds			<u>3,762</u>		<u>5,225</u>
			<u>28,614,982</u>		<u>29,938,830</u>

The financial statements were authorised for issue and approved by the board on 12 July 2024 and signed on its behalf by

James R Morrell
Director & trustee

Ruth I Morrell
Director & trustee

The notes on pages 26 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS AS AT MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash (absorbed) / provided by operating activities	16	<u>(1,416,167)</u>	<u>83,910</u>
Cash flows from investing activities			
Net rents and interest from investments	2	222,883	179,328
Purchase of fixed assets	8	(18,206)	-
Net proceeds from sale of fixed assets	8	<u>(18,292)</u>	<u>2,411,065</u>
Net cash provided by investing activities		<u>186,385</u>	<u>2,590,393</u>
Cash flows from financing activities			
Repayments of borrowings	12,13	<u>(113,869)</u>	<u>(1,159,740)</u>
Net cash provided by financing operations		<u>(113,869)</u>	<u>(1,159,740)</u>
Change in cash and cash equivalents in the reporting period	11	(1,343,651)	1,514,563
Cash and cash equivalents at the beginning of the reporting period		2,407,693	893,130
Cash and cash equivalents at the end of the reporting period		<u>1,064,042</u>	<u>2,407,693</u>

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the charity. This constraint has not adversely affected the cash flows stated above.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES

a. Organisation address and registration

York Conservation Trust Limited is a company limited by shares (00395954) registered in England and Wales and a registered charity (504302). The address of the registered office and principal place of business is De Grey House, St Leonard's Place, York, YO1 7HE. In these notes to the financial statements, the charitable company is referred to as the charity.

b. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

c. Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d. Going concern

We consider that there are no material uncertainties about the charity's ability to continue as a going concern and therefore it is appropriate to prepare the financial statements on a going concern basis.

Our long-term loan facilities are renewed annually. We are not aware of any circumstances which might adversely affect the renewal of these facilities.

e. Key judgements and estimates

In applying the financial reporting framework, we have made some subjective judgments, for example in respect of significant accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of estimation means the actual outcomes could differ from those estimates. Any significant estimates or judgments affecting these financial statements are detailed below:

A key judgment which the charity has made that has a significant impact on the financial statements is the valuation of heritage properties. They are valued at cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. We consider that this approach is likely to significantly understate the market value of our heritage properties.

Our investment properties included on the balance sheet at fair value (market value) at the balance sheet date. Fair value is based on the desktop valuations attributed to the charity's investment properties during its portfolio review process by its external advisors, which includes a Chartered Buildings Surveyor. These figures are sense-checked by an external property agent and compared with actual valuations received as part of the charity's disposals process.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES CONT'D

f. Key judgements and estimates cont'd

We do not consider that there are any other material sources of estimation uncertainty at the reporting date which have a significant risk of causing a material adjustment to the carrying amounts of our assets and liabilities within the reporting period.

g. Income

Grants and other monies received for specific restoration work are matched against the project costs in the year that the expenditure is incurred. All other income, including bank interest, is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably. Rental income invoiced in the year to 31 March 2024 which relates to future periods has been deferred in the financial statements.

h. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through our investment properties including staff costs together with an allocation of support costs and governance.
- Charitable activities: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through our heritage properties including staff costs, heritage property related legal fees, depreciation and interest on loans relating to the heritage properties together with an allocation of support costs and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i. Allocation of support costs

Staff costs have been apportioned between property management, governance and support costs based on staff time working in these areas. The split of property-related staff costs between the cost of raising funds and charitable activities is allocated in proportion to their respective property management costs.

Support costs, primarily staff costs, office costs and general legal costs, have been allocated between the cost of raising funds, charitable activities and governance in proportion to their related costs.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES CONT'D

j. Allocation of support costs cont'd

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include staff costs and other costs related to statutory audit, governance related legal costs and Trust meetings together with an apportionment of support costs. They have been allocated to raising funds and charitable activities in proportion to their related costs.

k. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the costs directly attributable to making the asset capable of operating as intended.

Generally, depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- Plant and equipment, 5 years straight line
- Fixtures and fittings, 5 years straight line

Due to their exceptional nature, the costs of refurbishing York Theatre Royal incurred in 2016 are being written off over 20 years straight line.

l. Heritage assets

The charity holds 71 freehold heritage properties dating from the C14th which are let commercially, residentially or as furnished guest accommodation.

All properties are included at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Any further preservation costs are released through the Statement of Financial Activities when they are carried out.

In addition, the Trust owns the Thompson Mausoleum, Little Ouseburn, North Yorkshire, which was donated to the charity in 2010.

Due to the historic nature of the land and buildings, they are deemed to have indefinite lives. Therefore, the charity values the assets at full cost with no depreciation.

Details of our heritage properties can be found on the Trust's website www.yorkconservationtrust.org.

The charity holds historic artefacts which were purchased with the Assembly Rooms. They were professionally valued on purchase. They are not depreciated because they are classified as heritage assets with indefinite lives.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024
1 ACCOUNTING POLICIES CONT'D

m. Investments

All four groups of our investment properties are freehold. They are let residentially or as furnished guest accommodation.

They are included on the balance sheet at fair value (market value) at the balance sheet date. Fair value is based on the desktop valuations attributed to the charity's investment properties during its portfolio review process by its external advisors, which includes a Chartered Buildings Surveyor. These figures are sense-checked by an external property agent and compared with actual valuations received as part of the charity's disposals process.

In the previous year, fair value was based on valuations carried out by reputable local estate agents in 2021, uplifted for inflation using the UK Land Registry House Price index.

Gains and losses are reflected in the Statement of Financial Activities and allocated to the appropriate funds.

Details of our investment properties can be found on the Trust's website www.yorkconservationtrust.org.

n. Impairment

Assets not measured at fair value are reviewed at the balance sheet date for any indication that the asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset has been previously written down in value by an amount exceeding the current impairment estimate.

o. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p. Bank and cash in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

q. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES CONT'D

r. Funds structure

Unrestricted funds are funds which are available for use or retention at our discretion in accordance with the charity's objects.

Designated funds represent the written down value of our heritage buildings less the outstanding loans charged on our properties and taken out to finance conservation works on our heritage properties, and related creditors, together with any material expenditure commitments at the year end.

Restricted funds are funds where the income can only be used for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

s. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction date and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

t. Pension scheme

The charity contributes to defined contribution pension schemes on behalf of all staff members and operates an auto-enrolment scheme with NEST. The assets of the NEST scheme are invested and managed independently of the finances of the charity. The charge for pension costs included in the financial statements represents the employer contributions payable by the charity in the period.

u. Taxation

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

v. Related party transactions and conflicts of interest

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, staff and advisors to declare an interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

w. Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

2 INCOME AND ENDOWMENTS

	2024 £	2023 £
Donations and legacies		
Legacy: from the estate of the late Prunella King	54,958	-
Grants: restricted	-	1,500
Donations: restricted	500	
Donations: unrestricted	136	40
	<u>55,594</u>	<u>1,540</u>
Charitable activities		
Rental income	1,982,455	1,975,328
Tenant recharges	142,189	101,220
Room hire	2,566	-
Furnished guest accommodation	138,215	142,291
	<u>2,265,425</u>	<u>2,218,839</u>
Investments		
Rental income	109,900	108,007
Furnished guest accommodation	31,986	33,138
Bank interest	80,997	38,183
	<u>222,883</u>	<u>179,328</u>
Other		
Grants: unrestricted	5,000	5,000
Dilapidations	5,000	36,800
Sundry income	430	233
	<u>10,430</u>	<u>42,033</u>
Net (losses) / gains on disposal of heritage assets (note 7)	<u>(18,292)</u>	<u>1,973,594</u>
Total income	<u>2,536,040</u>	<u>4,415,334</u>

Other than the restricted grants in donations and legacies noted above, all the above income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

3 ANALYSIS OF EXPENDITURE

Current year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2024 £	Total 2023 £
Expenditure						
Property management costs: unrestricted	82,639	2,641,794	-	-	2,724,433	2,074,367
Property management costs: restricted	-	1,963	-	-	1,963	1,680
Staff costs	7,967	253,766	11,227	45,741	318,701	349,552
Legal and professional fees	-	21,363	3,539	4,137	29,039	35,260
Auditor's remuneration	-	-	13,525	-	13,525	12,885
Office costs	-	-	8,672	115,508	124,180	55,388
Depreciation	932	48,117	-	7,363	56,412	57,853
Loss on disposal of assets	-	-	-	-	-	-
Loan interest		197,391	-	-	197,391	131,267
	91,538	3,164,394	36,963	172,749	3,465,644	2,718,252
Allocation of support costs	4,800	166,009	1,940	(172,749)	-	-
	96,338	3,330,403	38,903	-	3,465,644	2,718,252
Allocation of governance costs	1,093	37,810	(38,903)	-	-	-
Total expenditure 2024	97,431	3,368,213	-	-	3,465,644	-
Total expenditure 2023	71,162	2,647,090	-	-	-	2,718,252

Other than the property management costs noted, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

3 ANALYSIS OF EXPENDITURE (CONT'D)

Prior year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2023 £
Expenditure					
Property management costs: unrestricted	59,341	2,015,026	-	-	2,074,367
Property management costs: restricted	-	1,680	-	-	1,680
Staff costs	8,379	284,729	11,906	44,538	349,552
Legal and professional fees	-	28,531	2,022	4,707	35,260
Auditor's remuneration	-	-	12,885	-	12,885
Office costs	-	-	9,817	45,571	55,388
Depreciation	-	57,853	-	-	57,853
Gain on disposal of assets	-	-	-	-	-
Loan interest	-	131,267	-	-	131,267
	67,720	2,519,086	36,630	94,816	2,718,252
Allocation of support costs	2,448	91,044	1,324	(94,816)	-
	70,168	2,610,130	37,954	-	2,718,252
Allocation of governance costs	994	36,960	(37,954)	-	-
Total expenditure 2023	71,162	2,647,090	-	-	2,718,252

Other than property management costs noted, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

4 STAFF COSTS

	2024	2023
	£	£
Total cost of all paid staff		
Gross salaries and wages	272,509	297,499
Employer's national insurance	25,325	30,283
Employer's pension contributions	20,867	21,770
	318,701	349,552

None of the trustees received any remuneration or benefits during the year (2023: none).

The average weekly number of employees during the year was 6 (2023: six). In both 2024 and 2023, all staff were employed in an administrative capacity.

During the year, no employee earned between £90,000 and £99,999 (2023; one) and one employee earned between £60,000 and £69,999 (2023: one).

One higher paid employee accrued benefits under a money purchase scheme (2023: two). In the year, contributions under a money purchase scheme paid on behalf of the higher paid employee totalled £4,533 (2023: £13,584).

The key management personnel of the charity are the chief executive officer, conservation architect, finance manager and operations manager. During the year, there was a change in chief executive officer and the conservation architect took over the role. He was not replaced in his capacity as conservation architect. Total employee emoluments of the key management personnel, including employer's national insurance and pensions, were £239,914 (2023: £272,897).

5 NET INCOME

	2024	2023
	£	£
This is stated after charging		
Auditor's remuneration	13,525	12,855
Depreciation	56,412	57,853

6 AUDITOR REMUNERATION

	2024	2023
	£	£
Audit of the financial statements	13,525	12,855
Other services	4,588	-
	18,113	12,855

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

7 HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
Cost or valuation			
1 April 2023	74,870	27,344,670	27,419,540
Additions	-	-	-
Disposals	-	-	-
31 March 2024	<u>74,870</u>	<u>27,344,670</u>	<u>27,419,540</u>
Impairment			
1 April 2023	-	819,613	819,613
Additions	-	-	-
Disposals	-	-	-
31 March 2024	<u>-</u>	<u>819,613</u>	<u>819,613</u>
Net book values			
31 March 2024	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>
31 March 2023	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>
Valuation	57,000	-	57,000
Cost including restoration charges and after impairment charge	<u>17,870</u>	<u>26,525,057</u>	<u>26,542,927</u>
Total	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>

The charity owns 71 freehold heritage properties dating from the C14th and the Thompson Mausoleum, Little Ouseburn, North Yorkshire. All have conservation and preservation interest.

The heritage properties are let commercially, residentially or as furnished guest accommodation. The mausoleum was donated to the charity in 2010.

Due to the nature of the property, the Mausoleum is deemed to have no market value. The building was valued for insurance reinstatement purposes at £602k at the year-end (2023: £576k)

Details of these properties can be found at www.yorkconservationtrust.org

The charity acquired historic artefacts with the purchase of The Assembly Rooms. These were professionally valued in at £115,000 in 2003 as part of the purchase arrangement. Since then, a number of disposals have been made.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

7 HERITAGE FIXED ASSETS CONT'D

Five-year financial summary of heritage asset transactions

	2024	2023	2022	2021	2020
	£	£	£	£	£
Additions: purchases and restoration					
Properties		-	-	-	380,999
Artefacts		-	-	-	-
Total additions	-			-	380,999
Disposal costs					
Properties	18,292	437,471	-	-	-
Artefacts	-	-	8,000	-	-
Total disposal costs	18,292	437,471	8,000	-	-
Disposals proceeds					
Properties	-	2,411,065	-	-	-
Artefacts	-	-	-	-	-
Net total proceeds	(18,292)	1,973,594	-	-	-

Costs totalling £18k (2023: £0) were incurred relating to sales of properties made in the previous year and the abortive sale of properties during the year, some of which have been subsequently sold after the year end.

8 FIXED ASSETS

	Fixtures and fittings	Plant and equipment	Total
	£	£	£
Cost			
1 April 2023	901,094	35,468	936,562
Additions	4,514	13,692	18,206
Disposals	-	(14,764)	(14,764)
31 March 2024	905,608	34,396	940,004
Depreciation			
1 April 2023	341,103	25,924	367,027
Provision for the year	48,675	7,737	56,412
Disposals	-	(14,764)	(14,764)
31 March 2024	389,778	18,897	408,675
Net book values			
31 March 2024	515,830	15,499	531,329
31 March 2023	559,991	9,544	569,535

All fixed assets are used in the furtherance of the charity's objectives.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

9 INVESTMENTS

	Properties £
At valuation	
1 April 2023	3,841,204
Revaluation	(394,244)
Additions	-
Disposals	-
31 March 2024	<u>3,446,960</u>

The Trust owns investment properties at Malt Shovel Court, Morrell Cottages and Morrell Yard, which are let residentially and Trinity Cottage which is let as furnished guest accommodation. The combined historic cost of all the investment properties was £1.3m (2023: £1.3m).

During the year, a review of the whole property portfolio was carried out. The board was satisfied that the year-end desktop valuations attributed to the Trust's investment properties by its external advisors, which include a Chartered Buildings Surveyor, were materially correct. These figures were sense-checked by an external property agent and compared with actual valuations received as part of the Trust's disposals process.

10 DEBTORS

	2024 £	2023 £
Amounts falling due within one year		
Rent debtors	301,476	267,522
Prepayments	27,439	222,150
Accrued income	23,532	20,495
Other taxes	15,163	22,487
	<u>367,610</u>	<u>532,654</u>

11 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
At bank	<u>1,064,042</u>	<u>2,407,693</u>

12 CREDITORS DUE WITHIN ONE YEAR

	2024 £	2023 £
Amounts falling due within one year		
Bank loans (secured)	125,737	154,358
Rents received in advance	313,305	290,354
Trade creditors	326,503	584,378
Other taxes and social security costs	6,984	10,035
Other creditors	96	230,010
Pension contributions	1,329	1,725
Accruals and deferred income	64,511	99,654
	<u>838,465</u>	<u>1,370,514</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024**12 CREDITORS DUE WITHIN ONE YEAR CONT'D**

At the year end, tenant bonds totalling £246k were held in designated bank accounts and were not included in cash at bank and in hand. At the previous year end, £230k was held in cash and bank which related to tenant bonds. These were recognised in other creditors at the previous year end.

13 CREDITORS DUE AFTER ONE YEAR

	2024 £	2023 £
Amounts falling due after more than one year		
Bank loans (secured)	<u>2,556,421</u>	<u>2,641,669</u>

The loans are secured on the following properties: The Assembly Rooms, 56 Bootham, 66 Bootham, Brereton Corner, Brereton Cottage, Brereton House, 13/14 Fossgate, 15/16 Fossgate, 14/16 Lendal, Morrell Yard, 1 Museum Street, 111 Walmgate. The loans are repayable as follows:

	2024 £	2023 £
Bank loans repayable as follows		
Within one year	125,737	154,358
More than one year but not more than two years	134,501	160,010
More than two years but not more than five years	324,414	439,999
More than five years	<u>2,097,506</u>	<u>2,041,660</u>
	<u>2,682,158</u>	<u>2,796,027</u>

14 CALLED UP SHARE CAPITAL

	2024 £	2023 £
Allotted, called up and fully paid		
130,000 Ordinary Shares of £1 each	<u>130,000</u>	<u>130,000</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

15 FUNDS

Fund balances at 31 March 2024 are represented by:

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2024 £	2023 £
Unrestricted funds					
Designated funds	26,525,057	16,867	(2,556,421)	23,951,769	24,237,454
Undesignated funds	4,053,159	572,558	-	4,625,717	5,696,151
	<u>30,578,216</u>	<u>589,425</u>	<u>(2,556,421)</u>	<u>28,611,220</u>	<u>29,933,605</u>
Restricted funds					
Thompson Mausoleum	-	3,762	-	3,762	5,225
	<u>30,578,216</u>	<u>593,187</u>	<u>(2,556,421)</u>	<u>28,614,982</u>	<u>29,938,830</u>

Fund balances at 31 March 2023 are represented by:

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2023 £
Unrestricted funds				
Designated funds	26,525,057	354,066	(2,641,669)	24,237,454
Undesignated funds	4,485,609	1,210,542	-	5,696,151
	<u>31,010,666</u>	<u>1,564,608</u>	<u>(2,641,669)</u>	<u>29,933,605</u>
Restricted funds				
Thompson Mausoleum	-	5,225	-	5,225
	<u>31,010,666</u>	<u>1,569,833</u>	<u>(2,641,669)</u>	<u>29,938,830</u>

Designated funds at 31 March 2024 are represented by:

	Balance at 1 April 2023 £	Income/ expenditure £	Transfer £	Balance at 31 March 2024 £
Heritage assets	24,237,454	(197,391)	(88,294)	23,951,769

Designated funds at 31 March 2023 are represented by:

	Balance at 1 April 2022 £	Income/ expenditure £	Transfer £	Balance at 31 March 2023 £
Heritage assets	23,003,374	(131,267)	1,365,347	24,237,454

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

15 FUNDS (CONT'D)

Undesignated funds at 31 March 2024 are represented by:

	Balance at 1 April 2023	Net income/ (expenditure)	Transfer	Balance at 31 March 2024
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	3,009,332	(730,750)	88,294	2,366,876
Revaluation reserve	2,556,819	(394,244)	-	2,162,575
Undesignated assets	<u>5,696,151</u>	<u>(1,124,994)</u>	<u>88,294</u>	<u>4,659,451</u>

Undesignated funds at 31 March 2023 are represented by:

	Balance at 1 April 2022	Net income/ (expenditure)	Transfer	Balance at 31 March 2023
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	2,546,150	1,828,529	(1,365,347)	3,009,332
Revaluation reserve	2,394,135	162,684	-	2,556,819
Undesignated assets	<u>5,070,285</u>	<u>1,991,213</u>	<u>(1,365,347)</u>	<u>5,696,151</u>

The undesignated fund has remained in credit throughout the year (2023: the fund remained in credit). During the year, £88,294 was transferred from undesignated funds to designated funds (2023: £1,365,347). This year-end balance on the designated funds represents the written down value of our heritage buildings less the outstanding loans charged on our properties and taken out to finance conservation works on our heritage properties, and related creditors, together with any material expenditure commitments at the year end.

Restricted funds at 31 March 2024 are represented by:

	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£	£	£	£
Thompson Mausoleum	5,225	-	1,463	3,762
Donations towards new memorial benches in St Anthony's Gardens	-	500	500	-
Restricted funds	<u>5,225</u>	<u>500</u>	<u>1,963</u>	<u>3,762</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024
15 FUNDS (CONT'D)

Restricted funds at 31 March 2023 are represented by:

	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
Thompson Mausoleum	5,405	-	180	5,225
Lord Mayor's Own (York) Scout Group	-	1,500	1,500	-
Restricted funds	<u>5,405</u>	<u>1,500</u>	<u>1,680</u>	<u>5,225</u>

The charity took over the assets of the Thompson Mausoleum Limited in 2010. The balance of the monies received are to be spent on the upkeep of the Thompson Mausoleum, Little Ouseburn, North Yorkshire.

16 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net (expenditure) / income	(1,323,848)	1,859,766
Losses / (gains) on investment properties	394,244	(162,684)
Net (expenditure) / income for the reporting period	(929,604)	1,697,082
Adjustments for:		
Depreciation charges	56,412	57,853
Losses / (gains) on disposal of assets	18,292	(1,973,594)
Returns from investments and interest	(222,883)	(179,328)
Decrease in debtors	165,044	35,268
Decrease in short term deposits	-	100,000
(Decrease) / increase in creditors	(503,428)	346,629
Net cash (absorbed) / provided by operating activities	<u>(1,416,167)</u>	<u>83,910</u>

17 ANALYSIS OF CHANGE IN NET DEBT

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	2,407,693	(1,343,651)	1,064,042
Debt due within 1 year	(154,358)	28,621	(125,737)
Debt due after 1 year	(2,641,669)	85,248	(2,556,421)
	<u>(388,334)</u>	<u>(1,229,782)</u>	<u>(1,618,116)</u>

18 CAPITAL COMMITMENTS

Future capital commitments not otherwise included in these accounts:

	2024 £	2023 £
Contracted for	<u>115,000</u>	<u>518,475</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

19 CONTINGENT LIABILITY

A contingent liability exists in respect of restricted donations totalling £2,658,068 which were received from the Arts Council of England in 2015/16 and related to the refurbishment of York Theatre Royal which was subsequently completed. As a pre-requisite of the funding, a twenty-year charge was put in place by Arts Council England. At the end of the period the charge will be revoked provided certain conditions laid out by the Arts Council have been met.

