



**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](http://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 Samuël 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

<b>Company registration no</b>	00395954	
<b>Charity registration no</b>	504302	
<b>Registered office</b>	De Grey House St Leonard's Place York YO1 7HE	
<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>Solicitors</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	



**REFERENCE & ADMINISTRATIVE INFORMATION CONT'D**

<b>Trustees</b>	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	
<b>Staff</b>	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 £
<b>Income from</b>						
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
<b>Total income</b>		<b>2,535,540</b>	<b>-</b>	<b>500</b>	<b>2,536,040</b>	<b>4,415,334</b>
<b>Expenditure on</b>						
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
<b>Total expenditure</b>		<b>3,266,290</b>	<b>197,391</b>	<b>1,963</b>	<b>3,465,644</b>	<b>2,718,252</b>
<b>Net income/ (expenditure) before (losses)/ gains on investment properties</b>						
		(730,750)	(197,391)	(1,463)	(929,604)	1,697,082
(Losses) / gains on investment properties	9	(394,244)	-	-	(394,244)	162,684
<b>Net income / (expenditure)</b>	16	<b>(1,124,994)</b>	<b>(197,391)</b>	<b>(1,463)</b>	<b>(1,323,848)</b>	<b>1,859,766</b>
<b>Transfers between funds</b>						
	15	88,294	(88,294)	-	-	-
<b>Net movement in funds</b>						
		(1,036,700)	(285,685)	(1,463)	(1,323,848)	1,859,766
<b>Reconciliation of funds</b>						
Total funds brought forward		5,696,151	24,237,454	5,225	29,938,830	28,079,064
<b>Total funds carried forward</b>	15	<b>4,659,451</b>	<b>23,951,769</b>	<b>3,762</b>	<b>28,614,982</b>	<b>29,938,830</b>

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 £
<b>Fixed assets</b>					
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>
<b>Current assets</b>					
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	
<b>Creditors</b>					
Amounts falling due within one year	12	<u>838,465</u>		<u>1,370,514</u>	
<b>Net current assets</b>			<u>593,187</u>		<u>1,569,833</u>
<b>Total assets less current liabilities</b>			<u>31,171,403</u>		<u>32,580,499</u>
<b>Creditors</b>					
Amounts falling due after more than one year	13		<u>2,556,421</u>		<u>2,641,669</u>
<b>Total net assets</b>			<u>28,614,982</u>		<u>29,938,830</u>
<b>Capital and reserves</b>					
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 £
<b>Cash flows from operating activities</b>			
Net cash (absorbed) / provided by operating activities	16	<u>(1,416,167)</u>	<u>83,910</u>
<b>Cash flows from investing activities</b>			
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>
<b>Cash flows from financing activities</b>			
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](http://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](http://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
	£	£
<b>Donations and legacies</b>		
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>
<b>Charitable activities</b>		
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>
<b>Investments</b>		
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>
<b>Other</b>		
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>
<b>Total income</b>	<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 £
<b>Expenditure</b>						
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)	-	-	-
<b>Total expenditure 2024</b>	<b>97,431</b>	<b>3,368,213</b>	<b>-</b>	<b>-</b>	<b>3,465,644</b>	<b>-</b>
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 £
<b>Expenditure</b>					
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)	-	-
<b>Total expenditure 2023</b>	<b>71,162</b>	<b>2,647,090</b>	<b>-</b>	<b>-</b>	<b>2,718,252</b>

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

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
	£	£
<b>This is stated after charging</b>		
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	-
	<u>18,113</u>	<u>12,855</u>

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

## 7 HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
<b>Cost or valuation</b>			
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>
<b>Impairment</b>			
1 April 2023	-	819,613	819,613
Additions	-	-	-
Disposals	-	-	-
31 March 2024	<u>-</u>	<u>819,613</u>	<u>819,613</u>
<b>Net book values</b>			
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>
<b>Total</b>	<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](http://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
	£	£	£	£	£
<b>Additions: purchases and restoration</b>					
Properties	-	-	-	-	380,999
Artefacts	-	-	-	-	-
Total additions	-	-	-	-	380,999
<b>Disposal costs</b>					
Properties	18,292	437,471	-	-	-
Artefacts	-	-	8,000	-	-
Total disposal costs	18,292	437,471	8,000	-	-
<b>Disposals proceeds</b>					
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
	£	£	£
<b>Cost</b>			
1 April 2023	901,094	35,468	936,562
Additions	4,514	13,692	18,206
Disposals	-	(14,764)	(14,764)
31 March 2024	<b>905,608</b>	<b>34,396</b>	<b>940,004</b>
<b>Depreciation</b>			
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	<b>389,778</b>	<b>18,897</b>	<b>408,675</b>
<b>Net book values</b>			
31 March 2024	<b>515,830</b>	<b>15,499</b>	<b>531,329</b>
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 £
<b>At valuation</b>	
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 £
<b>Amounts falling due within one year</b>		
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 £
<b>At bank</b>	<u>1,064,042</u>	<u>2,407,693</u>

## 12 CREDITORS DUE WITHIN ONE YEAR

	2024 £	2023 £
<b>Amounts falling due within one year</b>		
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**

	<b>2024</b>	<b>2023</b>
	£	£
<b>Amounts falling due after more than one year</b>		
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:

	<b>2024</b>	<b>2023</b>
	£	£
<b>Bank loans repayable as follows</b>		
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**

	<b>2024</b>	<b>2023</b>
	£	£
<b>Allotted, called up and fully paid</b>		
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 £
<b>Unrestricted funds</b>					
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>
<b>Restricted funds</b>					
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 £
<b>Unrestricted funds</b>				
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>
<b>Restricted funds</b>				
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	<u>24,237,454</u>	<u>(197,391)</u>	<u>(88,294)</u>	<u>23,951,769</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>

## 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	<u>(929,604)</u>	<u>1,697,082</u>
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	<u>(503,428)</u>	<u>346,629</u>
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	<u>(2,641,669)</u>	<u>85,248</u>	<u>(2,556,421)</u>
	<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 Walgate 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 &amp; EXPENDITURE STATEMENT

	Unrestricted Undesignated £	Unrestricted designated £	Restricted £	Total funds 2023 £
<b>Income from</b>				
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
<b>Expenditure on</b>				
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
<b>Reconciliation of funds</b>				
Total funds brought forward	5,070,285	23,003,374	5,405	28,079,064
<b>Total funds carried forward</b>	5,696,151	24,237,454	5,225	29,938,830