



**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 Momo, 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

## YORK CONSERVATION TRUST LIMITED

### REFERENCE & ADMINISTRATIVE INFORMATION

<b>Company registration no</b>	00395954	
<b>Charity registration no</b>	504302	
<b>Registered office</b>	92 Micklegate York YO1 6JX	
<b>Bankers</b>	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
<b>Deposit Holder</b>	Epworth Investment 9 Bonhill Street London EC2A 4PE	
<b>Solicitor</b>	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	
<b>Auditor</b>	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 £
<b>Income from:</b>						
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
<b>Total income</b>		<b>2,348,552</b>	<b>-</b>	<b>-</b>	<b>2,348,552</b>	<b>2,065,974</b>
<b>Expenditure on:</b>						
Raising funds	3	121,953	-	-	121,953	31,611
Charitable activities	3	1,660,590	102,617	469	1,763,676	1,612,671
<b>Total expenditure</b>		<b>1,782,543</b>	<b>102,617</b>	<b>469</b>	<b>1,885,629</b>	<b>1,644,282</b>
<b>Net income/ (expenditure) before gains on investments</b>	5	<b>566,009</b>	<b>(102,617)</b>	<b>(469)</b>	<b>462,923</b>	<b>421,692</b>
Gains on investments		292,520	-	-	292,520	145,986
<b>Net income / (expenditure)</b>		<b>858,529</b>	<b>(102,617)</b>	<b>(469)</b>	<b>755,443</b>	<b>567,678</b>
<b>Transfers between funds</b>	15	<b>(408,493)</b>	<b>408,493</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>450,036</b>	<b>305,876</b>	<b>(469)</b>	<b>755,443</b>	<b>567,678</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		4,620,249	22,697,498	5,874	27,323,621	26,755,943
<b>Total funds carried forward</b>		<b>5,070,285</b>	<b>23,003,374</b>	<b>5,405</b>	<b>28,079,064</b>	<b>27,323,621</b>

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 £
<b>Fixed assets</b>					
Heritage assets	7		<b>27,037,398</b>		27,045,398
Tangible assets	8		<b>627,388</b>		690,645
Investment assets	9		<b>3,678,520</b>		3,386,000
			<b>31,343,306</b>		31,122,043
<b>Current assets</b>					
Debtors	10	<b>567,922</b>		648,021	
Short term deposits		<b>100,000</b>		100,000	
Cash at bank and in hand	11	<b>893,130</b>		545,265	
		<b>1,561,052</b>		1,293,286	
<b>Creditors</b>					
Amounts falling due within one year	12	<b>1,185,523</b>		1,136,688	
			<b>375,529</b>		156,598
<b>Net Current Assets</b>					
			<b>31,718,835</b>		31,278,641
<b>Total assets less current liabilities</b>					
			<b>3,639,771</b>		3,955,020
<b>Creditors</b>					
Amounts falling due after more than one year	13		<b>3,639,771</b>		3,955,020
<b>Total net assets</b>					
			<b>28,079,064</b>		27,323,621
<b>Capital and reserves</b>					
Share capital	14		<b>130,000</b>		130,000
Unrestricted designated fund	15		<b>23,003,374</b>		22,697,498
Unrestricted revaluation reserve	15		<b>2,394,135</b>		2,101,615
Unrestricted income and expenditure account	15		<b>2,546,150</b>		2,388,634
Restricted funds	15		<b>5,405</b>		5,874
			<b>28,079,064</b>		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 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	<u>517,326</u>	<u>308,398</u>
<b>Cash flows from investing activities</b>			
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>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(306,117)	(1,197,180)
<b>Net cash provided by financing activities</b>		<u>(306,117)</u>	<u>(1,197,180)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>347,865</b>	(789,110)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>545,265</b>	1,334,375
<b>Cash and cash equivalents at the end of the reporting period</b>	11	<u><b>893,130</b></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](http://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 £
<b>Donations and legacies</b>		
Grants - restricted	-	136,651
Other donations	160	21,474
	<u>160</u>	<u>158,125</u>
<b>Charitable activities</b>		
Rental income	1,911,141	1,686,130
Recharges	83,614	10,308
Furnished guest accommodation	150,524	29,181
	<u>2,145,279</u>	<u>1,725,619</u>
<b>Other trading activities</b>		
Property management	-	554
<b>Investments</b>		
Rental income	102,659	105,325
Recharges	38	72
Furnished guest accommodation	38,151	7,221
Bank interest	579	2,107
	<u>141,427</u>	<u>114,725</u>
<b>Other</b>		
Grants: unrestricted – Covid 19 related funding	42,668	45,081
Dilapidations	18,731	20,662
Sundry income	287	1,208
	<u>61,686</u>	<u>66,951</u>
<b>Total income</b>	<u>2,348,552</u>	<u>2,065,974</u>