20 RELATED PARTY TRANSACTIONS

No remuneration was paid to any of the trustees in 2024 (2023: £0).

During the year, travel and subsistence totalling £6,628 (2023: £3,194) were reimbursed to eight (2023: seven) trustees and catering and travel costs of £1,435 (2023: £3,019) were met on their behalf.

Jonathan Bryant who was chief executive officer until 30 September 2023 was a member of the key management personnel and rented a flat for a short period during the year. This was an arm's length transaction at market value of £605 (2023: £6,900).

Occasionally we rent our properties or make grants to organisations with which our trustees or staff members are involved or are connected to. This is not unexpected given the nature of the heritage properties which we own, and that trustees and staff are expected to bring relevant experience in the specialist area in which we work. All such conflicts are declared and managed according to our articles of association and conflict of interest policy.

During the year a grant of £5,500 (2023: £4,750) was made to York Foundation for Conservation and Craftsmanship of which Jonathan Bryant, chief executive officer up to 30 September 2023, is a trustee. He did not participate in any decisions relating to the Trust's funding of the organisation.

21 VOLUNTEERS

We recognise the invaluable support of volunteers and plan to broaden the scope of their involvement in future years. Individual contributions are noted in the Annual Report.

22 POST BALANCE SHEET EVENT

In May 2024 we completed on the sale of 4-8 Walmgate and our three investments properties at Malt Shovel Court as part of our planned programme of disposals. The sales proceeds totalled £2.05m. The carrying value of all the properties sold at the year-end was £1.23m.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

23 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE STATEMENT

	Unrestricted Undesignated	Unrestricted designated	Restricted	Total funds 2023
	£	£	£	£
Income from				
Donations and legacies	40	-	1,500	1,540
Charitable activities	2,218,839	-	-	2,218,839
Investments	179,328	-	-	179,328
Other	42,033	-	-	42,033
Net gains on disposal of heritage assets	1,973,594	-	-	1,973,594
Total income	4,413,834	-	1,500	4,415,334
Expenditure on				
Raising funds	71,162	-	-	71,162
Charitable activities	2,514,143	131,267	1,680	2,647,090
Total expenditure	2,585,305	131,267	1,680	2,718,252
Net income/(expenditure) before gains on investments	1,828,529	(131,267)	(180)	1,697,082
Gains on investments	162,684	-	-	162,684
Net income/(expenditure)	1,991,213	(131,267)	(180)	1,859,766
Transfer between funds	(1,365,347)	1,365,347	-	-
Net movement in funds	625,866	1,234,080	(180)	1,859,766
Reconciliation of funds				
Total funds brought forward	5,070,285	23,003,374	5,405	28,079,064
Total funds carried forward	5,696,151	24,237,454	5,225	29,938,830

YORK CONSERVATION TRUST LIMITED

England & Wales - Charity number 504302

Accounts



**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Charity No 504302 Registered Company No 00395954

MESSAGE FROM OUR CHAIR

Welcome to the 2023 annual report of the trustees of York Conservation Trust. The Trust has always been committed to working with the historic buildings in York and the year has seen the continued progression of this aspiration.

Income from our heritage and investment assets has remained steady and on target throughout the year which has been buoyed by a focus on improving rental income. This has been offset to an extent with an increasing number of vacant properties, particularly in the residential sector, due to properties awaiting refurbishment when funding becomes available.

There has been a continued programme of building condition surveys across the portfolio which enables us to better understand and budget for the conservation work involved to bring the property to the required standard. The necessary expenditure will be met in part with the sale of some targeted property as our rental income is not sufficient to meet the demands presented by the condition surveys. Disposal activity began and will continue over the next period which is aligned to the strategic plan approved by the Trustees. In addition, we are looking at alternative income streams, which to date the Trust has not considered, including fundraising and/or grants.

Since the Trust was founded all members of the Board of Trustees have been related to the founders and now the decision has been made to look externally for new trustees with related experience in, but not limited to, conservation, finance, fundraising and commercial property. This should broaden the experience and knowledge base of the Trustees, taking the Trust forward for what is its next chapter. The Trustees would also like to extend their thanks to John Bowes Morrell who is a grandson and namesake of the founder, who joined the Board of Directors in 1979, serving as Chair from 2012 to 2020 prior to my own appointment. He resigned in 2022 to spend more time with his family and tend to his beloved garden.

Conservation projects of significance undertaken during the year included the Assembly Rooms which have had extensive repairs to the south anteroom including the roof which now allows the room to be used as a function room. Residential apartments on St Saviourgate have also been refurbished as part of a continuous scheme across the portfolio which results in improved rental demand and yield for such property. Finally, perhaps of most significance to the visual landscape of York are the repairs to De Grey Rooms and De Grey House for which the latter will be occupied as the head office for the Trust from May 2023. De Grey Rooms will also be occupied by St Michaels Le Belfrey while its own Anglican church is restored. It will also be available for community activity which the Trust believes is so important for these old and significant York buildings.

Finally, I would like to thank the staff for their continued efforts, diligence and determination in moving the Trust forward. We also say goodbye to our CEO Jonathan Bryant who will leave the Trust in 2023 after five years at the helm. The Trust has benefitted from his experience and leadership tremendously over this period and, in particular, we are grateful to him for navigating the Trust through the pandemic with a clear and steady hand in what was a very turbulent and uncertain time. We all wish him well in his future endeavours.

James Morrell, Chair, July 2023

TRUSTEES ANNUAL REPORT FOR THE YEAR TO MARCH 2023

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. They have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, in preparing their annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts. They comply with the charity's governing document, the Charities Act 2011 and Accounting & Reporting by Charities: Statement of Recommended Practice applying to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland, published October 2019.

Since the charitable company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

OBJECTS

During the year the Charity Commission approved a proposed restatement of objects. This was considered necessary in the interests of clarity and to reflect the Trust's broader public benefit work in the buildings conservation sector.

The restated objects are;

- To provide for the conservation and preservation for the public benefit of buildings of significant historic interest, architectural merit or amenity value in the City of York and the County North Yorkshire and lands adjacent to and associated with such buildings
- To promote the public knowledge and enjoyment of those places of historic interest, or architectural or constructional merit, in the City of York and the County of North Yorkshire, which are owned by the Company
- To advance education and skills in the conservation of buildings and land adjacent thereto and associated therewith

STRUCTURE

The Trust was incorporated by shares and registered as Ings Property Company Ltd in June 1945. Following reviews and amendments to the Articles of Association in April 1975, it became a registered charity from October of that year.

The directors of the charitable company are the trustees of the charity for the purpose of charity law. Throughout this report they are referred to as trustees.

Through our activities we aim to be responsible custodians of a financially sustainable portfolio of significant historic buildings, to engage the public in that activity and to promote the development of building conservation skills and knowledge.

In determining our aims we have considered Charity Commission guidance on public benefit. We believe that by conserving and maintaining buildings of

architectural & historic significance and making them available to the public through residential and commercial tenancies, we contribute to a community that values its history and takes pride in its future.

ACTIVITIES & ACHIEVEMENTS

Activities during the year focussed on three areas of achievement;

- Safeguarding our historic buildings and their continued use through conservation works and compliance related improvements
- Preparation and planning to increase capacity for more conservation outputs in future years
- Provision of public information and supporting the development of buildings conservation skills

Safeguarding historic buildings

Phase I repairs to The Assembly Rooms' roofs included recovering 20% of the external surface in natural Welsh slate, the conservation of internal ceiling plaster work in the south anteroom and removal of asbestos in associated voids. The opportunity was also taken to replace an adjacent valley gutter and main sump which had been prone to flooding particularly so in the heavier, flash rain storms that York experiences in today's patterns of weather. Water damaged gypsum plaster was replaced with lath & lime plaster while new lime plaster to the anteroom semi-dome was hand run to ensure it precisely followed the original profile.

In the year we completed phase II repairs to premises at 23 Stonegate, the building most recently acquired (2018) and home to York Medical Society since 1944. The works comprised mostly external conservation repairs including windows, doors, masonry, render and rainwater goods; also upgrading of shared internal areas and fire doors. Phase III is planned for 2024.

Attention to important properties on St Saviourgate commenced in 2020 following the departure of a long term commercial tenant from No 31. A moderate programme of overhaul prepared the premises for re-letting but the intended tenant's plans changed and not until 2022 was occupancy re-established by leasing to The York Ghost Merchants for craft workshop, showroom and office purposes. This remarkable York business, its discretely positioned brand, use of space and internal decoration are ideally suited for this historic property.

A project at 29 St Saviourgate completed early April 2023. Following condition survey, this included minor external repairs, attention to shared areas and overhaul of apartment two at first floor level. Much of the improvement work focussed on compliance factors including fire door upgrades, new fire alarm system and complete rewiring of electrical distribution. This and a new scheme of decoration has made a huge improvement to what is now very presentable accommodation with good views of York Minister. It has let immediately for a 120% increase in rent. In our plan for the current year, we have a similar residential overhaul scheduled at adjacent 27 St Saviourgate.

Our largest projects and financial commitment in the year were the phase I scheme of works at De Grey Buildings, St Leonard's Place; these had been vacated by York Citizens' Theatre Trust as its business model changed just before, and then again during the Covid pandemic. The theatre company remains occupier of our adjacent York Theatre Royal premises and has recently completed its own scheme of tenant improvements to the garden area between the theatre and De Grey House. Our scope of fabric repairs at the original town house embrace a strong commitment to our 'war on woodchip' in most public areas. Compliance related improvements have also featured prominently throughout the building which provides office accommodation and shared use space for our own small team, the Council for British Archaeology, rehearsal space for York Citizens' Theatre Trust, meeting rooms for hire and three offices for flexible short term lets.

Adjacent De Grey Rooms and its two hundred capacity function room at first floor level has also been upgraded to accommodate the congregation of St Michael le Belfry while its church premises in the Minster Yard are undergoing a scheme of conservation and reordering over the next few years.

The exteriors of both De Grey House and De Grey Rooms have been painstakingly cleared of inappropriate modern alkyd paints, a process that revealed much about earlier colour schemes, and detailed consideration given to the colour of replacement breathable exterior finishing paint. White has been avoided; a warmer tone, with fawn highlight better reflects the original colour.

A surprise discovery in the main entrance hall of De Grey House, was an impressive though damaged inlaid linoleum floor of 1911; this had been hidden under layers of municipal carpet, it has been conserved and will serve the building well during the next phase of its life. We moved the Trust office to De Grey House at the end of May 2023.

One half of our conservation expenditure requires listed building consent and local authority resourcing issues now results in lengthening delays to securing these. York City Council has the equivalent of just two full time conservation officers which is insufficient for 2,000 listed buildings in the City. In response we are having to plan much further ahead than we would choose to given the limited resource available to us.

During the year we made significant progress towards full compliance of all occupiable property. Additional private rented sector regulations introduced in 2020 require EICR electrical certification in all residential properties though the immediate necessity was relaxed due to the Covid pandemic when access to people's home became problematic. They are also required for commercial premises. Fire risk assessment is another crucial area for regular review and up to date documentation. Other mandatory considerations are gas safety certification, asbestos management and legionella disease preventative measures. Our approach to compliance and systems that support it are robust with policies for each of the key areas in final draft form.

Increasing capacity

During the year the decision was taken to appoint additional trustees with skills and experience relevant to the future work of the Trust. This is likely to require

further amendments to the Articles of Association. A number of recruitment methods have been considered and the preferred plan is to be implemented over the next two years.

With the appointment of Richard Fearnley to the buildings team, 2022/23 was the first full year of a new staff structure planned to improve our ability to manage the portfolio of buildings, increase the volume of repairs, maintenance and conservation work undertaken and ensure these are executed to appropriate standards. As part of Richard's induction he attended the 2022 Building Conservation Summer School at Cirencester's Royal Agricultural University.

To fund higher expenditure on our most important buildings, some of less significance were sold during the year, four properties passing to new owners in two separate transactions. The new owner of our former office building at 92 Micklegate is planning to return the premises to its original residential use. Mixed use property at 11, 12 & 13 Saviour's Place was sold to one purchaser who has invested in a programme of refurbishment which the buildings needed but was beyond the current resources of the Trust.

Trustees are considering the role that charity fund raising may have in its future operating model and a professional assessment of the potential is to be made. The results will inform decisions regarding the appointment of trustees with fund raising experience.

Two partnership projects requiring significant funding in due course are at an early planning stage with York Civic Trust and York Citizens' Theatre Trust, at Fairfax House and York Theatre Royal respectively.

Fixing Fairfax is a long term plan covering both landlord responsibilities to the structure and tenant aspirations for improved facilities in future years. The starting point is the conservation management plan now at final draft stage and in a readily accessible format that will serve multiple uses as the project progresses.

Layer Nine ; Opening Doors similarly scopes out both landlord and tenant elements of a long term plan to safeguard the historic structures of the York Theatre Royal buildings and improve their accessibility for performers and audiences alike.

A feature common to both projects is the respective ability of both partner tenants to engage and deliver stimulating activity to diverse audiences. This is a standard condition of grant for many public and charitable sources of grant assistance.

Public engagement and the development of building conservation skills

Our redesigned website went live in December 2022. It features freshly commissioned photography and a broader approach to communications about the work we do, the buildings we care for, stories about them and the part they play in the history of the City. We are grateful to volunteer Peter Brown for his work on this project which included twenty-three property profiles at launch with another being added each month. In tandem with a 'news and stories' function of the website, Instagram and Facebook channels have been instigated to create more frequent and broader public interest.

To support the development of building conservation skills, among young people particularly, the Trust provided a grant of £5,000 to York Foundation for Conservation and Craftsmanship which runs an annual bursary award scheme with an established process for promoting bursaries, assessing applications and making awards across a wide range of conservation interests. The Foundation invited trustee Ruth Morrell to join its assessment panel both to assist deliberations across all areas of conservation interest and to ensure the Trust's grant was applied specifically to applicants engaged in historic building related conservation. Tom Bardwell, an architectural conservator was awarded £750 towards the cost of a specialist brickwork course; Steve Hogath, a qualified abseiler who intends to widen the range of conservation services he can offer by rope access was awarded £1,000 towards SPAB fellowship course fees; David McFerran a heritage carpenter and joiner was also given £1,000 toward SPAB fees; Bella Romaine, a plasterer and passionate advocate of lime plaster techniques, is undertaking an MSc in building conservation at the Weald & Downland Museum and received £1,000; Daahir Mohamed, also a lime plasterer undertaking a SPAB fellowship and was awarded £1,000 towards fees.

During the year we also awarded two dissertation prizes of £500 to students at the University of York's Department of Archaeology, for submissions connected with historic buildings. One prize went to an undergraduate in support of course fees for continued study, the other to a student who has completed an MA in Historic Building Conservation. Allyson Butler won the MA student prize for *Keeping up with the Wilkinsons: public and domestic spaces in the 18th century*. Tate Wilkinson House is the grade II listed Georgian house within the demise of the Trust's York Theatre Royal building, once home to the theatre manager and today providing office space for the current theatre company. William Plant won the other prize for his work on recommendations for conservation of a trackside building on the Pickering to Whitby line, now the North York Moors Railway.

FUTURE PLANS

As part of its long term sustainability planning, trustees are considering options for the future size and composition of its portfolio of historic buildings. Also, whether a 'conservation fund' would allow the Trust to pursue meaningful areas of public benefit in the buildings conservation sector beyond the ownership of freehold assets.

With this in mind trustees have approved the acceleration of building condition survey work across the estate; outputs from the intended fundraising study will help inform those decisions.

FINANCIAL REVIEW

In our financial statements we account for heritage assets at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. One impact of our method of accounting for heritage properties is that their market value is considerably in excess of the figure shown in the financial statements. In view of the particular nature of the charitable company's heritage properties, we are not able to give a realistic estimate of that value. However, the total value of the heritage properties for insurance purposes as at 20 March 2023 was £147m (2022 £134m) and the total sum insured was £180m (2022 £165m).

Over the year we returned a net surplus of £1.7m (2022: £463k) before investment gains of £163k (2021: £292k). The surplus was generated because we disposed of a number of properties including 92 Micklegate, 11-13 St Saviourgate and 64 Aldwark, all located in York. Without net gains on the disposals of these heritage properties of £2.0m, we would have returned a deficit of £(276)k.

While we recognise that we cannot keep generating deficits into the long term, we are also conscious of the material demands we face for ongoing conservation works on some of our larger heritage properties which are not financially self-sustaining. Going forward we are not complacent about our financial strength.

The balance held as unrestricted funds as at 31 March 2023 was £29.9m (2022: £28.1m). This figure reflected all known liabilities as at the balance sheet date and there are no material uncertainties. This sum comprised assets totalling £33.9m (2022: £32.9m) and creditors totalling £4.0m (2022: £4.8m). Of the assets, £1.1m (2022: £560k) was held as free reserves. Of these free reserves, £518k (2022: £81k) was committed to material conservation projects.

Investment powers and policy

Our investment powers and policy are governed by the Articles of Association which permit funds to be deposited or invested. Decisions on our investment strategy and management are taken by the full board of trustees.

Our investments, and our approach to investment, are integral to supporting the Trust's objects. We seek out investments which:

- Contribute to the conservation of the historic built environment of York and North Yorkshire
- Provide funding for our work
- Allow us the flexibility to be responsive to changing demands on our resources
- Do not conflict with our desire to protect the natural environment, an essential precursor to conserving the historic built environment

We hold the following types of investment:

- A small portfolio of investment properties which we have developed using our knowledge and expertise in property development, and which we manage ourselves. These properties are held with the primary motive of generating financial returns

- Cash on deposit with Epworth Asset Management and CAF Bank, external managers whose approach to sustainable investment is compatible with ours. These monies are used for any unexpected fluctuations in income or expenditure together with monies held for future scheduled conservation works which cannot be met out of income

We manage risk in several ways:

- Through our cash deposits we aim to maintain sufficient liquidity to meet our commitments to staff and creditors for at least one year ahead to reduce the likelihood of becoming a forced seller of property
- Given our cash reserves, we can take a long term view of our investment property values and are usually comfortable with short term volatility in property prices
- We periodically review how comfortable we are with holding our non-cash investments solely in property
- We are open to the possibility of investing in equities and bonds, recognising that, longer term, equities tend to outperform all other mainstream investments
- We avoid speculative and opaque investments and other investments that we do not understand

At the year end, within our investment property portfolio we held 14 residential units and one furnished guest letting unit with a combined value of £3.8m (2022: £3.7m). We also held cash on deposit (including our working cash balance) of £2.4m (2022: £893k).

We review the performance of our investment properties on an annual basis to ensure that we are achieving returns in line with the market, allowing for the fact that we do not incur external management costs. In the year, we made a capital return on our investment properties of 4.5% (2022: 8.5%) and an income return of 2.1% (2022: 1.4%). We keep the interest rates achieved on our cash deposits under constant review to ensure that we achieve the best returns available subject to our investment criteria.

Reserves policy

Historically, our income has been obtained primarily from property rentals and furnished guest lets. In the past, our expectation has been that, in a typical year, our income will not only cover new property purchases and the routine maintenance of our properties and our overheads but also that it will contribute towards the demanding restorative requirements of some of our heritage properties.

However, as the challenges around conservation have increased over time along with related costs, it has become increasingly clear that that we cannot fund this work from operational income alone. In the short term we are plugging the gap through the sale of some of our properties but this approach is not sustainable in the long term. Therefore, to the extent that there is a deficit in the funding for our conservation work, we need to look for support from grant makers and donors, both alone and in partnership with other charities, to fund this work.

Generally we can plan for a scheme of conservation works, addressing the specific financial challenges over time. To the extent that we anticipate a financial deviation between our aspirations and our ability to deliver on such works, they will be postponed until such time as we can afford to carry them out although, inevitably, there is a cost to such delays, either through lost income or additional expense.

In addition to planned deficits, we recognise that there will also be times when we are unexpectedly financially exposed in the short term, either because our income streams fall or our expenditure is higher than predicted. For example, we occasionally experience unexpected calls on our funds due to unforeseen and complex emergency repairs to our properties (which is in the nature of managing heritage properties).

We consider that the Trust should maintain sufficient reserves as will allow it to ride out these unexpected variances in income and expenditure. Our view is that a cash reserve of £200k should provide sufficient cover against such contingencies until the Trust is able to reorganise its finances.

Going concern

We recognise when preparing our financial statements on a going concern basis, we must make our own assessment of the Trust's ability to continue as a going concern to assure ourselves of the validity of this assumption. Such an assessment is part of our ongoing oversight process that takes place throughout the year. To this end, we have adopted a robust reserves policy which we carefully monitor. We also expect that, in addition to its routine reporting to the board on income and expenditure, our management team will provide us with projected cashflow and any other relevant information about the future which covers at least the next 24 months.

Over the next few years we face significant costs associated with our required programme of conservation works. To the extent that these exceed our projected income from rents, we have put in place a timetable for the disposal of some properties of lesser conservation significance, some of which we anticipate selling in the next financial year. If these sales are delayed, we will modify the timing of our programme of conservation works. This strategy, combined with our existing cash reserves, gives us confidence in the Trust's ability to continue as a going concern beyond the next 12 months.

GOVERNANCE & MANAGEMENT

Appointment & recruitment of trustees

The directors of the charitable company are the trustees of the charity so conditions regarding appointments as set out in the written resolutions apply to both. Members of the company are eligible to hold office as a trustee / director but a person may be appointed subject to becoming a member within two months of that appointment. Any person so appointed may act as a director pending becoming a member. Directors must be at least eighteen years of age as at the date of appointment. Each trustee / director can hold office for a term of three years following which they must retire but may offer themselves for reappointment. The maximum number of directors of the company is twelve and the minimum three.

Trustees give their time and expertise on a wholly voluntary basis and receive no benefits from the Trust other than personal satisfaction from the public benefit achieved through its areas of activity.

Details of reimbursed expenses incurred by trustees in the course of fulfilling their duties are set out in note 19 to the financial statements.

All trustees are related directly or indirectly to the founders though this is not an eligibility requirement.

Members

No dividend or any other form of distribution has been or will be declared or paid on any or all of the shares of the company. If on winding up or dissolution there remains, after satisfaction of all liabilities, any property whatsoever, it will be given or transferred to a charitable institution, or institutions, having objects similar to the objects of the company. Under no circumstance can or will, property be given or distributed to the members of the charitable company.

Trustees' induction & training

Prior to and following appointment, trustees are familiarised with the objects, policies and processes of the Trust including their responsibilities in respect of both company and charity compliance obligations. Trustees are encouraged to participate in relevant seminars / training sessions and to broaden their knowledge of conservation management in the historic built environment sector. They seek to learn from the experience of other heritage and conservation bodies and to contribute to the shared pool of knowledge and best practice.

Organisation

Trustees determine the policies of the Trust and delegate day to day management of both assets and activities to a chief executive officer who is also company secretary. The chief executive supports the trustees in establishing policy and the development of it over time. Trustees are kept regularly up to date by the chief executive and encouraged to discuss areas of both substance

and general interest in between formal meetings through a Teams platform put in place during the Covid-19 lockdown period. Board decisions are made on the basis of a simple majority. If a majority cannot be established then the chair has a second and casting vote.

Staff remuneration

Trustees' review staff remuneration annually on the basis of individual and collective contributions to the objects and work of the Trust. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

Risk management

Trustees are responsible for the management of the risks faced by the Trust. We have a formal risk management process to assess the risks and implement risk management strategies. This involves identifying the risks we face, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Our findings are documented in two formal risk registers, a strategic risk register and an operational risk register, which are updated at least annually. A trustee risk committee oversees this process and makes recommendations to the board.

We recognise, however, that we can only manage risk, we cannot eliminate it. We consider that the two greatest risks currently facing us are:

- Failure to generate sufficient funds to resource all the conservation works required, leading to project backlogs, compromised or neglected conservation work and significant rental void periods, compounding the problem. To mitigate against this risk, we have a robust reserves policy and carefully manage our cash flow. A decision was taken by the board in 2021 to dispose of up to £10m worth of properties over the next five years to free up funds for conservation
- Property compliance and health and safety is neglected, putting our tenants and the public at risk. To mitigate against this risk, responsibility for compliance is delegated to experienced staff members. They are advised by external consultants to ensure that our compliance work meets current legal and regulatory requirements and they use accredited contractors to carry out our programme of compliance checks and remedial works. Progress against that programme is recorded on our property database.

Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

Conflicts of interest & related party transactions

The Trust has a conflict of interest policy which is written into the articles of association and applies to all trustees and staff members. Related party transactions are disclosed in note 19 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees (who are also directors of York Conservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information
- Approved by trustees on 21 July 2023 and signed on their behalf by

James R Morrell, Chair of trustees

REFERENCE & ADMINISTRATIVE INFORMATION

Company registration no	00395954	
Charity registration no	504302	
Registered office	De Grey House St Leonard's Place York YO1 7HE	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Virgin Money UK plc 30 St Vincent Place Glasgow G1 2HL
Deposit Holder	Epworth Investment 9 Bonhill Street London EC2A 4PE	
Solicitors	Drivers Solicitors 56A Bootham York YO30 7XZ	Hempsons 100 Wood Street London EC2V 7AN
	Andrew Jackson Solicitors LLP Foss Islands House Foss Islands Road York YO31 7UJ	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH	

REFERENCE & ADMINISTRATIVE INFORMATION CONT'D

Trustees	Charles H E Butler	Appointments committee
	Patricia A Butler	
	Vanessa R M Butler	Risk committee
	James R Morrell	Chair & Appointments committee
	Jeremy S Morrell	
	John Morrell (retired 1 June 2022)	
	Margaret A Morrell	Appointments committee
	Nicholas C Morrell	Risk committee
	Olivia H Morrell	Appointments committee
	Peter S Morrell	
Ruth I Morrell	Risk committee	
Staff	Guy F J Bowyer	Conservation architect
	Jonathan A Bryant	Secretary / chief executive
	Richard T Fearnley	Assistant building manager
	Tony S Leonard	Buildings manager
	Lizzie C Taylor	Operations manager
	Jackie L Turpin	Finance manager

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS & TRUSTEES OF YORK CONSERVATION TRUST LIMITED

Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations
- We identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health & safety, building regulations and employment law
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the charitable company

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risks of fraud through management bias and override controls we:

- Performed analytical procedures to identify any unusual or unexpected variances
- Tested journal entries to identify unusual transactions
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias
- Investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Mashedder (Senior Statutory Auditor) for and on behalf of

BHP LLP
Chartered Accountants, Statutory Auditor
Rievaulx House
1 St Mary's Court
Blossom Street
York YO24 1AH

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME &
EXPENDITURE ACCOUNT FOR YEAR ENDED MARCH 2023

	Note	Unrestricted undesignated £	Unrestricted designated £	Restricted £	Total funds 2023 £	Total funds 2022 £
Income from						
Donations & legacies	2	40	-	1,500	1,540	160
Charitable activities	2	2,218,839	-	-	2,218,839	2,145,279
Investments	2	179,328	-	-	179,328	141,427
Other	2	42,033	-	-	42,033	61,686
Net gains on disposal of heritage assets	2	1,973,594	-	-	1,973,594	-
Total income		<u>4,413,834</u>	<u>-</u>	<u>1,500</u>	<u>4,415,334</u>	<u>2,348,552</u>
Expenditure on						
Raising funds	3	71,162	-	-	71,162	121,953
Charitable activities	3	2,514,143	131,267	1,680	2,647,090	1,763,676
Total expenditure		<u>2,585,305</u>	<u>131,267</u>	<u>1,680</u>	<u>2,718,252</u>	<u>1,885,629</u>
Net income/ (expenditure) before gains on investments						
	5	1,828,529	(131,267)	(180)	1,697,082	462,923
Gains on investments	9	162,684	-	-	162,684	292,520
Net income/ (expenditure)		<u>1,991,213</u>	<u>(131,267)</u>	<u>(180)</u>	<u>1,859,766</u>	<u>755,443</u>
Transfers between funds	15	<u>(1,365,347)</u>	<u>1,365,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>625,866</u>	<u>1,234,080</u>	<u>(180)</u>	<u>1,859,766</u>	<u>755,443</u>
Reconciliation of funds						
Total funds brought forward		<u>5,070,285</u>	<u>23,003,374</u>	<u>5,405</u>	<u>28,079,064</u>	<u>27,323,621</u>
Total funds carried forward		<u>5,696,151</u>	<u>24,237,454</u>	<u>5,225</u>	<u>29,938,830</u>	<u>28,079,064</u>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 40 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Heritage assets	7		26,599,927		27,037,398
Tangible assets	8		569,535		627,388
Investment assets	9		<u>3,841,204</u>		<u>3,678,520</u>
			31,010,666		31,343,306
Current assets					
Debtors	10	532,654		567,922	
Short term deposits		-		100,000	
Cash at bank and in hand	11	<u>2,407,693</u>		<u>893,130</u>	
		2,940,347		1,561,052	
Creditors					
Amounts falling due within one year	12	<u>1,370,514</u>		<u>1,185,523</u>	
Net current assets			<u>1,569,833</u>		<u>375,529</u>
Total assets less current liabilities			<u>32,580,499</u>		<u>31,718,835</u>
Creditors					
Amounts falling due after more than one year	13		<u>2,641,669</u>		<u>3,639,771</u>
Total net assets			<u>29,938,830</u>		<u>28,079,064</u>
Capital and reserves					
Share capital	14		130,000		130,000
Unrestricted designated fund	15		24,237,454		23,003,374
Unrestricted revaluation fund	15		2,556,819		2,394,135
Unrestricted income and expenditure account	15		3,009,332		2,546,150
Restricted funds	15		<u>5,225</u>		<u>5,405</u>
			<u>29,938,830</u>		<u>28,079,064</u>

The financial statements were authorised for issue and approved by the board on 21 July 2023 and signed on its behalf by

James R Morrell
Director & trustee

Ruth I Morrell
Director & trustee

The notes on pages 24 to 40 form part of these financial statements.

STATEMENT OF CASH FLOWS AS AT MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>83,910</u>	<u>517,326</u>
Cash flows from investing activities			
Net rents and interest from investments	2	179,328	141,427
Net proceeds from sale/(purchase) of fixed assets	7	<u>2,411,065</u>	<u>(4,771)</u>
Net cash provided by investing activities		<u>2,590,393</u>	<u>136,656</u>
Cash flows from financing activities			
Repayments of borrowings	13	<u>(1,159,740)</u>	<u>(306,117)</u>
Net cash provided by financing operations		<u>(1,159,740)</u>	<u>(306,117)</u>
Change in cash and cash equivalents in the reporting period	11	1,514,563	347,865
Cash and cash equivalents at the beginning of the reporting period		893,130	545,265
Cash and cash equivalents at the end of the reporting period		<u>2,407,693</u>	<u>893,130</u>

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the charity. This constraint has not adversely affected the cash flows stated above.

The notes on pages 24 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

a. Organisation address and registration

York Conservation Trust Limited is a company limited by shares (00395954) registered in England and Wales and a registered charity (504302). The address of the registered office and principal place of business is De Grey House, St Leonard's Place, York, YO1 7HE. In these notes to the financial statements, the charitable company is referred to as the charity.

b. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

c. Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d. Going concern

We consider that there are no material uncertainties about the charity's ability to continue as a going concern and therefore it is appropriate to prepare the financial statements on a going concern basis.

Our long term loan facilities are renewed annually. We are not aware of any circumstances which might adversely affect the renewal of these facilities.

e. Key judgements and estimates

In applying the financial reporting framework, we have made some subjective judgments, for example in respect of significant accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of estimation means the actual outcomes could differ from those estimates. Any significant estimates or judgments affecting these financial statements are detailed below:

A key judgment which the charity has made that has a significant impact on the financial statements is the valuation of heritage properties. They are valued at cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. We consider that this approach is likely to significantly understate the market value of our heritage properties.

We do not consider that there are any other material sources of estimation uncertainty at the reporting date which have a significant risk of causing a material adjustment to the carrying amounts of our assets and liabilities within the reporting period.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023
1 ACCOUNTING POLICIES CONT'D

f. Income

Grants and other monies received for specific restoration work are matched against the project costs in the year that the expenditure is incurred. Retail, hospitality and leisure grants made available to the charity by the Government are recognised in the year to which the relief relates. All other income, including bank interest, is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Rental income invoiced in the year to 31 March 2023 which relates to future periods has been deferred in the financial statements.

g. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through, our investment properties including staff costs together with an allocation of support costs and governance
- Charitable activities: which includes the direct costs relating to the commercial and residential letting of, and provision of furnished guest accommodation through, our heritage properties including staff costs, heritage property related legal fees, depreciation and interest on loans relating to the heritage properties together with an allocation of support costs and governance

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h. Allocation of support costs

Staff costs have been apportioned between property management, governance and support costs based on staff time working in these areas. The split of property related staff costs between the cost of raising funds and charitable activities is allocated in proportion to their respective property management costs.

Support costs, primarily staff costs, office costs and general legal costs, have been allocated between the cost of raising funds, charitable activities and governance in proportion to their related costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include staff costs and other costs related to statutory audit, governance related legal costs and Trust meetings together with an apportionment of support costs. Governance costs have been allocated to raising funds and charitable activities in proportion to their related costs.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023
1 ACCOUNTING POLICIES CONT'D

i. **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the costs directly attributable to making the asset capable of operating as intended.

Generally depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- Plant and equipment, 5 years straight line
- Fixtures and fittings, 5 years straight line

Due to their exceptional nature, the costs of refurbishing York Theatre Royal incurred in 2016 are being written off over 20 years straight line.

j. **Heritage assets**

The charity holds 71 freehold heritage properties dating from the C14th which are let commercially, residentially or as furnished guest accommodation.

All properties are included at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Any further preservation costs are released through the Statement of Financial Activities when they are carried out.

In addition, the Trust owns the Thompson Mausoleum, Little Ouseburn, North Yorkshire, which was donated to the charity in 2010.

Due to the historic nature of the land and buildings, they are deemed to have indefinite lives. Therefore, the charity values the assets at full cost with no depreciation.

Details of our heritage properties can be found on the Trust's website www.yorkconservationtrust.org.

The charity holds historic artefacts which were purchased with the Assembly Rooms. They were professionally valued on purchase. They are not depreciated because they are classified as heritage assets with indefinite lives.

k. **Investments**

All four groups of our investment properties are freehold. They are let residentially or as furnished guest accommodation.

They are included on the balance sheet at fair value (market value) at the balance sheet date. Valuations were originally carried out within a month of the 31 March 2021 year end by reputable local estate agents and have subsequently been uplifted for inflation using the UK Land Registry House Price Index. Gains and losses are reflected in the Statement of Financial Activities and allocated to the appropriate funds.

Details of our investment properties can be found on the Trust's website www.yorkconservationtrust.org.

l. Impairment

Assets not measured at fair value are reviewed at the balance sheet date for any indication that the asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset has been previously written down in value by an amount exceeding the current impairment estimate.

m. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n. Short term deposits, bank and cash in hand

Short term deposits represent amounts held on deposit with a maturity date of between three months and one year. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

o. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p. Funds structure

Unrestricted funds are funds which are available for use or retention at our discretion in accordance with the charity's objects. Designated funds represent the written down value of our heritage buildings less the outstanding loans charged on our properties and taken out to finance conservation works on our heritage properties, and related creditors, together with any material expenditure commitments at the year end. Restricted funds are funds where the income can only be used for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

q. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction date and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

r. Pension scheme

The charity contributes to defined contribution pension schemes on behalf of all staff members and operates an auto-enrolment scheme with NEST. The assets of the NEST scheme are invested and managed independently of the finances of the charity. The charge for pension costs included in the financial statements represents the employer contributions payable by the charity in the period.

s. Taxation

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

t. Related party transactions and conflicts of interest

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, staff and advisors to declare an interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

u. Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

2 INCOME AND ENDOWMENTS

	2023	2022
	£	£
Donations and legacies		
Grants: restricted	1,500	-
Other donations	40	160
	<u>1,540</u>	<u>160</u>
Charitable activities		
Rental income	1,975,328	1,911,141
Recharges	101,220	83,614
Furnished guest accommodation	142,291	150,524
	<u>2,218,839</u>	<u>2,145,279</u>
Investments		
Rental income	108,007	102,659
Recharges	-	38
Furnished guest accommodation	33,138	38,151
Bank interest	38,183	579
	<u>179,328</u>	<u>141,427</u>
Other		
Grants: unrestricted (2022: Covid 19 related)	5,000	42,668
Dilapidations	36,800	18,731
Sundry income	233	287
	<u>42,033</u>	<u>61,686</u>
Net gains on disposal of heritage assets (note 7)	<u>1,973,594</u>	<u>-</u>
Total income	<u>4,415,334</u>	<u>2,348,552</u>

Other than the restricted grants in donations and legacies noted above, all the above income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

3 ANALYSIS OF EXPENDITURE

Current year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2023 £	Total 2022 £
Expenditure						
Property management costs: unrestricted	59,341	2,015,026	-	-	2,074,367	1,232,552
Property management costs: restricted	-	1,680	-	-	1,680	469
Staff costs	8,379	284,729	11,906	44,538	349,552	315,935
Legal and professional fees	-	28,531	2,022	4,707	35,260	61,557
Auditor's remuneration	-	-	12,885	-	12,885	10,575
Office costs	-	-	9,817	45,571	55,388	81,847
Depreciation	-	57,853	-	-	57,853	68,028
Loss on disposal of assets	-	-	-	-	-	8,000
Loan interest		131,267	-	-	131,267	106,666
	67,720	2,519,086	36,630	94,816	2,718,252	1,885,629
Allocation of support costs	2,448	91,044	1,324	(94,816)	-	-
	70,168	2,610,130	37,954	-	2,718,252	1,885,629
Allocation of governance costs	994	36,960	(37,954)	-	-	-
Total expenditure 2023	71,162	2,647,090	-	-	2,718,252	-
Total expenditure 2022	121,953	1,763,676	-	-	-	1,885,629

Other than property management costs, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

3 ANALYSIS OF EXPENDITURE (CONT'D)

Prior year

	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2022 £
Expenditure					
Property management costs: unrestricted	89,244	1,143,308	-	-	1,232,552
Property management costs: restricted	-	469	-	-	469
Staff costs	19,238	255,040	11,173	30,484	315,935
Legal and professional fees	-	49,957	2,086	9,514	61,557
Auditor's remuneration	-	-	10,575	-	10,575
Office costs	-	-	5,540	76,307	81,847
Depreciation	-	68,028	-	-	68,028
Gain on disposal of assets	-	8,000	-	-	8000
Loan interest	4,049	102,617	-	-	106,666
	<u>112,531</u>	<u>1,627,419</u>	<u>29,374</u>	<u>116,305</u>	<u>1,885,629</u>
Allocation of support costs	<u>7,397</u>	<u>106,977</u>	<u>1,931</u>	<u>(116,305)</u>	<u>-</u>
	<u>119,928</u>	<u>1,734,396</u>	<u>31,305</u>	<u>-</u>	<u>1,885,629</u>
Allocation of governance costs	<u>2,025</u>	<u>29,280</u>	<u>(31,305)</u>	<u>-</u>	<u>-</u>
Total expenditure 2022	<u>121,953</u>	<u>1,763,676</u>	<u>-</u>	<u>-</u>	<u>1,885,629</u>

Other than property management costs, all the above expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

4 STAFF COSTS

	2023	2022
	£	£
Total cost of all paid staff		
Gross salaries and wages	297,499	270,793
Employer's national insurance	30,283	25,171
Employer's pension contributions	21,770	19,971
	<u>349,552</u>	<u>315,935</u>

None of the trustees received any remuneration during the year (2022: none).

The average weekly number of employees during the year was six (2022: six). In both 2022 and 2023, all staff were employed in an administrative capacity.

During the year, one employee earned between £90,000 and £99,999 (2022: one) and one employee earned between £60,000 and £69,999 (2022: none).

Both higher paid employees accrued benefits under a money purchase scheme (2022: one). In the year, contributions under a money purchase scheme paid on behalf of higher paid employees totalled £13,584 (2022: £9,180).

The key management personnel of the charity are the chief executive officer, conservation architect, finance manager and operations manager. In 2022, only the chief executive officer, conservation architect and finance manager were included within this category. Total employee emoluments of the key management personnel, including employer's national insurance and pensions, were £272,897 (2022: £211,910).

5 NET INCOME

	2023	2022
	£	£
This is stated after charging		
Auditor's remuneration	<u>12,855</u>	<u>10,575</u>

6 AUDITOR REMUNERATION

	2023	2022
	£	£
Audit of the financial statements	12,855	10,575
Other services	-	1,440
	<u>12,855</u>	<u>12,015</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7 HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
Cost or valuation			
1 April 2022	74,870	27,782,141	27,857,011
Additions	-	-	-
Disposals	-	(437,471)	(437,471)
31 March 2023	<u>74,870</u>	<u>27,344,670</u>	<u>27,419,540</u>
Impairment			
1 April 2022	-	819,613	819,613
Additions	-	-	-
Disposals	-	-	-
31 March 2023	<u>-</u>	<u>819,613</u>	<u>819,613</u>
Net book values			
31 March 2023	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>
31 March 2022	<u>74,870</u>	<u>26,962,528</u>	<u>27,037,398</u>
Valuation	57,000	-	57,000
Cost including restoration charges and after impairment charge	<u>17,870</u>	<u>26,525,057</u>	<u>26,542,927</u>
Total	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>

The charity owns 71 freehold heritage properties dating from the C14th and the Thompson Mausoleum, Little Ouseburn, North Yorkshire. All have conservation and preservation interest. The heritage properties are let commercially, residentially or as furnished guest accommodation. The mausoleum was donated to the charity in 2010.

Due to the nature of the property, the Mausoleum is deemed to have no market value. The building was valued for insurance reinstatement purposes at £576k at the year-end (2022: £526k)

Details of these properties can be found at www.yorkconservationtrust.org

The charity acquired historic artefacts with the purchase of The Assembly Rooms. These were professionally valued in at £115,000 in 2003 as part of the purchase arrangement. Since then a number of disposals have been made.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7 HERITAGE FIXED ASSETS CONT'D

Five year financial summary of heritage asset transactions

	2023	2022	2021	2020	2019
	£	£	£	£	£
Additions: purchases and restoration					
Properties		-	-	380,999	831,447
Artefacts		-	-	-	-
Total additions	-			380,999	831,447
Disposal costs					
Properties	437,431	-	-	-	-
Artefacts	-	8,000	-	-	-
Total disposal costs	437,431	8,000	-	-	-
Disposals proceeds					
Properties	2,411,025	-	-	-	-
Artefacts	-	-	-	-	-
Net total proceeds	1,973,594	-	-	-	-

8 FIXED ASSETS

	Fixtures and fittings	Plant and equipment	Total
	£	£	£
Cost			
1 April 2022	908,398	35,468	943,866
Additions	-	-	-
Disposals	(7,304)	-	(7,304)
31 March 2023	901,094	35,468	936,562
Depreciation			
1 April 2022	295,950	20,528	316,478
Provision for the year	52,457	5,396	57,853
Disposals	(7,304)	-	(7,304)
31 March 2023	341,103	25,924	367,027
Net book values			
31 March 2023	559,991	9,544	569,535
31 March 2022	612,448	14,940	627,388

All fixed assets are used in the furtherance of the charity's objectives.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

9 INVESTMENTS

	Properties £
At valuation	
1 April 2022	3,678,520
Revaluation	162,684
Additions	-
Disposals	-
31 March 2023	<u>3,841,204</u>

The Trust owns investment properties at Malt Shovel Court, Morrell Cottages and Morrell Yard, which are let residentially and Trinity Cottage which is let as furnished guest accommodation.