Other than the restricted grant income noted above, all the income was unrestricted.

# YORK CONSERVATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

### 3. ANALYSIS OF EXPENDITURE

<b>CURRENT YEAR</b>	<b>Cost of raising funds £</b>	<b>Charitable activities £</b>	<b>Governance costs £</b>	<b>Support costs £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Expenditure</b>						
Property management costs, unrestricted	89,244	1,143,308	-	-	<b>1,223,038</b>	820,605
Property management costs, restricted	-	469	-	-	<b>469</b>	137,130
Staff costs	19,238	255,040	11,173	30,484	<b>315,935</b>	287,663
Legal and professional fees	-	49,957	2,086	9,514	<b>61,557</b>	79,819
Auditor's remuneration	-	-	10,575	-	<b>10,575</b>	9,975
Office costs	-	-	5,540	76,307	<b>91,361</b>	63,807
Depreciation	-	68,028	-	-	<b>68,028</b>	123,919
Loss on disposal of assets	-	8,000	-	-	<b>8,000</b>	-
Loan interest	4,049	102,617	-	-	<b>106,666</b>	121,364
	<b>112,531</b>	<b>1,627,419</b>	<b>29,374</b>	<b>116,305</b>	<b>1,885,629</b>	<b>1,644,282</b>
Allocation of support costs	7,397	106,977	1,931	(116,305)	-	-
	<b>119,928</b>	<b>1,734,396</b>	<b>31,305</b>	<b>-</b>	<b>1,885,629</b>	<b>1,644,282</b>
Allocation of governance costs	2,025	29,280	(31,305)	-	-	-
	<b>121,953</b>	<b>1,763,676</b>	<b>-</b>	<b>-</b>	<b>1,885,629</b>	<b>1,644,282</b>
<b>Total expenditure 2022</b>						
	<b>121,953</b>	<b>1,763,676</b>	<b>-</b>	<b>-</b>	<b>1,885,629</b>	<b>1,644,282</b>
Total expenditure 2021	31,611	1,612,671	-	-	-	1,644,282

<b>PRIOR YEAR</b>	<b>Cost of raising Funds £</b>	<b>Charitable activities £</b>	<b>Governance costs £</b>	<b>Support costs £</b>	<b>Total 2021 £</b>
<b>Expenditure</b>					
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
	<b>28,733</b>	<b>1,480,612</b>	<b>22,626</b>	<b>112,311</b>	<b>1,644,282</b>
Allocation of support costs	2,284	104,842	5,185	(112,311)	-
	<b>31,017</b>	<b>1,585,454</b>	<b>27,811</b>	<b>-</b>	<b>1,644,282</b>
Allocation of governance costs	594	27,217	(27,811)	-	-
	<b>31,611</b>	<b>1,612,671</b>	<b>-</b>	<b>-</b>	<b>1,644,282</b>
<b>Total expenditure 2021</b>					
	<b>31,611</b>	<b>1,612,671</b>	<b>-</b>	<b>-</b>	<b>1,644,282</b>

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
	£	£
<b>Total cost of all paid staff</b>		
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
<b>Average weekly number of employees during the year</b>		
Administration	6	6
	2022	2021
	No	No
<b>Higher paid employees receiving benefits</b>		
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
	£	£
<b>This is stated after charging</b>		
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**

	<b>Historic artefacts £</b>	<b>Freehold properties £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
1 April 2021	82,870	27,782,141	<b>27,865,011</b>
Additions	-	-	-
Disposals	(8,000)	-	<b>(8,000)</b>
<b>31 March 2022</b>	<u>74,870</u>	<u>27,782,141</u>	<u><b>27,857,011</b></u>
<b>Impairment</b>			
1 April 2021	-	819,613	<b>819,613</b>
Provision for the year	-	-	-
<b>31 March 2022</b>	<u>-</u>	<u>£819,613</u>	<u><b>£819,613</b></u>
<b>Net book values</b>			
31 March 2022	<u>74,870</u>	<u>26,962,528</u>	<u><b>27,037,398</b></u>
31 March 2021	<u>82,870</u>	<u>26,962,528</u>	<u><b>27,045,398</b></u>
<b>Valuation</b>	57,000	-	<b>57,000</b>
Cost inc restoration charges and after impairment charge	<u>17,870</u>	<u>26,962,528</u>	<u><b>26,980,398</b></u>
<b>Total</b>	<u>74,870</u>	<u>26,962,528</u>	<u><b>27,037,398</b></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](http://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
	£	£	£	£	£
<b>Additions; purchases and restoration</b>					
Properties	-	-	380,999	831,447	2,128,419
Artefacts	-	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>380,999</b>	<b>831,447</b>	<b>2,128,419</b>
<b>Disposal costs</b>					
Properties	-	-	-	-	-
Artefacts	<b>8,000</b>	-	-	-	18,495
<b>Total disposal costs</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,495</b>
<b>Disposals proceeds</b>					
Properties	-	-	-	-	-
Artefacts	-	-	-	-	-
<b>Total proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Plant and equipment	Total
	£	£	£
<b>Cost</b>			
1 April 2021	921,825	65,659	<b>987,484</b>
Additions	-	4,771	<b>4,771</b>
Disposals	(13,427)	(34,962)	<b>(48,389)</b>
<b>31 March 2022</b>	<b>908,398</b>	<b>35,468</b>	<b>943,866</b>
<b>Depreciation</b>			
1 April 2021	256,747	40,092	<b>296,839</b>
Provision for the year	52,630	15,398	<b>68,028</b>
Written off on disposals	(13,427)	(34,962)	<b>(48,389)</b>
<b>31 March 2022</b>	<b>295,950</b>	<b>20,528</b>	<b>316,478</b>
<b>Net book values</b>			
31 March 2022	612,448	14,940	<b>627,388</b>
31 March 2021	665,078	25,567	<b>690,645</b>

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 £
<b>At valuation</b>	
1 April 2021	3,386,000
Revaluation	292,520
Additions	-
Disposals	-
<b>31 March 2022</b>	<b>3,678,520</b>

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 £
<b>Amounts falling due within one year</b>		
Rents	360,124	468,278
Prepayments	192,132	170,485
Accrued income	15,668	9,258
	<b>567,922</b>	<b>648,021</b>

### 11. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
<b>Cash</b>		
In hand	-	3
At bank	893,130	545,262
	<b>893,130</b>	<b>545,265</b>

### 12. CREDITORS

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
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
	<b>1,185,523</b>	<b>1,136,688</b>

**13. CREDITORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year</b>		
Bank loans (secured)	<b>3,639,771</b>	<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;

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Bank loans repayable as follows</b>		
Within one year	<b>315,996</b>	306,864
More than one year but not more than two years	<b>323,965</b>	315,319
More than two years but not more than five years	<b>1,013,842</b>	999,684
More than five years	<b>2,301,964</b>	2,640,017
	<u><b>3,955,767</b></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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
130,000 Ordinary shares of £1 each	<u><b>130,000</b></u>	<u>130,000</u>