The units at Malt Shovel Court, Morrell Cottages and Morrell Yard were valued by David Beattie MNAEA of Quantum Sales and Lettings as at 25 April 2021. Their combined value was £3.0m. Trinity Cottage was valued by Rosie Crux MRICS of Barry Crux and company as at 30 March 2021. Its value was £400k. These valuations were uplifted in line with the UK Land Registry UK House Price Index as at 31 March 2023. Their combined historic cost was £1.3m.

10 DEBTORS

	2023 £	2022 £
Amounts falling due within one year		
Rent debtors	267,522	360,124
Prepayments	222,150	192,132
Accrued income	20,495	15,666
Other taxes	22,487	-
	<u>532,654</u>	<u>567,922</u>

11 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
At bank	<u>2,407,693</u>	<u>893,130</u>

12 CREDITORS DUE WITHIN ONE YEAR

	2023 £	2022 £
Amounts falling due within one year		
Bank loans (secured)	154,358	315,996
Rents received in advance	290,354	308,293
Trade creditors	584,378	233,964
Other taxes and social security costs	10,035	48,905
Other creditors	230,010	223,799
Pension contributions	1,725	2,326
Accruals and deferred income	99,654	52,240
	<u>1,370,514</u>	<u>1,185,523</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

13 CREDITORS DUE AFTER ONE YEAR

	2023	2022
	£	£
Amounts falling due after more than one year		
Bank loans (secured)	<u>2,641,669</u>	<u>3,639,771</u>

The loans are secured on the following properties: The Assembly Rooms, 56 Bootham, 66 Bootham, Brereton Corner, Brereton Cottage, Brereton House, De Grey House, De Grey Rooms, 13/14 Fossgate, 15/16 Fossgate, 14/16 Lendal, Morrell Yard, 1 Museum Street, 111 Walmgate. A loan secured on 23 Stonegate was repaid in the year. The loans are repayable as follows:

	2023	2022
	£	£
Bank loans repayable as follows		
Within one year	154,358	315,996
More than one year but not more than two years	160,010	323,965
More than two years but not more than five years	439,999	1,013,842
More than five years	<u>2,041,660</u>	<u>2,301,964</u>
	<u>2,796,027</u>	<u>3,955,767</u>

14 CALLED UP SHARE CAPITAL

	2023	2022
	£	£
Allotted, called up and fully paid		
130,000 Ordinary Shares of £1 each	<u>130,000</u>	<u>130,000</u>

15 FUNDS

Fund balances at 31 March 2023 are represented by

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2023 £	2022 £
Unrestricted funds					
Designated funds	26,525,057	354,066	(2,641,669)	24,237,454	23,003,374
Undesignated funds	<u>4,485,609</u>	<u>1,210,542</u>	<u>-</u>	<u>5,696,151</u>	<u>5,070,285</u>
	31,010,666	1,564,608	(2,641,669)	29,933,605	28,073,659
Restricted funds					
Thompson Mausoleum	<u>-</u>	<u>5,225</u>	<u>-</u>	<u>5,225</u>	<u>5,405</u>
	31,010,666	1,569,833	(2,641,669)	29,938,830	28,079,064

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

15 FUNDS CONT'D

Fund balances at 31 March 2022 are represented by :

	Fixed assets £	Current assets/ liabilities £	Long term liabilities £	2022 £
Unrestricted funds				
Designated funds	26,962,528	(319,383)	(3,639,771)	23,003,374
Undesignated funds	4,380,778	689,507	-	5,070,285
	<u>31,343,306</u>	<u>370,124</u>	<u>(3,639,771)</u>	<u>28,073,659</u>
Restricted funds				
Thompson Mausoleum	-	5,405	-	5,405
Total disposal costs	<u>31,343,306</u>	<u>375,529</u>	<u>(3,639,771)</u>	<u>28,079,064</u>

Designated funds at 31 March 2023 are represented by:

	Balance at 1 April 2022 £	Income/ expenditure £	Transfer £	Balance at 31 March 2023 £
Heritage assets	<u>23,003,374</u>	<u>(131,267)</u>	<u>1,365,347</u>	<u>24,237,454</u>

Designated funds at 31 March 2022 are represented by:

	Balance at 1 April 2021 £	Income/ expenditure £	Transfer £	Balance at 31 March 2022 £
Heritage assets	<u>22,697,498</u>	<u>(102,617)</u>	<u>408,493</u>	<u>23,003,374</u>

Undesignated funds at 31 March 2023 are represented by:

	Balance at 1 April 2022 £	Net income/ (expenditure) £	Transfer £	Balance at 31 March 2023 £
Share capital	130,000	-	-	130,000
Income and expenditure	2,546,150	1,828,529	(1,365,347)	3,009,332
Revaluation reserve	2,394,135	162,684	-	2,556,819
Undesignated assets	<u>5,070,285</u>	<u>1,991,213</u>	<u>(1,365,347)</u>	<u>5,696,151</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

15 FUNDS (CONT'D)

Undesignated funds at 31 March 2022 are represented by:

	Balance at 1 April 2021	Net income/ (expenditure)	Transfer	Balance at 31 March 2022
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	2,388,634	566,009	(408,493)	2,546,150
Revaluation reserve	2,101,615	292,520	-	2,394,135
Undesignated assets	<u>4,620,249</u>	<u>858,529</u>	<u>(408,493)</u>	<u>5,070,285</u>

The undesignated fund has remained in credit throughout the year (2022: the fund remained in credit). During the year, £1,365,347 was transferred from undesignated funds to designated funds (2022: £408,493). This year-end balance on the designated funds represents the written down value of our heritage buildings less the outstanding loans charged on our properties and taken out to finance conservation works on our heritage properties, and related creditors, together with any material expenditure commitments at the year end.

Restricted funds at 31 March 2023 are represented by:

	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
Thompson Mausoleum	5,405	-	180	5,225
Lord Mayor's Own (York) Scout Group	-	1,500	1,500	-
Restricted funds	<u>5,405</u>	<u>1,500</u>	<u>1,680</u>	<u>5,225</u>

Restricted funds at 31 March 2022 are represented by:

	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
Thompson Mausoleum	<u>5,874</u>	-	469	<u>5,405</u>

The charity took over the assets of the Thompson Mausoleum Limited in 2010. The balance of the monies received are to be spent on the upkeep of the Thompson Mausoleum, Little Ouseburn, North Yorkshire.

During the year the charity received a donation £1,500 from the Lords Mayors Own (York) Scout Group towards the maintenance of the hedge and wall adjacent to the scout hut. The funds were fully spent in the year.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

16 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period	1,697,082	462,923
Adjustments for:		
Depreciation charges	57,853	68,028
(Gain) / loss on disposal of assets	(1,973,594)	8,000
Returns from investments and interest	(179,328)	(141,427)
Decrease in debtors	35,268	80,099
Decrease in short term deposits	100,000	-
Increase in creditors	346,629	39,703
Net cash provided by operating activities	<u>83,910</u>	<u>517,326</u>

17 CAPITAL COMMITMENTS

Future capital commitments not otherwise included in these accounts:

	2023	2022
	£	£
Contracted for	<u>518,475</u>	<u>81,175</u>

18 CONTINGENT LIABILITY

A contingent liability exists in respect of restricted donations totalling £2,658,068 which were received from the Arts Council of England in 2015/16 and related to the refurbishment of York Theatre Royal which was subsequently completed. As a pre-requisite of the funding, a twenty year charge was put in place by Arts Council England. At the end of the period the charge will be revoked provided certain conditions laid out by the Arts Council have been met.

19 RELATED PARTY TRANSACTIONS

No remuneration was paid to any of the trustees in 2023 (2022: £0).

During the year, travel and subsistence totalling £3,194 (2022: £5,150) were reimbursed to seven (2022: eight) trustees and catering and travel costs of £3,019 (2022: £1,880) were met on their behalf.

The chief executive officer is a member of the key management personnel and rented a flat during the year. This was an arms length transaction at market value of £6,900 per annum (2022: £6,900).

Occasionally we rent our properties or make grants to organisations with which our trustees or staff members are involved or are connected to. This is not unexpected given the nature of the heritage properties which we own and that trustees and staff are expected to bring relevant experience in the specialist area in which we work. All such conflicts are declared and managed according to our articles of association and conflict of interest policy.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

19 RELATED PARTY TRANSACTIONS CONT'D

During the year:

- John Morrell (trustee, now retired) was a Vice President of York Civic Trust. York Conservation Trust owns Fairfax House which York Civic Trust rents. Fairfax House is a heritage property which is valued in York Conservation Trust's financial statements at an original cost of £2,253,810. At the year end, York Civic Trust owed York Conservation Trust £242 (2022: £0). During the year, York Conservation Trust charged York Civic Trust rent of £22,500 (2022: £22,500) and recharged insurance and other costs of £5,321 (2022: £4,598)
- A grant of £4,750 (2022: £5,100) was made to York Foundation for Conservation and Craftsmanship of which Jonathan Bryant, chief executive officer, is a trustee. He did not and will not participate in any decisions relating to the Trust's funding of the organisation.

20 VOLUNTEERS

We welcome the invaluable support of volunteers and plan to broaden the scope of their involvement in future years . During the year Peter Brown made a valuable contribution to the web site project and Andrea Taffs assisted in archive work.

21 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE STATEMENT

	Unrestricted Undesignated £	Unrestricted designated £	Restricted £	Total funds 2022 £
Income from				
Donations and legacies	160	-	-	160
Charitable activities	2,145,279	-	-	2,145,279
Investments	141,427	-	-	141,427
Other	61,686	-	-	61,686
Total income	2,348,552	-	-	2,348,552
Expenditure on				
Raising funds	121,953	-	-	121,953
Charitable activities	1,660,590	102,617	469	1,763,676
Total expenditure	1,782,543	102,617	469	1,885,629
Net income/(expenditure) before gains on investments	566,009	(102,617)	(469)	462,923
Gains on investments	292,520	-	-	292,250
Net income/(expenditure)	858,529	(102,617)	(469)	755,443
Transfer between funds	(408,493)	408,493	-	-
Net movement in funds	450,036	305,876	(469)	755,443
Reconciliation of funds				
Total funds brought forward	4,620,249	22,697,498	5,874	27,323,621

YORK CONSERVATION TRUST LIMITED

England & Wales - Charity number 504302

Accounts



**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Registered Charity No 504302 Registered Company No 00395954

MESSAGE FROM OUR CHAIR

Despite several waves of Covid related restrictions our main source of income, rents, has held up reasonably well during the year and our focus on related operational improvements continues to prove successful. In November 2021 we were able to hold our first in person meeting of trustees for two years. Though our investment in IT has permitted trustees and staff to communicate well during a difficult period there is no substitute for personal interaction on as regular a basis as possible.

Of most significance during the period, we completed our forward planning process and adopted the resulting strategic plan at the November 2021 board. That plan draws to a temporary close a period of significant growth in the number of freehold buildings for which we are responsible. Our ongoing programme of building condition surveys, the first batch of which focussed on the most historically important structures in our care, has revealed the extent of conservation works required in future years to maintain the buildings and ensure their continued viable occupation and use. Increasingly rigorous compliance obligations including fire prevention, power distribution and energy consumption adds to the scale and complexity of the work.

Rising to these challenges means we have to increase annual expenditure on repairs, maintenance and conservation works to levels that income from rents alone cannot currently support. To fund this in the short term, we have resolved to sell some properties of lesser conservation significance. We have also determined to pursue potential partnership opportunities and to develop relationships with both grant giving bodies and prospective private donors. To support such initiatives a clearer public profile will be essential and our web site project that was put on hold in 2020 is to be restarted.

I must record the trustees' thanks to Ian Daniells who retired as former Property Manager at the end of March 2022 after thirteen years service. Since we separated responsibility for tenant services and rent collection from building and conservation works, Conservation Architect, Guy Bowyer, has been leading our small buildings team. Tony Leonard joined this as Buildings Manager at the end of 2021 and Richard Fearnley as Assistant Buildings Manager at the beginning of April 2022. After eight years service as the Trust's joiner / tradesman and latterly supporting the operations function, Josh Redhead left the Trust's employment at the end of February 2022 to pursue his trade as an independent joiner. We were pleased that during his time with us Josh developed experience and skills that will serve him well during this next stage of his career.

At five full time and one part time member of staff our executive team remains compact. I thank them for their diligence and resolve during what has been a difficult period and for their determination to support trustees in meeting the challenges ahead. I would also like to thank our professional consultants and those tradesmen, specialists and contractors who carry out repairs, maintenance and conservation works at each of our buildings. Most of these are local and we are pleased that our work has a positive impact on the economy and conservation trades reputation of York and its region.

James Morrell, Chair
July 2022

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2022. They have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, in preparing their annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts. They comply with the charity's governing document, the Charities Act 2011 and Accounting & Reporting by Charities: Statement of Recommended Practice that applies to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland, published October 2019.

Since the charitable company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

OBJECTS

The objects of the Trust are to;

Preserve for the benefit of the townspeople of the City of York in the County of North Yorkshire together with the extended area of the County of North Yorkshire but more particularly those areas with a YO postcode, and the nation at large, whatever of the English historical, architectural and constructional heritage may exist in and around the City of York together with the extended area of the County of North Yorkshire but more particularly those areas with a YO postcode aforesaid in the form of buildings (including any building defined in section 290(1) of the Town & Country Planning Act 1971) of particular beauty or historical or constructional interest.

The Charity Commission is considering a proposed amended statement of objects which trustees have submitted in the interests of providing a clearer picture as to the charity's purpose and the public benefit it delivers. It is anticipated that this will be approved during 2022.

STRUCTURE

The Trust was incorporated by shares and registered as Ings Property Company Ltd in June 1945. Following reviews and amendments to the Articles of Association in April 1975, it became a registered charity from October of that year.

The directors of the charitable company are the trustees of the charity for the purpose of charity law. Throughout this report they are referred to as trustees.

Through our activities we aim to;

- Be responsible custodians of a financially sustainable portfolio of significant historic buildings
- Participate proactively in programmes that further the interests of built environment conservation in York
- Pursue appropriate programmes of educational activity and public engagement with the conservation of our buildings

In determining our aims we have considered Charity Commission guidance on public benefit. We believe that by conserving and maintaining buildings of architectural & historic significance and making them available to the public through residential and commercial tenancies, we contribute to a community that values its history and takes pride in its future.

ACTIVITIES & ACHIEVEMENTS

While continuing to take appropriate Covid related precautionary measures to minimise health risk for trustees, staff, tenants, trades contractors and other suppliers we have successfully progressed a number of work streams judged critical to the future sustainability of the Trust's historic assets and conservation principles.

Strategic planning

Results from our buildings condition survey have proved the need to increase annual expenditures on repairs, maintenance and conservation overhauls of historic structures. To determine the optimum ways to achieve this we undertook a forward planning process commencing late 2020 which completed with trustees' approval of the strategic plan in November 2021.

Michael Day MVO was invited to support our forward planning as an independent professional in the heritage assets field having extensive experience of working across a broad range of charitable organisations in both executive and non executive roles. Mr Day consulted all trustees on an individual basis, prepared a comprehensive 'current position report' that trustees fully endorsed and led a planning workshop for the Trust's nominated strategy sub group comprising four trustees and three members of staff.

That sub group considered a broad range of horizon scanning data including a conservation time line illustrating how statutory protection of, and attitudes to, historic buildings have developed over two centuries; conservation principles; the property market in York; high street data; climate change; fund raising; charity investments and the Charity Governance Code. The group then developed a spectrum of planning scenarios which were informed by earlier work on a pyramid model of building types, long term cost of ownership and rents achievable.

The full board of trustees approved the strategy sub group's recommended scenario the key features of which were;

- Clearer articulation of public benefit, through the Trust's articles of association and a more proactive public profile
- Annual allocation of significantly more resource to buildings repair, maintenance, compliance and periodic conservation project overhauls
- Disposal of buildings of lower significance, to fund increased expenditure on more important buildings over the next five years
- Pursue opportunities for partnership arrangements that support the conservation overhaul of larger buildings such as Thomas Herbert House, much of which is currently unoccupiable
- Reduce bank lending
- Secure grants and donations towards the costs of conservation projects from public bodies, charities and where appropriate private donors. Trustees do not currently intend to seek support from the general public through a fundraising campaign

York Theatre Royal

The theatre is one of the Trust's most important buildings, historically and in terms of its communal value to the City of York, its residents and visitors. The investment we made in 2020 to facilitate regular statutory ceiling inspections by our occupier and partner York Citizens Theatre Trust is now bearing fruit. We remain responsible for the structure of this building while the theatre trust is responsible for interiors, fit out and equipment. *Layer Nine, Opening Doors* is a new joint project, planning for which started in 2021 with implementation scheduled over the next three years. The project includes both conservation works to the Tate Wilkinson building, an C18th townhouse with some C13th fabric that lies within the theatre company's demised area, and a range of internal improvements designed to improve the accessibility of theatre facilities for show

casts with mobility difficulties. Tate Wilkinson (1739 to 1803) was an actor and theatre manager who bought a royal patent for York's theatre in 1769. Initial investigations for the *Layer Nine, Opening Doors* project revealed that we are also the proud custodian of a 1935 grade II listed K6 telephone box designed by Sir Giles Gilbert Scott; the project has been extended to include the conservation of this classic but now rare feature of our streetscapes and its continued beneficial use as a defibrillator point.

The Assembly Rooms

A very significant building and second in volume of public use and enjoyment, after York Theatre Royal. Occupier Ask Italian Restaurants offers a memorable family experience within the spaces created by Lord Burlington's C18th version of an ancient Egyptian Hall. Opened during race week in 1732 the building marked the first application of Palladian style in the UK and became the model for formal reception rooms throughout the country. In the first Covid lockdown, when all restaurants were forced to close, we took the opportunity to undertake a scheme of conservation works to the Rotunda Dome. Over the last year we continued ceiling repair works to bring the Gentlemen's Retiring Room back into use. We also prepared, in house, a full and detailed schedule for a programme of roof works over the next four years and secured an unconditional listed building consent for these.

45 Goodramgate

A long standing occupier of this building retired during the year having run a popular restaurant in this timber framed property for over twenty five years. We took the opportunity of a subsequent vacant period to undertake a short programme of works to prepare the premises for the next occupier who, coincidentally had worked for the retiree in the same building over ten years ago. Our works drew a strategic line between conservation and compliance of the building and specialist restaurant kitchen fit out which we obliged the new occupier to be responsible for; that fit out is subject to listed building consent and we have sought to provide the incoming tenant with appropriate advice and guidance. This project raised a number of long term considerations about matching various lease types to likely future conservation requirements of historic buildings. We are currently planning a major overhaul of another timber framed building in the centre of York and have related challenges to deal with on that project.

Supporting Conservation

During the year we continued to support the development of skills in building conservation through the York Consortium for Conservation & Craftmanship annual bursary programme. Three students were assisted in 2021; Oliver Barton a joiner who secured a William Morris Craft Fellowship with the Society for the Protection of Ancient Buildings; Victoria Hellewell a carpenter / conservator undertaking a conservation studies MA at the University of York; Eugenia Mompo, a conservation architect who took a specialist course in Hygrothermal Risk Assessment at the Dublin School of Architecture. Over the next three years we will consider supporting an appropriate apprenticeship programme. During 2021 we also awarded a dissertation prize to Emily Kostanecki an MA conservation student at the University of York's Department of Archaeology for her work on the challenges of adaptive reuse of the bars of York City Walls.

Condition surveys

Condition surveys commenced in 2018 with a scoping, rapid assessment of all properties to establish priorities for the full survey programme. We selected those buildings likely to be in greatest need of remedial conservation works for detailed survey during the early years of the programme. We are now approximately 30% through all surveys and the resulting schedules of remedial work were an important consideration during the 2021 forward planning process. We were very pleased to involve MA students at the University of York in the early scoping study and jointly funded a professional conservation surveyor to lead that project. The detailed surveys are

undertaken by experienced surveyors largely through smaller conservation firms on our panel of professional consultants. We are targeting six detailed surveys a year with the intention of undertaking the resulting schedules of work within a two or three year period of each completed survey.

Buildings compliance

Despite complications arising from Covid we have made progress over the year in improving both our properties and processes across all areas of compliance; fire risk & safety, gas safety, electrical safety, energy performance, asbestos and legionnaires disease; we brought in additional expertise to accelerate our programme of improvement. On the residential side, compliance overhauls of any significance require the property to be empty and when a tenancy ends we do not relet until the necessary work can be specified, contracted for, professionally supervised and completed to appropriate standards. Commercial occupiers are responsible for their own annual fire risk assessments but some smaller businesses have struggled to carry these out to consistent or adequate standards. During the year we supported such businesses to improve their assessments and have now have in place a disciplined approach to monitor these year on year.

Climate change

The Trust is determined to make a tangible contribution to the national discourse on historic buildings and carbon consumption; leading on this is Conservation Architect, Guy Bowyer. Listed buildings in England represent around 1.4% of total building stock so their role in meeting UK carbon targets is limited but inaction risks creating a problematic legacy with future generations' attitudes towards the historic built environment turning negative. To maintain historic buildings' relevance and future viability, conservation interests must be proactive and York's 2,000 listed properties within a resident population of 210,000 offer many opportunities for exemplar projects not least because York's high proportion of Grade I and Grade II* listed buildings account for the top 8% of the most important buildings in England. Good conservation is the process of sensitive change management and changes are certainly required in this area. During the year we undertook masonry repairs, timber frame repairs and replaced external lime render at 60 Goodramgate; we also secured listed building consent for our first air source heat pump in a concealed location at this property. Over the coming year we plan to complete works at 60 Goodramgate with internal fit out with a range of carbon consumption reduction measures, including breathable roof insulation, internal insulating lime plasters, conservation draft proofing to windows and doors and installation of the air source heat pump system.

Disposals

Following a competitive bid process managed by an independent, professionally qualified surveyor, we agreed heads of terms for the sale of two properties during the last month of the year and a third during May 2022. These are our current office building at 92 Micklegate, 4 Walmgate comprising a shop with two flats above and a mixed use group of buildings and land in St Saviour's Place. In all cases the highest offer was preferred, though one was subsequently withdrawn and a lower offer accepted. Completion of all three transactions is expected during the first half of 2022/23. Net sales proceeds of these properties will significantly exceed the value at which they have been held in our fixed asset register.

As part of the sales agreement our office is to remain at 92 Micklegate until March 2023 under the terms of a lease with the new freeholder. We then plan to move to one of our existing historic buildings, De Grey House, which had previously been occupied as a whole by York Citizens Theatre Trust. We intend to occupy a relatively small area of that building and will let others to a range of businesses through leases and shorter term licences with some rooms allocated for hire by the day.

Developing our organisation

We have continued to take every practical opportunity to develop our team, its experience and skills across both staff and trustees. Last year's roll out of the trustee IT project facilitates focussed weekly updates on headline financials, the conservation work itself and the Trust's evolving relationships with other organisations in the heritage and conservation sectors. Advantage has been taken of one positive outcome of Covid, namely ready availability of free online webinars by reputable professional firms active in the charity sector. The IT project has also made substantial improvements in the ready availability of information to the board of trustees. Minutes and board papers from inception in 1945 to the most recent discussion or formal meeting are readily available online to assist trustees in the execution of their responsibilities.

We are proud to be part of an active conservation community and the team in York continues to expand its knowledge of and approach to both conservation and the evolving business of conservation across its many dimensions. We learn from other projects, specialist trades, professional contacts and experienced contractors and are considering ways in which additional skills and experience can be introduced to the charity in a non executive capacity.

We resist the temptation to be first adopters, in the field of climate change particularly, because too early a full commitment to any particular solution is inherently risky. We prefer to learn incrementally and make judgements based on direct experience with the historic structures that are our principal asset and cause.

FUTURE PLANS

We are fully focussed on implementing the strategic plan of November 2021 which commits considerably more resource to maintenance, repairs and periodic overhaul of the most important historic buildings in our portfolio; also to reducing bank debt and developing a clearer public benefit profile that will assist future applications for grants and donations towards the cost of conservation works. In the short term a number of lesser properties are to be sold to release resource for those of more conservation significance.

The Charity is considering ways in which its governance model should develop to ensure that the board of trustees has relevant skills and experience available to it; trustees are mindful that the landscape of building conservation is dynamic with both demands and opportunities changing over time. Trustees have considered the merits of securing alternative future income streams and resolved to keep options for that under review.

FINANCIAL REVIEW

In our financial statements we account for heritage assets at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. One impact of our method of accounting for our heritage properties is that their market value is considerably in excess of the figure shown in the financial statements. In view of the particular nature of the Charitable Company's heritage properties, we are not able to give a realistic estimate of that value. However, the total value of the heritage properties for insurance purposes as at 20 March 2022 was £134m (2021: £124m), and the total sum insured was £165m (2021: £149m).

Over the year we returned a net surplus of £463k (2021: £422k) before gains/losses on investments and investment gains of £292k (2021: £146k).

While we recognise this was a healthy surplus, we are also conscious of the material demands we face for ongoing conservation works on some of our larger heritage properties which are not financially self-sustaining. Going forward we cannot be complacent about our financial strength.

At the year end our reserves were £28.1m (2021: £27.3m).

Investment powers and policy

Our investment powers and policy are governed by the Articles of Association which permit funds to be deposited or invested.

Traditionally we have invested through property, enabling us to take advantage of our specialist knowledge of the lettings market. We own 15 residential units and furnished guest letting units within our investment property portfolio with a combined value of £3.7m (2021: £3.4m). We manage all the residential units ourselves. We also hold £100k on short term deposit (2021: £100k).

Reserves policy

Our aim is that our income, obtained primarily from property rents and furnished guest lettings, should be sufficient to cover the routine maintenance of our properties, our overheads and our debt servicing requirements.

Nevertheless, we recognise that there will be times when our cash outflows exceed our cash inflows. For example, we had an unexpected drop in our property rental income and furnished guest lets resulting from Covid 19. Similarly, we occasionally experience unexpected calls on our funds due to unforeseen and complex emergency repairs to our heritage properties and unanticipated operational costs that may arise if a member of staff takes sick leave.

We consider that the Trust should maintain sufficient reserves as will allow the Trust to ride out these unexpected variances in income and expenditure. Our view is that a free cash reserve of £100k should provide sufficient cover against such contingencies until the Trust is able to reorganise its finances, if necessary, by selling one or more of its properties.

In addition, we recognise that, due to the particularly demanding conservation requirements of some of the heritage properties the Trust owns, we will need to finance, on an ongoing basis, material programmes of work that cannot be met by future income alone. Our expectation is that such excess costs may exceed £1m per annum for at least the next five years. Given that scale of expenditure it is unrealistic to expect to meet it out of our free cash reserves. To this end, such expenditure will be put on hold except to the extent that the Trust has surplus funds, can raise grant funding or finance is available via bank loans and overdrafts which can be serviced within our means.

The balance held as unrestricted funds as at 31 March 2022 was £28.1m (2021: £27.3m). This figure reflected all known liabilities as at the balance sheet date and there are no material uncertainties. This sum comprised of assets totalling £32.9m (2021: £32.4m) and creditors totalling £4.8m

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(2021: £5.1). Of the assets, £560k (2021: £331k) was held as free reserves. Of these free reserves, £81k (2021: £212k) was committed to material conservation projects.

Going concern

We recognise then when preparing our financial statements on a going concern basis, we must make our own assessment of the Trust's ability to continue as a going concern to assure ourselves of the validity of this assumption. Such an assessment is part of our ongoing oversight process that takes place throughout the year. To this end, we have adopted a robust reserves policy which we carefully monitor. We also expect that, in addition to its routine reporting to the board on income and expenditure, our management team will provide us with projected cashflow and any other relevant information about the future which covers at least the next 24 months.

Over the next few years we face significant costs associated with our required programme of conservation works. To the extent that these exceed our projected income from rents, we have put in place a timetable for the disposal of some properties of lesser conservation significance, some of which we anticipate selling in the next financial year. These sales, combined with our existing cash reserves, give us confidence in the Trust's ability to continue as a going concern beyond the next 12 months.

GOVERNANCE & MANAGEMENT

Appointment & recruitment of trustees

The directors of the charitable company are the trustees of the charity so conditions regarding appointments as set out in the written resolution apply to both. Members of the company are eligible to hold office as a trustee / director but a person may be appointed subject to becoming a member within two months of that appointment. Any person so appointed may act as a director pending becoming a member. Directors must be at least eighteen years of age as at the date of appointment. Each trustee / director can hold office for a term of three years following which they must retire but may offer themselves for reappointment. The maximum number of directors of the company is twelve and the minimum three.

Trustees give their time and expertise on a wholly voluntary basis and receive no benefits from the Trust other than personal satisfaction from the public benefit achieved through its areas of activity.

Details of reimbursed expenses incurred by trustees in the course of fulfilling their duties are set out in note 17 to the financial statements.

All trustees are related directly or indirectly to the founders though this is not an eligibility requirement.

Members

No dividend or any other form of distribution has been or will be declared or paid on any or all of the shares of the company. If on winding up or dissolution there remains, after satisfaction of all liabilities, any property whatsoever, it will be given or transferred to a charitable institution, or institutions, having objects similar to the objects of the company. Under no circumstance can or will, property be given or distributed to the members of the company.

Trustees' induction & training

Prior to and following appointment, trustees are familiarised with the objects, policies and processes of the Trust including their responsibilities in respect of both company and charity compliance obligations. Trustees are encouraged to participate in relevant seminars / training sessions and to broaden their knowledge of conservation management in the historic built environment sector. They seek to learn from the experience of other heritage and conservation bodies and to contribute to the shared pool of knowledge and best practice.

Organisation

Trustees determine the policies of the Trust and delegate day to day management of both assets and activities to a chief executive officer who is also company secretary. The chief executive supports the trustees in establishing policy and the development of it over time. Trustees are kept regularly up to date by the chief executive and encouraged to discuss areas of both substance and general interest in between formal meetings through a Teams platform put in place during the Covid-19 lockdown period. Board decisions are made on the basis of a simple majority. If a majority cannot be established then the chair has a second and casting vote.

Staff remuneration

Trustees' review staff remuneration annually on the basis of individual and collective contributions to the objects and work of the Trust. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

Risk management

Trustees are responsible for the management of the risks faced by the Trust. We have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks we face, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Our findings are documented in a formal risk register which is updated at least annually. This year we have established a trustee risk committee to oversee this process. We recognise, however, that we can only manage risk, we cannot eliminate it.

We consider that the principal risk to the Trust is that of not doing justice, with limited reserves, in fulfilling our charitable objects. Failure to take full advantage of the opportunities afforded to us would be damaging to our potential beneficiaries and our reputation would be put at risk. To mitigate this risk we periodically carry out a strategic review which allows us to evaluate our current position and work through change by focusing on the big external and internal challenges. The latest strategic review was completed in November 2021.

We also face financial risk due to the complex and extensive restoration demands of some of our bigger properties which effectively mean they cannot be self-financing and require subsidy. To mitigate this risk, we look for grant funding where appropriate and maintain strict financial control over other areas of our work to free up funds.

Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

Conflicts of interest & related party transactions

The Trust has a conflict of interest policy which is written into our Trust deed and applies to all trustees and staff members. Related party transactions are disclosed in note 17 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees (who are also directors of York Conservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that;

- There is no relevant audit information of which the company's auditors are unaware
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information
- Approved by trustees on 20 July 2022 and signed on their behalf by;

James R Morrell
Chair of trustees

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REFERENCE & ADMINISTRATIVE INFORMATION

Company registration no	00395954	
Charity registration no	504302	
Registered office	92 Micklegate York YO1 6JX	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Virgin Money UK plc 30 St Vincent Place Glasgow G1 2HL
Deposit Holder	Epworth Investment 9 Bonhill Street London EC2A 4PE	
Solicitor	Drivers Solicitors 56A Bootham York YO30 7XZ	Hempsons 100 Wood Street London EC2V 7AN
	Andrew Jackson Solicitors LLP Foss Islands House Foss Islands Road York YO31 7UJ	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH	

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REFERENCE & ADMINISTRATIVE INFORMATION

Trustees

Charles H E Butler	
Patricia A Butler	
Vanessa R M Butler	Risk committee
James R Morrell	Chair
Jeremy S Morrell	
John B Morrell	
Margaret A Morrell	
Nicholas C Morrell	Risk committee
Olivia H Morrell	
Peter S Morrell	
Ruth I Morrell	Risk committee

Staff

Guy F J Bowyer	Conservation architect
Jonathan A Bryant	Secretary / chief executive
Richard T Fearnley	Assistant building manager
Tony S Leonard	Buildings manager
Lizzie C Taylor	Operations manager
Jackie L Turpin	Finance manager

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS & TRUSTEES OF
YORK CONSERVATION TRUST LIMITED**

Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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,

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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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health & safety, building regulations and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the charitable company.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

YORK CONSERVATION TRUST LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Marshall (Senior statutory auditor), for and on behalf of

BHP LLP
Chartered Accountants, Statutory Auditor
Rievaulx House
1 St Mary's Court
Blossom Street
York YO24 1AH
22 July 2022

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2022

	Note	Unrestricted undesignated £	Unrestricted designated £	Restricted £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations & legacies	2	160	-	-	160	158,125
Charitable activities	2	2,145,279	-	-	2,145,279	1,725,619
Other trading activity	2	-	-	-	-	554
Investments	2	141,427	-	-	141,427	114,725
Other	2	61,686	-	-	61,686	66,951
Total income		2,348,552	-	-	2,348,552	2,065,974
Expenditure on:						
Raising funds	3	121,953	-	-	121,953	31,611
Charitable activities	3	1,660,590	102,617	469	1,763,676	1,612,671
Total expenditure		1,782,543	102,617	469	1,885,629	1,644,282
Net income/ (expenditure) before gains on investments	5	566,009	(102,617)	(469)	462,923	421,692
Gains on investments		292,520	-	-	292,520	145,986
Net income / (expenditure)		858,529	(102,617)	(469)	755,443	567,678
Transfers between funds	15	(408,493)	408,493	-	-	-
Net movement in funds		450,036	305,876	(469)	755,443	567,678
Reconciliation of funds:						
Total funds brought forward		4,620,249	22,697,498	5,874	27,323,621	26,755,943
Total funds carried forward		5,070,285	23,003,374	5,405	28,079,064	27,323,621

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 35 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Heritage assets	7		27,037,398		27,045,398
Tangible assets	8		627,388		690,645
Investment assets	9		3,678,520		3,386,000
			31,343,306		31,122,043
Current assets					
Debtors	10	567,922		648,021	
Short term deposits		100,000		100,000	
Cash at bank and in hand	11	893,130		545,265	
		1,561,052		1,293,286	
Creditors					
Amounts falling due within one year	12	1,185,523		1,136,688	
			375,529		156,598
Net Current Assets					
			31,718,835		31,278,641
Total assets less current liabilities					
			3,639,771		3,955,020
Creditors					
Amounts falling due after more than one year	13		3,639,771		3,955,020
Total net assets					
			28,079,064		27,323,621
Capital and reserves					
Share capital	14		130,000		130,000
Unrestricted designated fund	15		23,003,374		22,697,498
Unrestricted revaluation reserve	15		2,394,135		2,101,615
Unrestricted income and expenditure account	15		2,546,150		2,388,634
Restricted funds	15		5,405		5,874
			28,079,064		27,323,621

The financial statements were authorised for issue and approved by the board on 22 July 2022 and signed on its behalf by:

James R Morrell
Director & trustee

Ruth I Morrell
Director & trustee

The notes on pages 22 to 35 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

STATEMENT OF CASH FLOWS AS AT MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>517,326</u>	<u>308,398</u>
Cash flows from investing activities			
Net rents and interest from investments	2	141,427	114,725
Purchase of property, plant and equipment	8	(4,771)	(15,053)
Net cash provided by investing activities		<u>136,656</u>	<u>99,672</u>
Cash flows from financing activities			
Repayments of borrowing		(306,117)	(1,197,180)
Net cash provided by financing activities		<u>(306,117)</u>	<u>(1,197,180)</u>
Change in cash and cash equivalents in the reporting period		347,865	(789,110)
Cash and cash equivalents at the beginning of the reporting period		545,265	1,334,375
Cash and cash equivalents at the end of the reporting period	11	<u>893,130</u>	<u>545,265</u>

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the charity. This constraint has not adversely affected the cash flows stated above.

The notes on pages 22 to 35 form part of these financial statements.

1. ACCOUNTING POLICIES

a. Organisation address and country of registration

York Conservation Trust Limited is a company limited by shares (00395954) registered in England and Wales, and a registered charity (504302). The address of the registered office and principal place of business is 92 Micklegate, York, YO1 6JX. In these notes to the financial statements, the charitable company is referred to as the charity.

b. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

c. Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d. Going concern

We consider that there are no material uncertainties about the charity's ability to continue as a going concern and therefore it is appropriate to prepare the financial statements on a going concern basis.

Our long term loan facilities are renewed annually. We are not aware of any circumstances which might adversely affect the renewal of these facilities.

We have considered the impact of Covid 19 and forecast that any effect on rental income can be mitigated by managing expenditure and, if necessary, drawing on reserves.

e. Key judgments and estimates

In applying the financial reporting framework, we have made some subjective judgments, for example in respect of significant accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of estimation means the actual outcomes could differ from those estimates. Any significant estimates or judgments affecting these financial statements are detailed within the relevant accounting policy below.

Key judgments that the charity has made which have a significant impact on the financial statements include the valuation of heritage properties at cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. We consider that this approach is likely to significantly understate the market value of our property portfolio.

We do not consider that there are any other material sources of estimation uncertainty at the reporting date which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the reporting period.

f. Income

Grants received for restoration work are matched against the project costs in the year that the expenditure is incurred. Retail, hospitality and leisure grants made available to the charity by the Government are recognised in the year to which the relief relates. All other income, including bank interest, is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Rental income invoiced in the year to 31 March 2022 which relates to future periods has been deferred in the financial statements.

g. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds: includes the direct costs relating to the rental of, and provision of furnished guest accommodation through, our investment properties together with an allocation of support costs including staff costs based on these direct costs and an allocation of loan interest based on the historical cost of our investment properties.
- Charitable activities: includes the direct costs relating to the rental of, and provision of furnished guest accommodation through, our heritage properties together with an allocation of support costs including staff costs based on these direct costs and an allocation of loan interest based on the historical cost of our investment properties.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h. Allocation of support costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, governance, related legal and professional costs and Trust meetings together with an apportionment of overhead and support costs.

Governance costs and support costs have been allocated to raising funds and charitable activities in proportion to their related direct costs.

i. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the costs directly attributable to making the asset capable of operating as intended.

Generally depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- Plant and equipment: 5 years straight line
- Fixtures and fittings: 5 years straight line

Due to their exceptional nature, the costs of refurbishing York Theatre Royal incurred in 2016 are being written off over 20 years straight line.

j. Heritage assets

The charity holds 78 freehold properties or groups of properties dating from the C14th. Details can be found on the Trust's website www.yorkconservationtrust.org

YORK CONSERVATION TRUST LIMITED

All properties are included at purchase cost together with any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Any further preservation costs are released through the Statement of Financial Activities when they are carried out.

Due to the historic nature of the land and buildings, they are deemed to have indefinite lives and therefore the charity values the assets at full cost with no depreciation.

The charity holds historic artefacts which were purchased with the Assembly Rooms. They were professionally valued on purchase. They are not depreciated because they are classified as heritage assets with indefinite lives.

k. Investments

All four investment properties are freehold. They comprise of 15 residential units and one unit which is used to provide serviced guest accommodation. They are included on the balance sheet at fair value (market value) at the balance sheet date. Valuations were originally carried out with a month of the 31 March 2021 year end by reputable local estate agents and these have been uplifted for inflation using the UK Land Registry House Price Index index. Gains and losses are reflected in the Statement of Financial Activities and allocated to the appropriate funds.

l. Impairment

Assets not measured at fair value are reviewed at the balance sheet date for any indication that the asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset has been previously written down in value by an amount exceeding the current impairment estimate.

m. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n. Short term deposits, bank and cash in hand

Short term deposits represent amounts held on deposit with a maturity date of between three months and one year. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

o. Creditors and provisions

Creditors and provisions are recognised where a charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p. Funds structure

Unrestricted funds are funds which are available for use or retention at our discretion in accordance with the charity's objects. Designated funds represent the written down value of land and building less the outstanding loans charged on the properties and related creditors. Restricted funds are funds where the income can only be used for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

q. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction date and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

r. Pension scheme

The charity operates a defined contribution pension scheme for all staff members. The assets of the scheme are invested and managed independently of the finances of the charity. The charge for pension costs represents the employer contributions payable by the charity in the period.

s. Taxation

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

t. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, staff and advisors to declare an interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

u. Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

2. INCOME AND ENDOWMENTS

	2022 £	2021 £
Donations and legacies		
Grants - restricted	-	136,651
Other donations	160	21,474
	160	158,125
Charitable activities		
Rental income	1,911,141	1,686,130
Recharges	83,614	10,308
Furnished guest accommodation	150,524	29,181
	2,145,279	1,725,619
Other trading activities		
Property management	-	554
Investments		
Rental income	102,659	105,325
Recharges	38	72
Furnished guest accommodation	38,151	7,221
Bank interest	579	2,107
	141,427	114,725
Other		
Grants: unrestricted – Covid 19 related funding	42,668	45,081
Dilapidations	18,731	20,662
Sundry income	287	1,208
	61,686	66,951
Total income	2,348,552	2,065,974

Other than the restricted grant income noted above, all the income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

3. ANALYSIS OF EXPENDITURE

CURRENT YEAR	Cost of raising funds £	Charitable activities £	Governance costs £	Support costs £	Total 2022 £	Total 2021 £
Expenditure						
Property management costs, unrestricted	89,244	1,143,308	-	-	1,223,038	820,605
Property management costs, restricted	-	469	-	-	469	137,130
Staff costs	19,238	255,040	11,173	30,484	315,935	287,663
Legal and professional fees	-	49,957	2,086	9,514	61,557	79,819
Auditor's remuneration	-	-	10,575	-	10,575	9,975
Office costs	-	-	5,540	76,307	91,361	63,807
Depreciation	-	68,028	-	-	68,028	123,919
Loss on disposal of assets	-	8,000	-	-	8,000	-
Loan interest	4,049	102,617	-	-	106,666	121,364
	112,531	1,627,419	29,374	116,305	1,885,629	1,644,282
Allocation of support costs	7,397	106,977	1,931	(116,305)	-	-
	119,928	1,734,396	31,305	-	1,885,629	1,644,282
Allocation of governance costs	2,025	29,280	(31,305)	-	-	-
Total expenditure 2022	121,953	1,763,676	-	-	1,885,629	1,644,282
Total expenditure 2021	31,611	1,612,671	-	-	-	1,644,282

PRIOR YEAR	Cost of raising Funds £	Charitable activities £	Governance costs £	Support costs £	Total 2021 £
Expenditure					
Property management costs, unrestricted	17,501	803,104	-	-	820,605
Property management costs, restricted	-	137,130	-	-	137,130
Staff costs	4,973	228,179	11,284	43,227	287,663
Legal and professional fees	741	72,434	-	6,644	79,819
Auditor's remuneration	-	-	9,975	-	9,975
Office costs	-	-	1,367	62,440	63,807
Depreciation	-	123,919	-	-	123,919
Loan interest	5,518	115,846	-	-	121,364
	28,733	1,480,612	22,626	112,311	1,644,282
Allocation of support costs	2,284	104,842	5,185	(112,311)	-
	31,017	1,585,454	27,811	-	1,644,282
Allocation of governance costs	594	27,217	(27,811)	-	-
Total expenditure 2021	31,611	1,612,671	-	-	1,644,282

Other than the property management costs - restricted noted above, all the expenditure was unrestricted.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

4. STAFF COSTS

	2022	2021
	£	£
Total cost of all paid staff		
Gross salaries and wages	270,793	252,987
Employer's national insurance	25,171	16,800
Employer's pension contributions	19,971	17,876
	<u>315,935</u>	<u>287,663</u>

None of the trustees received any remuneration during either year.