**15. FUNDS**

**Fund balances at 31 March 2022 are represented by**

	<b>Fixed assets</b>	<b>Current assets/ liabilities</b>	<b>Long term liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>					
Designated funds	26,962,528	(319,383)	(3,639,771)	<b>23,003,374</b>	22,697,498
Undesignated funds	<u>4,380,778</u>	<u>689,507</u>	<u>-</u>	<b>5,070,285</b>	<u>4,620,249</u>
	31,343,306	370,124	(3,639,771)	<b>28,073,659</b>	27,317,747
<b>Restricted funds</b>					
Thompson Mausoleum	<u>-</u>	<u>5,405</u>	<u>-</u>	<b>5,405</b>	<u>5,874</u>
	31,343,306	375,529	(3,639,771)	<b>28,079,064</b>	27,323,621

**Fund balances at 31 March 2021 are represented by**

	<b>Fixed assets</b>	<b>Current assets/ liabilities</b>	<b>Long term liabilities</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
Designated funds	26,962,528	(310,010)	(3,955,020)	<b>22,697,498</b>
Undesignated funds	<u>4,159,515</u>	<u>460,734</u>	<u>-</u>	<b>4,620,249</b>
	31,122,043	150,724	(3,955,020)	<b>27,317,747</b>
<b>Restricted funds</b>				
Thompson Mausoleum	<u>-</u>	<u>5,874</u>	<u>-</u>	<b>5,874</b>
	31,122,043	156,598	(3,955,020)	<b>27,323,621</b>



## 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	<u>22,697,498</u>	<u>(102,617)</u>	<u>408,493</u>	<u>23,003,374</u>

#### Designated funds at 31 March 2021 are represented by

	Balance at 1 April 2020 £	Income / expenditure £	Transfer £	Balance at 31 March 2021 £
Heritage assets	<u>21,500,234</u>	<u>(115,846)</u>	<u>1,313,110</u>	<u>22,697,498</u>

#### 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	-	-	<b>130,000</b>
Income & expenditure	2,388,634	566,009	(408,493)	<b>2,546,150</b>
Revaluation reserve	2,101,615	292,520	-	<b>2,394,135</b>
Undesignated assets	<u>4,620,249</u>	<u>858,529</u>	<u>(408,493)</u>	<u><b>5,070,285</b></u>

#### 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	-	-	<b>130,000</b>
Income & expenditure	3,163,727	538,017	(1,313,110)	<b>2,388,634</b>
Revaluation reserve	1,955,629	145,986	-	<b>2,101,615</b>
Undesignated assets	<u>5,249,356</u>	<u>684,002</u>	<u>(1,313,110)</u>	<u><b>4,620,249</b></u>

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 £
<b>Net income for the reporting period</b>	<b>462,923</b>	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)
<b>Net cash provided by operating activities</b>	<b>517,326</b>	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 £
<b>Future capital commitments not otherwise included in these accounts</b>		
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 £
<b>Income from</b>				
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
<b>Total income</b>	<u>1,929,323</u>	<u>-</u>	<u>136,651</u>	<u>2,065,974</u>
<b>Expenditure on</b>				
Raising funds	31,611	-	-	31,611
Charitable activities	1,359,695	115,846	137,130	1612,671
<b>Total expenditure</b>	<u>1,391,306</u>	<u>115,846</u>	<u>137,130</u>	<u>1,644,282</u>
<b>Net income/(expenditure before gains on investments)</b>	538,017	(115,846)	(479)	421,692
<b>Gains on investments</b>	145,986	-	-	145,986
<b>Net income/(expenditure)</b>	684,003	(115,846)	(479)	567,678
<b>Transfers between funds</b>	(1,313,110)	1,313,110	-	-
<b>Net movement in funds</b>	<u>(629,107)</u>	<u>1,197,264</u>	<u>(479)</u>	<u>567,678</u>
<b>Reconciliation of funds</b>				
Total funds brought forward	5,249,356	21,500,234	6,353	26,755,943
<b>Total funds carried forward</b>	<u>4,620,249</u>	<u>22,697,498</u>	<u>5,874</u>	<u>27,323,621</u>