One employee earned between £90,000 and £99,999 during the year (2021: one).

	2022	2021
	No	No
Average weekly number of employees during the year		
Administration	6	6
	2022	2021
	No	No
Higher paid employees receiving benefits		
Accruing benefits under a money purchase pension scheme	<u>1</u>	<u>1</u>

The key management personnel of the charity are the chief executive officer, the conservation architect and the finance manager. The total employee emoluments, including employer's national insurance and pension of the key management personnel were £211,910 (2021: £207,648).

5. NET INCOME

	2022	2021
	£	£
This is stated after charging		
Auditor's remuneration	<u>10,575</u>	<u>9,975</u>

6. AUDITOR REMUNERATION

	2022	2021
	£	£
Audit of the financial statements	10,575	9,975
Other services	1,440	-
	<u>12,015</u>	<u>9,975</u>

7. HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
Cost or valuation			
1 April 2021	82,870	27,782,141	27,865,011
Additions	-	-	-
Disposals	(8,000)	-	(8,000)
31 March 2022	<u>74,870</u>	<u>27,782,141</u>	<u>27,857,011</u>
Impairment			
1 April 2021	-	819,613	819,613
Provision for the year	-	-	-
31 March 2022	<u>-</u>	<u>£819,613</u>	<u>£819,613</u>
Net book values			
31 March 2022	<u>74,870</u>	<u>26,962,528</u>	<u>27,037,398</u>
31 March 2021	<u>82,870</u>	<u>26,962,528</u>	<u>27,045,398</u>
Valuation	57,000	-	57,000
Cost inc restoration charges and after impairment charge	<u>17,870</u>	<u>26,962,528</u>	<u>26,980,398</u>
Total	<u>74,870</u>	<u>26,962,528</u>	<u>27,037,398</u>

The charity owns 78 freehold properties or groups of properties of which there are 75 commercial units, 70 residential units, 5 furnished guest accommodation units, a mausoleum and an administrative unit with preservation and conservation interest dating from the C14th. Details of the properties can be found on our website www.yorkconservationtrust.org

The Thompson Mausoleum was donated to the charity in 2010. Due to the nature of the property, it has been deemed to have no market value. The building was insured for £658k at the year end (2021: £582k).

The charity obtained historic artefacts with the purchase of the Assembly Rooms. The artefacts were professionally valued at £115,000 in 2003 as part of the purchase arrangement. Since then, a number of disposals have been made.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Five year financial summary of heritage asset transactions

	2022	2021	2020	2019	2018
	£	£	£	£	£
Additions; purchases and restoration					
Properties	-	-	380,999	831,447	2,128,419
Artefacts	-	-	-	-	-
Total additions	-	-	380,999	831,447	2,128,419
Disposal costs					
Properties	-	-	-	-	-
Artefacts	8,000	-	-	-	18,495
Total disposal costs	8,000	-	-	-	18,495
Disposals proceeds					
Properties	-	-	-	-	-
Artefacts	-	-	-	-	-
Total proceeds	-	-	-	-	-

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Plant and equipment	Total
	£	£	£
Cost			
1 April 2021	921,825	65,659	987,484
Additions	-	4,771	4,771
Disposals	(13,427)	(34,962)	(48,389)
31 March 2022	908,398	35,468	943,866
Depreciation			
1 April 2021	256,747	40,092	296,839
Provision for the year	52,630	15,398	68,028
Written off on disposals	(13,427)	(34,962)	(48,389)
31 March 2022	295,950	20,528	316,478
Net book values			
31 March 2022	612,448	14,940	627,388
31 March 2021	665,078	25,567	690,645

All fixed assets are used in the furtherance of the charity's objectives.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

9. INVESTMENTS

	Properties £
At valuation	
1 April 2021	3,386,000
Revaluation	292,520
Additions	-
Disposals	-
31 March 2022	3,678,520

The investment properties include units at Malt Shovel Court, Morrell Cottages and Morrell Yard and Trinity Cottage.

The units at Malt Shovel Court, Morrell Cottages and Morrell Yard were valued by David Beattie MNAEA of Quantum Sales and Lettings as at 25 April 2021. Their combined value was £3.0m. Trinity Cottage was valued by Rosie Crux MRICS of Barry Crux and company as at 30 March 2021. Its value was £400k. These valuations were uplifted in line with the UK Land Registry UK House Price Index as at 31 March 2022. The combined historic cost of all the investment properties was £1.3 million.

10. DEBTORS

	2022 £	2021 £
Amounts falling due within one year		
Rents	360,124	468,278
Prepayments	192,132	170,485
Accrued income	15,668	9,258
	567,922	648,021

11. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash		
In hand	-	3
At bank	893,130	545,262
	893,130	545,265

12. CREDITORS

	2022 £	2021 £
Amounts falling due within one year		
Bank loans (secured)	315,996	306,864
Rents received in advance	308,293	306,690
Trade creditors	233,964	245,599
Other taxes and social security costs	48,905	49,563
Other creditors	223,799	204,128
Pension contributions	2,326	4,245
Accruals and deferred income	52,240	19,599
	1,185,523	1,136,688

13. CREDITORS

	2022	2021
	£	£
Amounts falling due after more than one year		
Bank loans (secured)	<u>3,639,771</u>	<u>3,955,020</u>

The loans are secured on the properties 111 Walmgate, 56 Bootham, 66 Bootham, De Grey Rooms, De Grey House, Brereton Cottage, Brereton Corner, Brereton House, 1 Museum Street, The Assembly Rooms, 14/16 Lendal, 23 Stonegate, 13/14 Fossgate, Morrell Yard and 15/16 Fossgate. They are repayable as follows;

	2022	2021
	£	£
Bank loans repayable as follows		
Within one year	315,996	306,864
More than one year but not more than two years	323,965	315,319
More than two years but not more than five years	1,013,842	999,684
More than five years	2,301,964	2,640,017
	<u>3,955,767</u>	<u>4,261,884</u>

The loans represent 31% of the cost (heritage) or valuation (investment) of the properties against which they are charged (2021: 34%).

14. CALLED UP SHARE CAPITAL

	2022	2021
	£	£
Allotted, called up and fully paid		
130,000 Ordinary shares of £1 each	<u>130,000</u>	<u>130,000</u>

15. FUNDS

Fund balances at 31 March 2022 are represented by

	Fixed assets	Current assets/ liabilities	Long term liabilities	2022	2021
	£	£	£	£	£
Unrestricted funds					
Designated funds	26,962,528	(319,383)	(3,639,771)	23,003,374	22,697,498
Undesignated funds	<u>4,380,778</u>	<u>689,507</u>	<u>-</u>	5,070,285	<u>4,620,249</u>
	31,343,306	370,124	(3,639,771)	28,073,659	27,317,747
Restricted funds					
Thompson Mausoleum	<u>-</u>	<u>5,405</u>	<u>-</u>	5,405	<u>5,874</u>
	31,343,306	375,529	(3,639,771)	28,079,064	27,323,621

Fund balances at 31 March 2021 are represented by

	Fixed assets	Current assets/ liabilities	Long term liabilities	2021
	£	£	£	£
Unrestricted funds				
Designated funds	26,962,528	(310,010)	(3,955,020)	22,697,498
Undesignated funds	<u>4,159,515</u>	<u>460,734</u>	<u>-</u>	4,620,249
	31,122,043	150,724	(3,955,020)	27,317,747
Restricted funds				
Thompson Mausoleum	<u>-</u>	<u>5,874</u>	<u>-</u>	5,874
	31,122,043	156,598	(3,955,020)	27,323,621

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Designated funds at 31 March 2022 are represented by

	Balance at 1 April 2021 £	Income / expenditure £	Transfer £	Balance at 31 March 2022 £
Heritage assets	22,697,498	(102,617)	408,493	23,003,374

Designated funds at 31 March 2021 are represented by

	Balance at 1 April 2020 £	Income / expenditure £	Transfer £	Balance at 31 March 2021 £
Heritage assets	21,500,234	(115,846)	1,313,110	22,697,498

Undesignated funds at 31 March 2022 are represented by

	Balance at 1 April 2021 £	Income/ expenditure £	Transfer £	Balance at 31 March 2022 £
Share capital	130,000	-	-	130,000
Income & expenditure	2,388,634	566,009	(408,493)	2,546,150
Revaluation reserve	2,101,615	292,520	-	2,394,135
Undesignated assets	4,620,249	858,529	(408,493)	5,070,285

Undesignated funds at 31 March 2021 are represented by

	Balance at 1 April 2020 £	Income/ expenditure £	Transfer £	Balance at 31 March 2021 £
Share capital	130,000	-	-	130,000
Income & expenditure	3,163,727	538,017	(1,313,110)	2,388,634
Revaluation reserve	1,955,629	145,986	-	2,101,615
Undesignated assets	5,249,356	684,002	(1,313,110)	4,620,249

The undesignated fund has remained in credit throughout the year (2021: the fund remained in credit). During the year, £408,493 was transferred from undesignated funds to designated funds (2021: £1,313,110). This figure represents the balance of the purchase cost of the heritage properties and the draw down and repayment of loans.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Restricted funds at 31 March 2022 are represented by

	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 1 April 2022
Thompson Mausoleum	5,874	-	469	-	5,405

Restricted funds at 31 March 2021 are represented by

	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance 1 April 2021
Thompson Mausoleum	6,353	-	(479)	-	5,874
York Citizens Theatre Trust	-	112,699	(112,699)	-	-
Historic England	-	23,952	(23,952)	-	-
	6,353	136,651	(137,130)	-	5,874

The charity took over the assets of the Thompson Mausoleum Limited in 2010. The balance of the monies received are to be spend on the upkeep of the Thompson Mausoleum, Little Ouseburn, Yorkshire.

16. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period	462,923	421,691
Adjustments for:		
Depreciation charges	68,028	123,919
Loss on disposal of assets	8,000	-
Returns from investments and interest	(141,427)	(114,725)
Decrease in debtors	80,099	5,182
Increase / (decrease) in creditors	39,703	(127,669)
Net cash provided by operating activities	517,326	308,398

17. RELATED PARTY TRANSACTIONS

No remuneration was paid to any of the trustees in 2022 (2021: £0).

During the year, travel and subsistence totalling £5,150 (2021: £0) were reimbursed to eight (2021: none) trustees and catering costs of £1,880 (2021: £0) were met on their behalf.

The chief executive officer is a member of the key management personnel and rented a flat during the year. This was an arms length transaction at market value of £6,900 per annum (2021: £6,900).

Occasionally we rent our properties or make grants to organisations with which our trustees or staff members are involved or have connections to. This is not unexpected given the nature of the heritage properties which we own and that trustees and staff are expected to bring relevant experience in the specialist area in which we work. All such conflicts are declared and managed according to our Trust Deed and our conflict of interest policy.

During the year:

- John Morrell (trustee) was a Vice President of York Civic Trust. York Conservation Trust owns Fairfax House which York Civic Trust rents from it. Fairfax House is a heritage property which is valued in York Conservation Trust's financial statements at an original cost of £2,253,810. During the year, York Conservation Trust charged York Civic Trust rent of £22,500 (2021: £22,500) and recharged it insurance costs of £4,598 (2021: £0).

YORK CONSERVATION TRUST LIMITED

- A grant of £5,100 (2021: £5,000) was made to York Foundation for Conservation and Craftsmanship of which Jonathan Bryant, chief executive officer, is a trustee. He did not and will not participate in any decisions relating to the Trust's funding of the organisation.

18. CAPITAL COMMITMENTS

	2022 £	2021 £
Future capital commitments not otherwise included in these accounts		
Contracted for	<u>81,175</u>	<u>212,000</u>

19. VOLUNTEERS

We were extremely grateful to Kelly Storrer for her able assistance in helping us review our extensive historic records. During the year she was also supported by Ruth Morrell and Margaret Morrell (trustees) who offered administrative support in addition to their governance responsibilities. Volunteer support is invaluable and we plan to broaden the scope of volunteer involvement in future years.

20. CONTINGENT LIABILITY

A contingent liability exists in respect of restricted donations totalling £2,658,068 which were received from the Arts Council of England in 2015/16 and related to the refurbishment of York Theatre Royal which was subsequently completed. As a pre-requisite of the funding, a twenty year charge was put in place by the Arts Council. At the end of the period, the charge will be revoked provided certain conditions laid out by the Arts Council have been met.

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT

	Unrestricted Undesignated £	Unrestricted designated £	Restricted £	Total funds 2021 £
Income from				
Donations and legacies	21,474	-	136,651	158,125
Charitable activities	1,725,619	-	-	1,725,619
Other trading activities	554	-	-	554
Investments	114,725	-	-	114,725
Other	66,951	-	-	66,951
Total income	<u>1,929,323</u>	<u>-</u>	<u>136,651</u>	<u>2,065,974</u>
Expenditure on				
Raising funds	31,611	-	-	31,611
Charitable activities	1,359,695	115,846	137,130	1612,671
Total expenditure	<u>1,391,306</u>	<u>115,846</u>	<u>137,130</u>	<u>1,644,282</u>
Net income/(expenditure before gains on investments)	538,017	(115,846)	(479)	421,692
Gains on investments	145,986	-	-	145,986
Net income/(expenditure)	684,003	(115,846)	(479)	567,678
Transfers between funds	(1,313,110)	1,313,110	-	-
Net movement in funds	<u>(629,107)</u>	<u>1,197,264</u>	<u>(479)</u>	<u>567,678</u>
Reconciliation of funds				
Total funds brought forward	5,249,356	21,500,234	6,353	26,755,943
Total funds carried forward	<u>4,620,249</u>	<u>22,697,498</u>	<u>5,874</u>	<u>27,323,621</u>

YORK CONSERVATION TRUST LIMITED

England & Wales - Charity number 504302

Accounts

YORK CONSERVATION TRUST LIMITED

Registered charity number 504302
Registered company number 00395954

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2021

YORK CONSERVATION TRUST LIMITED

MESSAGE FROM OUR CHAIR

From almost every point of view this has been an exceptional and difficult year. Some commercial occupiers that trade from our historic properties have been unable to operate for a significant period of time and have had to adapt their businesses to a situation that was simply unimaginable as recently as at the end of 2019. Residential tenants have been impacted too, some facing reduced income and others threat to livelihoods as employment in many sectors came under pressure.

In these Covid pandemic circumstances we have sought to be as understanding as possible towards our tenants' positions and to make arrangements with them that both support their interests and ensure that that our conservation purpose continues to be fulfilled. This has involved difficult discussions at times but as society moves out of restrictions towards a new normal we reflect that though our work has been negatively affected we have been successful in minimising the impact.

Fortuitously, we had begun the transition to cloud systems well ahead of Covid-19 and this meant that our small team could continue to run the business and provide a service to tenants while working remotely. We also maintained a minimal office presence throughout in order to provide access to properties for tradesmen dealing with urgent or emergency situations. Our Covid-19 precautionary arrangements have worked well and no member of our team has suffered directly from coronavirus.

Ahead of Covid-19 we determined to undertake a strategic piece of work to both review how we currently fulfil charitable purpose and determine to what extent our forward plan should look the same as, or different from, those which have gone before it. The impact of coronavirus on income, the emerging conclusion of our building condition survey programme and the results of an awareness and perception study we commissioned during 2020, are all suggesting that our model should adapt to a different type of future. The strategic work commenced March 2021 for completion Autumn 2021 and implementation from 2022.

During the year we tendered our audit work and appointed BHP LLP with effect from April 2021. This is the first trustees' annual report and financial statements the firm has audited on behalf of trustees. We are grateful to BHP for the diligence and rigor it has brought to this role.

I was very pleased to accept the trustees' invitation to take the chair from November 2020. Our non executive board has a good working relationship with the small executive team and I would like to thank both for their support through the past year and the determination with which they approach the challenges ahead.

James Morrell, Chair
July 2021

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2021. They have adopted the provisions of the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, in preparing the annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts. They comply with the charity's governing document, the Charities Act 2011 and Accounting & Reporting by Charities: Statement of Recommended Practice that applies to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland, published October 2019.

OBJECTS

The objects of the Trust are to;

Preserve for the benefit of the townspeople of the City of York in the County of North Yorkshire together with the extended area of the County of North Yorkshire but more particularly those areas with a YO postcode, and the nation at large, whatever of the English historical, architectural and constructional heritage may exist in and around the City of York together with the extended area of the County of North Yorkshire but more particularly those areas with a YO postcode aforesaid in the form of buildings (including any building defined in section 290(1) of the Town & Country Planning Act 1971) of particular beauty or historical or constructional interest.

STRUCTURE

The Trust was incorporated by shares and registered as Ings Property Company Ltd in June 1945. Following reviews and amendments to the Articles of Association in April 1975, it became a registered charity from October of that year. The Trust's Articles of Association were further revised in September 2017.

The directors of the charitable company are the trustees of the charity for the purpose of charity law. Throughout this report they are referred to as trustees.

Through our activities we aim to;

- Maintain and conserve the fabric of buildings of architectural and historic significance that are in our ownership
- Ensure that the economic and beneficial use of our properties is optimised
- Consider future acquisitions and disposals that support our primary purpose
- Share information and disseminate learning with others working in similar fields, especially conservation students, and with the public at large wherever practical

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

In determining our aims we have considered Charity Commission guidance on public benefit. We believe that by conserving and maintaining buildings of architectural & historic significance and making them available to the public through residential and commercial tenancies, we contribute to a community that values its history and takes pride in its future.

ACTIVITIES & ACHIEVEMENTS

During much of the year our focus was to operate as normally as possible in a Covid safe way that minimised health risk for staff, tenants, trades contractors and other suppliers. Where a vacant flat for refurbishment was in a property occupied by other tenants we put that project on temporary hold. By contrast we have been able to undertake works to commercial properties where occupiers in the food, beverage and retail sectors particularly were prohibited from trading.

Building condition surveys

Our programme of periodic surveys was instigated in 2018 and has continued over the last year. Having commenced with a rapid headline level assessment of all properties in a partnership project with the University of York and building conservation students within its department of archaeology, we placed early priority for detailed survey on the most complex of our buildings with the intention of completing all eighty-one buildings / groups of buildings over a period of five years. Experience has shown this to be too ambitious since survey information demands very thorough understanding from which deliverable programmes of work can be specified in response to each element of a building's structure and conservation needs over a practical period of time. Survey work to date has proved hugely valuable in better understanding the long term needs of our historic buildings and planning for those in advance of reactive response demands arising unexpectedly.

Uncertainty about income, at the start of the year particularly, meant that some conservation projects had to be deferred. Backlogs in building works programmes can put heritage assets at risk and are avoided wherever possible. Future planning for and funding of works will be considered as part of the 2021 strategic review.

Compliance

We are placing additional focus on compliance of our premises with statutory requirements that evolve over time in the interests of both public safety and energy efficiency. We have put some pressure on commercial occupiers in respect of their responsibilities for fire risk assessments and have supported some smaller businesses in bringing their processes and assessments up to date. Whenever a residential unit becomes vacant we take that opportunity to undertake any significant compliance related works such as fire doors, inter floor insulation and specialised intumescent surfaces as well as improvements and upgrades, where required, due to wear and tear or outdated kitchens and bathrooms.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Momentum for action on climate change is compelling. Carbon consumption of historic buildings is one of the greatest challenges that lie ahead for us and many others in the built heritage conservation sector. We anticipate considerable friction in this area between progressive pioneers who see that historic buildings regulations must adapt to a new reality and authorities for whom photovoltaic cell panels remain forbidden in conservation area roofscapes. We believe in a progressive approach and are looking for the right opportunity to pursue an exemplar case study project.

York Theatre Royal

We continue to support the theatre company to the fullest extent possible given our long term responsibilities for the structure of the theatre buildings. Regrettably Covid has had a severe impact on its operating model, one result of which is that it has not considered it appropriate to renew leases at the adjacent De Grey Rooms & De Grey House which are now vacant. These two important properties may provide us with a practical opportunity to extend our own operating functions to good effect and that will be considered within the current strategic planning process. We have also invited interest from other parties to take on long term leasehold responsibilities but have yet to receive proposals which are wholly compelling in terms of both public benefit and net revenues to support our work across the broader stage of our historic portfolio. The theatre company retains its lease of the theatre building itself and we continue to work with it in planning future improvements.

The Assembly Rooms

Further conservation of the ceilings has been undertaken some of which proved urgent and was fortuitously required during the Covid lockdown period when the occupying restaurant was forced to close. We were pleased to receive an Historic England grant of £24k toward the specific Rotunda Dome project. Other ceiling works were completed in time for the lifting of Covid restrictions in May 2021.

Goodramgate

Two of our Goodramgate properties received specific attention during the year. At number 45 a continuous twenty-year period of occupation by the La Piazza restaurant concluded as the proprietor decided to retire at the end of a lease period. We are taking the consequent vacant period as an opportunity for cyclical repair and conservation work before the next occupier, also an Italian chef, establishes himself in this important historic building. Just opposite a full conservation refurbishment was commenced at 60 Goodramgate which is at the north end of the C14th Our Lady's Row. The first phase of this work has involved removal of impervious renders that have trapped moisture and caused timber framing to rot. Only pervious lime replacement renders are being used. The second phase of works includes preparing the property for two small retail units suitable for independent traders that are a hallmark feature of York's streetscapes.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

31 St Saviourgate

An inter-let programme of refurbishment followed the departure of a long standing office occupier. The objective was to prepare the property for a ten year let following which more significant works identified through survey would be required. We continue to monitor this building for movement so included tell tale peep holes within the refurbishment works. Sadly the intended occupier withdrew due to Covid related factors but interest in the characterful spaces increased as restrictions gradually lifted.

Furnished guest accommodation

Unfortunately our six units of serviced accommodation have been unable to welcome guests for two lengthy periods of Covid restrictions but we have successfully sought financial support for those periods based on our direct business rates liability for the premises. Coastal and rural guest accommodation has benefitting most from post restriction forward bookings but cities of York's size and attraction have followed and show promise for future staycations.

Developing our organisation

We have introduced an operations role to the staff team and separated responsibility for tenant liaison and rent collection from maintenance of buildings and cyclical conservation works. The purpose of this was both to bring fresh focus to income, including arrears, and to improve standards of maintenance and conservation through a dedicated building team. Leading that is Architect Guy Bowyer who put the Covid lockdown period to exceptionally good use by achieving RIBA accreditation as Conservation Architect. The operations role combines commercial acumen, with strong customer service ethic and communication skills. Among the applicants for this position was Trust volunteer and former high street retail manager Elizabeth Taylor who was successful in the selection process and took up the position in April 2020. We were delighted that regular volunteer experience had prepared Lizzie for a new career in the charity heritage sector.

Another new member of staff since July 2020 is Finance Manager Jackie Turpin, an experienced accountant who replaced Angela Upright following her retirement. Former Property Manager, Ian Daniells has chosen part time working as preparation for his retirement in 2022 and is the second member of the building team. Towards the end of 2021 we intend to recruit a replacement full time member of staff with specific responsibility for maintenance and compliance to conservation standards.

Covid and the lockdown restrictions have required us all to develop new skills. Governance particularly has demanded new disciplines around technology and virtual meetings. Having muddled through somewhat at the beginning, we subsequently invested in a single Teams platform that embraces both the executive and non executive sides of the organisation. That is now working well both facilitating trustees' ready access to the pre-filed information they need and providing a platform for discussion on matters arising from regular executive updates.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Awareness & perception research

Developing our web site demanded better understanding of both public and stakeholder awareness of the Trust, what it stands for and the work it does. Trustee Ruth Morrell chaired a process that briefed research proposals from four agencies, selected QA Research and oversaw the project. Its conclusions were that general public awareness is low but that stakeholders respect the 'heritage landlord' role of the Trust. Options for increasing public benefit include investing more in public communications with a clear, purposeful message. Also further developing a programme of engagement with York's heritage sector. The learning from this research is informing the forward strategy work currently underway. We put web design development on hold pending completion of the forward strategy.

Supporting conservation

During the year we made three bursary awards to support the training and development of craft skills in building and building related trades. This was achieved through York Foundation for Conservation & Craftsmanship which has an established annual award programme across a broad range of conservation interests. Three recipients were Mike Groves a Phd student at University of York researching historic woodwork and carving practice; Ronan Mooney an apprentice stonemason who has previously achieved an MA in conservation studies at University of York; Amy Whitehead, who is working towards an MA in Conservation studies and sought support to complete her course during unplanned circumstances. Trustees have committed to extend this programme for a further four years and allocated £5,000 per year for this purpose. The Trust also committed to a dissertation prize for MA students in building conservation at the Department of Archaeology, University of York. This was awarded to a US student Emily Kostanecki for her work on 'challenges of adaptive re-use of the bars of York's city walls'.

FUTURE PLANS

During the year we resolved to undertake a structured piece of work to determine the extent to which the Trust's future activities and outputs should be the same, similar or different from the past. Driving this was not the unplanned disruption of Covid but long term considerations about safeguarding the built environment, climate change, financial sustainability and optimising public benefits that the Trust can deliver. With this in mind, we established a strategy working group comprising four trustees and three staff and it will make recommendations to the board of trustees in November 2021. We considered it important to bring appropriate external experience to the process and invited Michael Day CVO to work with us as facilitator. Michael's background at Historic Royal Palaces, with charity boards of many types and as a trustee of The National Trust is particularly relevant to how we respond to the opportunities and challenges ahead.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

In our financial statements for 2020/21 we have recorded a prior year adjustment as set out in note 2. to the Financial Statements. The primary reason for making this adjustment was to reflect more accurately the nature of our investment properties, primarily held for income, which had previously been classified as heritage properties. Unlike our heritage properties which are carried at cost plus restoration or building works identified prior to first let, subject to a cap of market valuation on completion of this work, investment properties are shown at valuation. The effect of the prior year adjustment was to create a revaluation reserve of £2m as at 1 April 2019.

We recognise that one impact of our method of accounting for our heritage properties is that their market value is considerably in excess of the figure shown in the financial statements. In view of the particular nature of the Charitable Company's heritage properties, we are not able to give a realistic estimate of that value. However, the total value of the heritage properties for insurance purposes as at 20 March 2021 was £124m (2020 £120m), and the total sum insured was £149m (2020 £150m).

Despite a difficult year during which we had to manage the impact of the COVID-19 pandemic on our tenants and our own operations and in which we saw a reduction in our rental income, through careful stewardship we returned a net surplus of £422k (2020: £749k) before gains/losses on investments and investment gains of £146k (2020 as restated: investment losses of £2k).

While we recognise this was a healthy surplus, we are also conscious of the material demands we face for ongoing conservation works on some of our larger heritage properties which are not financially self-sustaining. Going forward we cannot be complacent about our financial strength.

At the year end our reserves were £27.3m (2020 as restated: £26.8m).

Investment powers and policy

Our investment powers and policy are governed by the Articles of Association which permit funds to be deposited or invested.

Traditionally we have invested through property, enabling us to take advantage of our specialist knowledge of the lettings market. We own 15 residential units and furnished guest letting unit within our investment property portfolio with a combined value of £3.4m (2020: £3.2m). We manage all the residential units ourselves. We also hold £100k on short term deposit (2020: £100k).

We will be revisiting our approach to investment during our current strategy review.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

Our aim is that our income, obtained primarily from property rents and furnished guest lettings, should be sufficient to cover the routine maintenance of our properties, our overheads and our debt servicing requirements.

Nevertheless, we recognise that there will be times when our cash outflows exceed our cash inflows. For example, we had an unexpected drop in our property rental income and furnished guest lets resulting from Covid 19. Similarly, we occasionally experience unexpected calls on our funds due to unforeseen and complex emergency repairs to our heritage properties and unanticipated operational costs that may arise if a member of staff takes sick leave.

We consider that the Trust should maintain sufficient reserves as will allow the Trust to ride out these unexpected variances in income and expenditure. Our view is that a free cash reserve of £100,000 should provide sufficient cover against such contingencies until the Trust is able to reorganise its finances, if necessary, by selling one or more of its properties.

In addition, we recognise that, due to the particularly demanding conservation requirements of some of the heritage properties the Trust owns, we will need to finance, on an ongoing basis, material programmes of work that cannot be met by future income alone. Our expectation is that such excess costs may exceed £1m per annum for at least the next five years. Given that scale of expenditure it is unrealistic to expect to meet it out of our free cash reserves. To this end, such expenditure will be put on hold except to the extent that the Trust has surplus funds, can raise grant funding or finance is available via bank loans and overdrafts which can be serviced within our means.

Following the strategic review currently in process, steps will be taken to ensure that the Trust can continue to meet its conservation obligations on an ongoing basis while remaining financially sustainable into the longer term.

The balance held as unrestricted funds as at 31 March 2021 was £27.3m (2020 as restated: £26.8m). This figure reflected all known liabilities as at the balance sheet date and there are no material uncertainties. This sum comprised of assets totalling £32.4m (2020 as restated: £33.2m) and creditors totalling £5.1m (2020: £6.4m). Of the assets, £331k (2020: £997k) was held as free reserves. Of these free reserves, £212k (2020: £0) was committed to material conservation projects.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Going concern

We recognise then when preparing our financial statements on a going concern basis, we must make our own assessment of the Trust's ability to continue as a going concern to assure ourselves of the validity of this assumption. Such an assessment is part of our ongoing oversight process that takes place throughout the year. To this end, we have adopted a robust reserves policy which we carefully monitor. We also expect that, in addition to its routine reporting to the board on income and expenditure, our management team will provide us with projected cashflow and any other relevant information about the future which covers at least the next 24 months.

Given the uncertainties which still surround us in relation to the Covid-19 pandemic, we have decided to adopt an incremental and cautious approach to the execution of our 2021/22 workplan. This approach of carefully managing our finances, together with our current level of free reserves, should be sufficient to protect us from becoming a forced seller of properties into 2022. On this basis, we are confident of the Trust's ability to continue as a going concern beyond the next 12 months.

GOVERNANCE AND MANAGEMENT

Appointment and recruitment of trustees

The directors of the charitable company are the trustees of the charity so conditions regarding appointments as set out in the written resolution apply to both. Members of the company are eligible to hold office as a trustee / director but a person may be appointed subject to becoming a member within two months of that appointment. Any person so appointed may act as a director pending becoming a member. Directors must be at least eighteen years of age as at the date of appointment. Each trustee / director can hold office for a term of three years following which they must retire but may offer themselves for reappointment. The maximum number of directors of the company is twelve and the minimum three.

Trustees give their time and expertise on a wholly voluntary basis and receive no benefits from the Trust other than personal satisfaction from the public benefit achieved through its areas of activity. Details of reimbursed expenses incurred by trustees in the course of fulfilling their duties are set out in note 18 to the financial statements.

All trustees are related directly or indirectly to the founders though this is not an eligibility requirement.

Members

No dividend or any other form of distribution has been or will be declared or paid on any or all of the shares of the company. If on winding up or dissolution, there remains after satisfaction of all liabilities, any property whatsoever, it will be given or transferred to a charitable institution, or institutions, having objects similar to the objects of the company. Under no circumstance can or will, property be given or distributed to the members of the company.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

Trustees' induction and training

Prior to and following appointment, trustees are familiarised with the objects, policies and processes of the Trust including their responsibilities in respect of both company and charity compliance obligations. Trustees are encouraged to participate in relevant seminars / training sessions and to broaden their knowledge of conservation management in the historic built environment sector. They seek to learn from the experience of other heritage and conservation bodies and to contribute to the shared pool of knowledge and best practice.

Organisation

Trustees determine the policies of the Trust and delegate day to day management of both assets and activities to a chief executive officer who is also company secretary. The chief executive supports the trustees in establishing policy and the development of it over time. Trustees are kept regularly up to date by the chief executive and encouraged to discuss areas of both substance and general interest in between formal meetings through a Teams platform put in place during the Covid-19 lockdown period. Board decisions are made on the basis of a simple majority. If a majority cannot be established then the chair has a second and casting vote.

Staff remuneration

Trustees' review staff remuneration annually on the basis of individual and collective contributions to the objects and work of the Trust. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

Risk management

Trustees are responsible for the management of the risks faced by the Trust. We have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks we face, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Our findings are documented in a formal risk register which is updated at least annually. This year we have established a trustee risk committee to oversee this process. We recognise, however, that we can only manage risk, we cannot eliminate it.

We consider that the principal risk to the Trust is that of not doing justice, with limited reserves, in fulfilling our charitable objects. Failure to take full advantage of the opportunities afforded to us would be damaging to our potential beneficiaries and our reputation would be put at risk. To mitigate this risk we periodically carry out a strategic review which allows us to evaluate our current position and work through change by focusing on the big external and internal challenges. Such a review is currently in process.

YORK CONSERVATION TRUST LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

We also face financial risk due to the complex and extensive restoration demands of some of our bigger properties which effectively mean they cannot be self-financing and require subsidy. To mitigate this risk, we look for grant funding where appropriate and maintain strict financial control over other areas of our work to free up funds.

Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

Conflicts of interests and related party transactions

The Trust has a conflict of interest policy which is written into our Trust deed and applies to all trustees and staff members. Related party transactions are disclosed in note 18 to the financial statements.

YORK CONSERVATION TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees (who are also directors of York Conservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Approved by trustees on 16 July 2021 and signed on their behalf by:

James R Morrell
Chair of trustees

YORK CONSERVATION TRUST LIMITED
REFERENCE & ADMINISTRATIVE INFORMATION

Company registration number 00395954

Charity registration number 504302

Registered office 92 Micklegate
York
YO1 6JX

Bankers

CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Virgin Money UK plc 30 St Vincent Place Glasgow G1 2HL
HSBC Bank plc 8 Canada Square London E14 5HQ	

Deposit Holder Shawbrook Bank Ltd
Lutea House
Warley Hill Business Park
Brentwood
Essex
CM13 3BE

Solicitor Drivers Solicitors
56A Bootham
York
YO30 7XZ

Auditor BHP LLP
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

YORK CONSERVATION TRUST LIMITED
REFERENCE & ADMINISTRATIVE INFORMATION

Trustees

James R Morrell	Chair
Patricia A Butler	
Charles H E Butler	
Margaret A Morrell	
Jeremy S Morrell	
John B Morrell	
Nicholas C Morrell	Risk Committee
Olivia H Morrell	
Peter S Morrell	
Ruth I Morrell	Risk Committee
Vanessa R M Butler	Risk Committee

Staff

Jonathan A Bryant	Secretary & chief executive
Jackie L Turpin	Finance manager
Guy F J Bowyer	Architect
Lizzie C Taylor	Operations manager
Ian R Daniells	Compliance manager
Josh J Redhead	Tradesman

YORK CONSERVATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
OF YORK CONSERVATION TRUST LIMITED

Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 trustees annual report, other than the 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 other information and, except to the extent otherwise explicitly stated in our report, 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

YORK CONSERVATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
OF YORK CONSERVATION TRUST LIMITED

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

YORK CONSERVATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
OF YORK CONSERVATION TRUST LIMITED

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the charitable company.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1b were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

YORK CONSERVATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
OF YORK CONSERVATION TRUST LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

Blossom Street

York YO24 1AH

Date:

BHP LLP are eligible to act as an auditor in terms of section 1212 of Companies Act 2006.

YORK CONSERVATION TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	<i>Notes</i>	<i>31 March 2021</i>			<i>Total Funds</i>	<i>31 March 2020 Total Funds (as restated)</i>
		<i>Unrestricted</i>		<i>Restricted</i>		
		<i>Undesignated</i>	<i>Designated</i>			
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Income from						
Donations and legacies	3	21,474	-	136,651	158,125	-
Charitable activities	3	1,725,619	-	-	1,725,619	2,167,043
Other trading activities	3	554	-	-	554	6,477
Investments	3	114,725	-	-	114,725	114,236
Other	3	66,951	-	-	66,951	41,284
Total income		1,929,323	-	136,651	2,065,974	2,329,040
Expenditure on						
Raising funds	4	31,611	-	-	31,611	25,935
Charitable activities	4	1,359,695	115,846	137,130	1,612,671	1,554,171
Total expenditure		1,391,306	115,846	137,130	1,644,283	1,580,106
Net income/(expenditure) before gains on investments	6	538,016	(115,846)	(479)	421,691	748,934
Gains/(losses) on investments		145,986	-	-	145,986	(2,131)
Net income/(expenditure before gains on investments plus gains/losses on investments)		684,002	(115,846)	(479)	567,677	746,803
Transfers between funds	16	(1,313,110)	1,313,110	-	-	-
Net movement in funds		(629,108)	1,197,264	(479)	567,677	746,803
Reconciliation of funds						
Total funds brought forward		5,249,356	21,500,234	6,353	26,755,943	26,009,140
Total funds carried forward		£4,620,248	£22,697,498	£5,874	£27,323,620	£26,755,943

The statement of financial activities includes all gains and losses recognised during the year.

The notes on page 22 to 37 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2021**

Company no. 00395954

		2021	2021	2020	2020
		£	£	(as restated)	(as restated)
	Notes			£	£
FIXED ASSETS					
Heritage assets	8		27,045,398		27,045,398
Tangible assets	9		690,645		799,511
Investment assets	10		3,386,000		3,240,014
			<u>31,122,043</u>		<u>31,084,923</u>
CURRENT ASSETS					
Debtors	11	648,021		653,203	
Short term deposits		100,000		100,000	
Cash at bank and in hand	12	545,265		1,334,374	
		<u>1,293,286</u>		<u>2,087,577</u>	
CREDITORS: amounts falling due within one year	13		<u>1,136,688</u>		<u>2,154,604</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>156,598</u>		<u>(67,027)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			31,278,641		31,017,896
CREDITORS: amounts falling due after more than one year	14		<u>3,955,020</u>		<u>4,261,953</u>
NET ASSETS			<u><u>£27,323,621</u></u>		<u><u>£26,755,943</u></u>
CAPITAL AND RESERVES					
Unrestricted Funds					
Designated fund	16		22,697,498		21,500,234
Undesignated fund	16				
- Share capital	15		130,000		130,000
- Income and expenditure account			2,388,634		3,163,727
- Revaluation reserve			2,101,615		1,955,629
Restricted Funds	16		5,874		6,353
			<u>£27,323,621</u>		<u>£26,755,943</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102).

*Approved by the Board on 16 July 2021
and signed on its behalf by:*

James R Morrell
Director and Trustee

Ruth I Morrell
Director and Trustee

The notes on pages 22 to 37 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

**STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2021**

		2021	2020
	<i>Notes</i>	£	<i>(as restated)</i> £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>308,398</u>	<u>703,648</u>
Cash flows from investing activities			
Dividends, interest and net rents from investments	3	114,725	114,236
Proceeds on sale of assets		-	2,672
Purchase of property, plant and equipment	9	<u>(15,053)</u>	<u>(409,364)</u>
Net cash used in investing activities		99,672	(292,456)
Cash flows from financing activities			
Repayments of borrowing		(1,197,180)	(470,867)
Cash inflows from new borrowing		-	-
Net cash provided by financing activities		<u>(1,197,180)</u>	<u>(470,867)</u>
Change in cash and cash equivalents in the reporting period		(789,110)	(59,675)
Cash and cash equivalents at the beginning of the reporting period		<u>1,334,374</u>	<u>1,394,049</u>
Cash and cash equivalents at the end of the reporting period	12	<u><u>£545,264</u></u>	<u><u>£1,334,374</u></u>

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Charity. This constraint has not adversely affected cashflows as stated above.

The notes on pages 22 to 37 form part of these financial statements.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

a. Organisation address and country of registration

York Conservation Trust Limited is a company limited by shares (00395954) registered in England and Wales, and a registered charity (504302). The address of the registered office and principal place of business is 92 Micklegate, York, YO1 6JX.

b. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

c. Public benefit entity

The Charitable Company meets the definition of a public benefit entity under FRS 102.

d. Prior period adjustment

In preparing the financial statements for the year ended 31 March, several amendments were identified relating to prior periods and these were sufficient to warrant restatement. The effect and nature of the restatements are shown in Note 2.

e. Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and therefore it is appropriate to prepare the financial statements on a going concern basis.

Our long-term loan facilities are renewed annually. The trustees are not aware of any circumstances which might adversely affect the renewal of these facilities.

The trustees have considered the impact of Covid-19 and forecast that the effect on rental income will be mitigated by managing expenditure and, if necessary, drawing on reserves.

f. Key judgments and estimates

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgments that the charity has made which have a significant impact on the financial statements include the valuation of our heritage properties at purchase cost and any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Trustees consider that this approach is likely to significantly understate the market value of our property portfolio.

The trustees do not consider that there are any other material sources of estimation uncertainty, at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the reporting period.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

g. Income

Grants received for restoration work are matched against the project costs in the year that the expenditure is incurred.

Retail, Hospitality and Leisure Grants made available to the charity by the Government are recognised in the year to which the relief relates.

All other income, including bank interest, is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Rental income invoiced in March 2021 which relates to April, May and June 2021 has been deferred in the financial statements.

h. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds includes the direct costs relating to the rental of, and provision of furnished guest accommodation through, our investment properties together with an allocation of support costs including staff costs based on these direct costs and an allocation of loan interest based on the historic cost of our investment properties.

Charitable activities includes the direct costs relating to the rental of, and provision of furnished guest accommodation through, our heritage properties together with an allocation of support costs including staff costs based on these direct costs, depreciation and an allocation of loan interest based on the historic cost of our heritage properties.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i. Allocation of support costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, governance related legal fees and Trust meetings together with an apportionment of overhead and support costs.

Governance costs and support costs have been allocated to raising funds and charitable activities on the basis of their relative direct costs.

j. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Generally, depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and equipment	- 5 years straight line
Fixtures and fittings	- 5 years straight line

Due to their exceptional nature, the costs of refurbishing York Theatre Royal in 2016 are being written off over 20 years straight line.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

k. Heritage assets

The Charitable Company holds 78 freehold properties or groups of properties dating from the C14th. Details can be found on the website www.yorkconservationtrust.org.

All properties are included at purchase cost and any restoration or building costs identified prior to first let, subject to a cap of market valuation on completion of this work. Any further preservation costs are released through the Statement of Financial Activities when they are carried out.

Due to the historic nature of the land and buildings they are deemed to have indefinite lives and therefore the Charitable Company values the assets at full cost with no depreciation.

The Charitable Company holds historic artefacts which were purchased with The Assembly Rooms. They were professionally valued on purchase and restoration costs have been capitalised on a cost basis. They are not depreciated as they are classed as heritage assets with indefinite lives.

l. Investments

All of the 4 investment properties are freehold. They comprise of 15 residential units and one which is used for furnished guest accommodation. They are included in the balance sheet at fair value (market value) at the balance sheet date. The valuations were all prepared within a month of the year end by reputable local estate agents. Gains and losses are reflected in the Statement of Financial Activities and allocated to the respective funds.

m. Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

n. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o. Short term deposits, bank and cash in hand

Short term deposits represent amounts held on deposit with a maturity of between three months and one year. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

p. Funds Structure

Unrestricted funds are funds which are available for use or retention at the discretion of the trustees, in accordance with the Charitable Company's objects.

Designated funds represent the written down value of land and buildings less the outstanding loans charged on the properties and related creditors.

Restricted funds are funds where the income can only be used for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

q. Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r. Pension scheme

The Charitable Company operates a defined contribution pension scheme for all staff members. The assets of the schemes are invested and managed independently of the finances of the Charitable Company. The charge for pension costs represents the contributions payable in the period.

s. Taxation

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

t. Related party transactions

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, co-optees, staff and advisors to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. PRIOR YEAR ADJUSTMENT

CHANGES TO THE BALANCE SHEET

	<i>As previously reported</i>	<i>Adjustment at 1 April 2019</i>	<i>Adjustment at 31 March 2020</i>	<i>As restated at 31 March 2020</i>
	£	£	£	£
Fixed assets				
Heritage assets	28,394,225	(1,348,827)	-	27,045,398
Tangible assets	799,511	-	-	799,511
Investments	-	3,242,145	(2,131)	3,240,014
Current assets				
Debtors	653,203	-	-	653,203
Short term deposits	-	100,000	-	100,000
Cash at bank and in hand	1,434,374	(100,000)	-	1,334,374
Creditors: amounts falling due within one year	(2,154,604)	-	-	(2,154,604)
Creditors: amounts falling due after more than one year	(4,261,953)	-	-	(4,261,953)
	£24,864,756	£1,893,318	£(2,131)	£26,755,943
Capital and reserves				
Designated fund	22,784,619	(1,284,385)	-	21,500,234
Undesignated fund:				
- Share capital	130,000	-	-	130,000
- Income and expenditure account	1,943,784	1,219,943	-	3,161,596
- Revaluation reserve		1,957,760	(2,131)	1,957,760
Restricted funds	6,353	-	-	6,353
	£24,864,756	£1,893,318	£(2,131)	£26,755,943

CHANGES TO THE STATEMENT OF FINANCIAL ACTIVITIES

	<i>As previously reported</i>	<i>Adjustment at 31 March 2020</i>	<i>As restated at 31 March 2020</i>
	£	£	£
Total income	2,329,040	-	2,329,040
Expenditure on raising funds	-	(25,935)	(25,935)
Expenditure on charitable activities	(1,580,106)	25,935	(1,554,171)
Loss on revaluation of fixed assets	-	(2,131)	(2,131)
Net movement in reserves	£748,934	£(2,131)	£746,803

Certain amendments have been identified in the previously reported financial information related to priors years including:

- 1) The re-categorisation of investment properties previously treated as heritage properties
- 2) The re-categorisation of short term deposits previously treated as cash at bank and in hand
- 3) The re-categorisation of operational conservation works previously capitalised as heritage artefacts

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. INCOME AND ENDOWMENTS

	2021	2020
	£	(as restated) £
DONATIONS AND LEGACIES		
Grants - restricted	136,651	-
Other donations	21,474	-
	<u>£158,125</u>	<u>£-</u>
CHARITABLE ACTIVITIES		
Rental income	1,686,130	2,009,165
Recharges	10,308	87,796
Furnished guest accommodation	29,181	70,082
	<u>£1,725,619</u>	<u>£2,167,043</u>
OTHER TRADING ACTIVITIES		
Property management	554	6,467
Walking tour income	-	10
	<u>£554</u>	<u>£6,477</u>
INVESTMENTS		
Rental income	105,325	105,820
Recharges	72	-
Furnished guest accommodation	7,221	6,467
Bank interest	2,107	1,949
	<u>£114,725</u>	<u>£114,236</u>
OTHER		
Grants: unrestricted - Covid 19 related funding	45,081	40,000
Dilapidations	20,662	-
Sundry income	1,208	1,284
	<u>£66,951</u>	<u>£41,284</u>

Other than the restricted grant income noted above, all the income was unrestricted.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	<i>Cost of raising funds</i>	<i>Charitable activities</i>	<i>Governance costs</i>	<i>Support costs</i>	<i>2021 total</i>	<i>2020 total (as restated)</i>
	£	£	£	£	£	£
Property management costs unrestricted	17,501	803,104	-	-	820,605	892,749
Property management costs restricted	-	137,130	-	-	137,130	308
Staff costs	4,973	228,179	11,284	43,227	287,663	272,709
Legal and professional fees	741	72,434	-	6,644	79,819	86,553
Auditor's remuneration	-	-	9,975	-	9,975	3,115
Office costs	-	-	1,367	62,440	63,807	93,188
Depreciation	-	123,919	-	-	123,919	68,674
Loan interest	5,518	115,846	-	-	121,364	162,810
	28,733	1,480,612	22,626	112,311	1,644,282	1,580,106
Allocation of support costs	2,284	104,842	5,185	(112,311)	-	-
	31,017	1,585,454	27,811	-	1,644,282	1,580,106
Allocation of governance costs	594	27,217	(27,811)	-	-	-
Total expenditure 2021	£31,611	£1,612,671	£-	£-	£1,644,282	£1,580,106
Total expenditure 2020	£25,935	£1,554,171	£-	£-	£1,580,106	

ANALYSIS OF EXPENDITURE (PRIOR YEAR)

	<i>Cost of raising funds</i>	<i>Charitable activities</i>	<i>Governance costs</i>	<i>Support costs</i>	<i>2020 total (as restated)</i>
	£	£	£	£	£
Property management costs unrestricted	12,800	879,949	-	-	892,749
Property management costs restricted	-	308	-	-	308
Staff costs	3,448	237,057	11,112	21,092	272,709
Legal and professional fees	-	59,797	-	26,756	86,553
Auditor's remuneration	-	-	3,115	-	3,115
Office costs	-	-	15,958	77,230	93,188
Depreciation	-	68,674	-	-	68,674
Loan interest	7,461	155,349	-	-	162,810
	23,709	1,401,134	30,185	125,078	1,580,106
Allocation of support costs	1,714	117,840	5,524	(125,078)	-
	25,423	1,518,974	35,709	-	1,580,106
Allocation of governance costs	512	35,197	(35,709)	-	-
Total expenditure 2020 (as restated)	£25,935	£1,554,171	£-	£-	£1,580,106

Other than the property management costs: restricted noted above, all the expenditure was unrestricted.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 STAFF COSTS

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
Gross wages and salaries	252,987	233,262
Employer's National Insurance	16,800	23,076
Pension contributions	17,876	16,371
	<u>£287,663</u>	<u>£272,709</u>

The trustees received no remuneration during either year.

One employee earned between £90,000 and £99,999 during the year (2020 One).

The average weekly number of employees during the year was:

	<i>No.</i>	<i>No.</i>
Administration	6	4
Maintenance	-	1
	<u>6</u>	<u>5</u>

During the year the number of higher paid employees who were receiving benefits was as follows:

	<i>No.</i>	<i>No.</i>
Accruing benefits under money purchase pension scheme	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the charitable company are the chief executive officer, the architect and the finance manager. The total employee emoluments of the key management personnel were £207,648 (2019 £220,659).

6. NET INCOME

This is stated after charging:

	<i>£</i>	<i>£</i>
Auditor's remuneration	£9,975	£3,115
	<u>£9,975</u>	<u>£3,115</u>

7. AUDITOR'S REMUNERATION

Audit of the financial statements	9,975	3,115
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OTHER FEES TO AUDITOR

Other services	-	15,419
	<u>£9,975</u>	<u>£18,534</u>

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. HERITAGE FIXED ASSETS

	<i>Historic Artefacts</i> £	<i>Freehold Properties</i> £	<i>Total</i> £
Cost or Valuation			
At 1 April 2020 (as previously stated)	82,870	29,066,526	29,213,838
Prior year adjustment	-	(1,284,385)	(1,348,827)
1 April 2020 (<i>as restated</i>)	82,870	27,782,141	27,865,011
Additions	-	-	-
Disposals	-	-	-
31 March 2021	<u>£82,870</u>	<u>£27,782,141</u>	<u>£27,865,011</u>
Impairment			
1 April 2020	-	819,613	819,613
Provision for the year	-	-	-
31 March 2021	<u>£-</u>	<u>£819,613</u>	<u>£819,613</u>
Net book values			
31 March 2021	<u>£82,870</u>	<u>£26,962,528</u>	<u>£27,045,398</u>
31 March 2020 (<i>as restated</i>)	<u>£82,870</u>	<u>£26,962,528</u>	<u>£27,045,398</u>
Valuation	65,000	-	65,000
Cost including restoration charges and after impairment charge	17,870	26,962,528	26,980,398
Total	<u>£82,870</u>	<u>£26,962,528</u>	<u>£27,045,398</u>

The Charitable Company owns 78 freehold properties or groups of properties, of which there are 75 commercial units, 70 residential units, 5 furnished guest accommodation units, a mausoleum and an administrative unit with preservation and conservation interest dating from the C14th. Details of the properties held can be found on our website: www.yorkconservationtrust.org.

The Thompson Mausoleum was donated to the Charitable Company in 2010. Due to the nature of the building it has been deemed to have no marketable value. The building was insured for £582,503 at the year end (2020 £590,744).

The Charitable Company obtained many historic artefacts with the purchase of The Assembly Rooms in Blake Street, York. The artefacts were professionally valued at £115,000 in 2003 as part of the purchase arrangements, since which time one item of furniture has been sold.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. HERITAGE FIXED ASSETS cont'd

Five year financial summary of heritage asset transactions

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i> <i>(as restated)</i>	<i>2017</i>
	£	£	£	£	£
Additions - purchases and restoration (cost):					
Properties	-	380,999	831,447	2,128,419	714,259
Artefacts	-	-	-	-	-
Total additions	£ -	£ 380,999	£ 831,447	£ 2,128,419	£ 714,259
Disposals (cost):					
Properties	-	-	-	-	-
Artefacts	-	-	-	18,495	-
Total disposals	£ -	£ -	£ -	£ 18,495	£ -
Disposals (proceeds):					
Properties	-	-	-	-	-
Artefacts	-	-	-	-	-
Total proceeds	£ -	£ -	£ -	£ -	£ -

9. TANGIBLE FIXED ASSETS

	<i>Fixtures and Fittings</i>	<i>Plant and Equipment</i>	<i>Total</i>
	£	£	£
Cost:			
1 April 2020	1,170,084	140,236	1,310,320
Additions	-	15,053	15,053
Disposals	(248,259)	(89,630)	(337,889)
31 March 2021	£921,825	£65,659	£987,484
Depreciation:			
1 April 2020	417,324	93,485	510,809
Provision for the year	87,682	36,237	123,919
Written off on disposals	(248,259)	(89,630)	(337,889)
31 March 2021	£256,747	£40,092	£296,837
Net book values:			
31 March 2021	£665,078	£25,567	£690,645
31 March 2020	£752,760	£46,751	£799,511

All fixed assets are used in the furtherance of the Charitable Company's objects.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. INVESTMENTS

	<i>Properties</i> £
At valuation	-
At 1 April 2020 (as previously stated)	-
Prior year adjustment	3,240,014
1 April 2020 (<i>as restated</i>)	3,240,014
Revaluation	145,986
Additions	-
Disposals	-
31 March 2021	£3,386,000

The investment properties include units at Malt Shovel Court, Morrell Cottage and Morrell Yard and Trinity Cottage.

The units at Malt Shovel Court, Morrell Cottages and Morrell Yard were valued by David Beattie MNAEA of Quantum Sales and Lettings as at 25 April 2021. Their combined value was £2.986 million.

Trinity Cottage was valued by Rosie Crux MRICS of Barry Crux and company as at 30 March 2021. Its value was £400,000.

The combined historic cost of all the investment properties was £1.3m.

11. DEBTORS: amounts falling due within one year

	<i>2021</i> £	<i>2020</i> £
Rents	468,278	425,652
Prepayments	170,485	187,551
Accrued income	9,258	40,000
	£648,021	£653,203

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2021</i> £	<i>2020</i> £
Cash in hand	3	50
Cash at bank	545,262	1,334,324
Total cash and cash equivalents	£545,265	£1,334,374

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Bank loans (secured)	306,864	1,197,111
Rents received in advance	306,690	354,406
Trade creditors	245,599	304,395
Other taxes and social security costs	49,563	45,631
Other creditors	204,128	201,034
Pension contributions	4,245	1,837
Accruals	19,599	50,190
	<u>£1,136,688</u>	<u>£2,154,604</u>

14. CREDITORS: amounts falling due after more than one year

Bank loans (secured)	<u>£3,955,020</u>	<u>£4,261,953</u>
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The bank loans are secured on the properties 111 Walmgate, 56 Bootham, 66 Bootham, De Grey Rooms and House, Brereton Cottage, Corner and House, 1 Museum Street/2 Blake Street, Assembly Rooms, 14/16 Lendal, 23 Stonegate, 13-14 Fossgate, Morrell Yard and 15/16 Fossgate. They are repayable as follows:

Within one year	306,864	1,197,111
More than one year but not more than two years	315,319	306,864
More than two years but not more than five years	999,684	972,518
More than five years	2,640,017	2,982,571
	<u>£4,261,884</u>	<u>£5,459,064</u>

The loans represent 34% of the cost (heritage) or valuation (investment) of the properties against which they are charged (2020 *(as restated)* 43%).

15. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:		
130,000 Ordinary shares of £1 each	<u>£130,000</u>	<u>£130,000</u>

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. FUNDS

Fund balances at 31 March 2021 are represented by:

	<i>Fixed assets</i>	<i>Net current assets/ (liabilities)</i>	<i>Long-term liabilities</i>	<i>2021</i>	<i>2020 (as restated)</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds	26,962,528	(310,010)	(3,955,020)	22,697,498	21,500,234
Undesignated funds	4,159,515	460,734	-	4,620,249	5,249,356
	<u>31,122,043</u>	<u>150,724</u>	<u>(3,955,020)</u>	<u>27,317,747</u>	<u>26,749,590</u>
Restricted funds					
Little Ouseburn Mausoleum	-	5,874	-	5,874	6,353
	<u>£31,122,043</u>	<u>£156,598</u>	<u>£(3,955,020)</u>	<u>£27,323,621</u>	<u>£26,755,943</u>

Fund balances at 31 March 2020 are represented by:

	<i>Fixed assets</i>	<i>Net current assets/ (liabilities)</i>	<i>Long-term liabilities</i>	<i>2020 (as restated)</i>	<i>2019 (as restated)</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds	26,962,528	(1,200,341)	(4,261,953)	21,500,234	20,747,932
Undesignated funds	4,122,395	1,126,961	-	5,249,356	5,254,547
	<u>31,084,923</u>	<u>(73,380)</u>	<u>(4,261,953)</u>	<u>26,749,590</u>	<u>26,002,479</u>
Restricted funds					
Little Ouseburn Mausoleum	-	6,353	-	6,353	6,661
	<u>£31,084,923</u>	<u>£(67,027)</u>	<u>£(4,261,953)</u>	<u>£26,755,943</u>	<u>£26,009,140</u>
Designated funds		<i>Balance at 1 April 2020 (as restated)</i>	<i>Income/ (expenditure)</i>	<i>Transfers</i>	<i>Balance at 31 March 2021</i>
Heritage assets		<u>£21,500,234</u>	<u>£(115,846)</u>	<u>£1,313,110</u>	<u>£22,697,498</u>
		<i>Balance at 1 April 2019 (as restated)</i>	<i>Income/ (expenditure)</i>	<i>Transfers</i>	<i>Balance at 31 March 2020 (as restated)</i>
Heritage assets (as restated)		<u>£20,747,932</u>	<u>£(162,810)</u>	<u>£915,112</u>	<u>£21,500,234</u>

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16 FUNDS cont'd

Undesignated funds:

	<i>Balance at 1 April 2020 (as restated)</i>	<i>Income/ (expenditure)</i>	<i>Transfers</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	3,163,727	538,017	(1,313,110)	2,388,634
Revaluation reserve	1,955,629	145,986	-	2,101,615
Undesignated assets	<u>£5,249,356</u>	<u>£684,002</u>	<u>£(1,313,110)</u>	<u>£4,620,248</u>
	<i>Balance at 1 April 2019 (as restated)</i>	<i>Income/ (expenditure)</i>	<i>Transfers</i>	<i>Balance at 31 March 2020 (as restated)</i>
	£	£	£	£
Share capital	130,000	-	-	130,000
Income and expenditure	3,166,787	912,052	(915,112)	3,163,727
Revaluation reserve	1,957,760	(2,131)	-	1,955,629
Undesignated assets <i>(as restated)</i>	<u>£5,254,547</u>	<u>£909,921</u>	<u>£(915,112)</u>	<u>£5,249,356</u>

The undesignated fund has remained in credit during the year (2020 the fund remained in credit).

During the year £1,313,110 was transferred from undesignated funds to designated funds (2020 £915,112). This figure represents the balance of the purchase cost of heritage properties and the draw down and repayments of loans.

Restricted funds:

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£
Little Ouseburn Mausoleum	6,353	-	(479)	-	5,874
York Citizens Theatre Trust	-	112,699	(112,699)	-	-
Historic England	-	23,952	(23,952)	-	-
	<u>£6,353</u>	<u>£136,651</u>	<u>£(137,130)</u>	<u>-</u>	<u>£5,874</u>
	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Little Ouseburn Mausoleum	<u>£6,661</u>	<u>£-</u>	<u>£(308)</u>	<u>£-</u>	<u>£6,353</u>

The Charitable Company took over the assets of Little Ouseburn Mausoleum Limited in 2010. The balance of the monies received are to be spent on the upkeep of the Mausoleum.

During the year we received £112,699 from York Citizen's Theatre Trust for works related to the roof space and the historic ceiling and for improving access for future inspections at the Theatre Royal York. In addition we received £23,952 from Historic England to restore the rotunda in the Assembly Rooms. We are extremely grateful to both organisations for their support in conserving these heritage properties to operating standards. Both grants were fully spent in the year.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<i>2021</i>	<i>2020</i> <i>as restated</i>
	<i>£</i>	<i>£</i>
Net income for the reporting period	421,691	748,934
Adjustments for:		
Depreciation charges	123,919	68,674
Profit on disposal of assets	-	(1,129)
Property impairment	-	100,999
Returns from investments and interest	(114,725)	(114,236)
Decrease/(increase) in debtors	5,182	(26,541)
(Decrease) in creditors	(127,669)	(73,053)
Net cash provided by operating activities	£308,398	£703,648

18. RELATED PARTY TRANSACTIONS

During the year no travel and hotel expenses (2020 £11,823) were reimbursed to any of the trustees (2020 8)

The chief executive officer is a member of key management personnel and rented a flat during the year. This was an arms length transaction at market value of £6,900 per year (2020 £6,900).

There was no remuneration paid to trustees during the year (2020 none).

Occasionally we make grants to organisations with which our trustees and staff members are involved or have connections to. This is not unexpected, given that trustees and staff are expected to bring relevant experience in the specialist area in which we work. All such conflicts are declared and are managed according to our Trust Deed and our conflict of interest policy. During the year a grant of £5,000 (2020 £0) was made to York Foundation for Conservation and Craftsmanship of which Jonathan Bryant, chief executive officer, is a trustee. He did not, and will not, participate in any decisions relating to the Trust's funding of the organisation.

19. CAPITAL COMMITMENTS

	<i>2021</i>	<i>2020</i>
Future capital expenditure not otherwise included in these accounts:		
Contracted for	£212,000	£-

20. VOLUNTEERS

Due to Covid-19, we were not able to utilise any volunteers during the year. However, we are hugely appreciative of the important work they carry out and plan to broaden the scope of volunteer involvement in future years.

21. CONTINGENT LIABILITY

A contingent liability exists in respect of restricted donations totalling £2,658,068 which were received from the Arts Council of England in 2015/16 and related to the refurbishment of York Theatre Royal which was subsequently completed. As a pre-requisite of the funding, a 20 year charge was put in place by the Arts Council. At the end of this period, the charge will be revoked provided that certain conditions laid out by the Arts Council have been met.

YORK CONSERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

	31 March 2020 <i>(as restated)</i>			Total Funds £
	Unrestricted		Restricted £	
	Undesignated £	Designated £		
Income and endowments from				
Donations and legacies	-	-	-	-
Charitable activities	2,167,043	-	-	2,167,043
Other trading activities	6,477	-	-	6,477
Investments	114,236	-	-	114,236
Other	41,284	-	-	41,284
Total income	2,329,040	-	-	2,329,040
Expenditure on				
Raising funds	25,935	-	-	25,935
Charitable activities	1,391,053	162,810	308	1,554,171
Total expenditure	1,416,988	162,810	308	1,580,106
Net income/(expenditure)before gains on investments	912,052	(162,810)	(308)	748,934
Losses on investments	(2,131)	-	-	(2,131)
Net income/expenditure	909,921	(162,810)	(308)	746,803
Transfers between funds	(915,112)	915,112	-	-
Net movement in funds	(5,191)	752,302	(308)	746,803
Reconciliation of funds				
Total funds brought forward	5,254,547	20,747,932	6,661	26,009,140
Total funds carried forward	£5,249,356	£21,500,234	£6,353	£26,755,943