

**SHAFTESBURY HOMES & ARETHUSA**

**Company Limited by Guarantee  
Registered Charity**

**Trading as  
SHAFTESBURY YOUNG PEOPLE**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**Charity Registration Number: 311697**

**Company Number: 81186**

## INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2021

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## CHAIRMAN'S FOREWORD

YEAR ENDED 31 MARCH 2021

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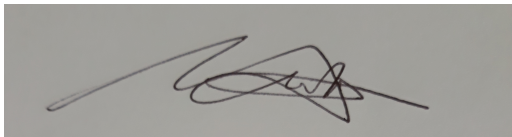
**Chairman's Foreword**

Thank you for taking the time to read our 2021 Report & Financial Statements. As reported last year, following extensive discussions and learning, SYP has now re-orientated as a charitable trust providing grants to a range of entities and activities that will continue to fulfil our charitable goals. The remaining assets from the Arethusa Venture Centre are being readied for sale in 2021/22, the proceeds of which will be added to our invested funds to provide additional income and allow us to expand our grant programme. Further information on our strategy going forward can be found in the "Plans for the future" section of the Trustees Report.

In October 2020, the contract for Alternative Provision education to excluded young people at our Keresley Centre school was transferred to new management; Values Education for Life (VEFL).

This year, as we continued restructuring, closing, and re-focusing our services, we have experienced corresponding reductions in revenues from charitable activities, and in charitable expenditure. Other income has been significantly increased by the sale of part of the Arethusa Venture Centre site. Our free reserves are now £578,000, which remains in line with our base of £600k.

This has been a very difficult time for all concerned at SYP, compounded by the Covid-19 virus pandemic and consequent very uncertain future operating environment. So, this year I again express my very considerable thanks and great appreciation to our staff, our donors, and to the great support of my fellow trustees.

**Brian Scott**

Chair of the Trustee Board

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## **Reference and Administrative Details**

**COMPANY REGISTRATION NUMBER**  
81186

**CHARITY REGISTRATION NUMBER**  
311697

**PATRON**  
Her Majesty The Queen

**WEBSITE**  
[www.shaftesburyyoungpeople.org](http://www.shaftesburyyoungpeople.org)

### **BOARD OF TRUSTEES & DIRECTORS**

B Scott – Chairman  
E Bancroft - Treasurer  
R Black - Deputy Chairman  
C Searle  
N Bristow (appointed 24 June 2020)  
P Abbott (appointed 24 June 2020)  
S Cheal (appointed 24 June 2020)  
D Bunce (resigned 24 June 2020)

### **AUDITORS**

MHA MacIntyre Hudson,  
71 New Dover Road,  
Canterbury,  
Kent,  
CT1 3DZ

### **SOLICITORS**

Bates Wells Braithwaite  
10 Queen Street Place,  
London  
EC4R 1BE

### **REGISTERED OFFICE**

10 Orange Street Haymarket  
London  
WC2H 7DQ

### **BANKERS**

The Royal Bank of Scotland Plc  
1 Fleet Street,  
London,  
EC4Y 1BD

### **INVESTMENT MANAGERS**

Waverton Investment Management LTD  
16 Babmaes St,  
St. James's,  
London  
SW1Y 6AH

CCLA  
Senator House,  
85 Queen Victoria St,  
London  
EC4V 4ET

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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**Trustees' Report**

The Trustees are pleased to present the report and financial statements for Shaftesbury Homes and Arethusa for the year ended 31 March 2021. They show net outgoing resources for the year of £731k (2020 net incoming resources £2.8m).

The Trustees confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and update Bulletin 1.

The information included on page 4 forms part of this report.

**Structure, Governance and Management**

Shaftesbury Homes and Arethusa was founded in 1843 and incorporated under Royal Charter in 1904. At their meeting on 28 March 2009 the Trustees agreed to adopt the working name of 'Shaftesbury Young People' ("SYP") with effect from 2 April 2009.

SYP's governing document is its Memorandum and Articles of Association, last revised at an extraordinary general meeting held on 3 July 2009. It does not have a share capital; the liability of the members being limited by guarantee.

SYP is governed by the Board of Trustees who are appointed on the basis of their personal interest, commitment and skill. Currently there are seven Trustees. These include three new appointments recruited through a targeted process to bring grant making and fundraising expertise to the Board. One Trustee resigned; David Bunce an Arethusa Old Boy, following the closure of the Arethusa Venture Centre. The Board wish to thank David for his passionate support of the charity and his continued work along with the Arethusa Old Boy Association members, to keep the stories and history of the training ships alive.

SYP seeks to ensure a good balance of Trustees through open and fair recruitment practices. This has led to a good balance of Trustees from a wide range of backgrounds and allowed us to target those with the required skills and experience. We are always seeking to develop the Trustee body and welcome interest from anyone who would like to become involved. Trustees are provided with induction information on their duties and responsibilities including the Charity Commission Trustee Handbook, Essential Trustee Guidance (CC3) and Conflicts of Interest Guidance (CC29). New Trustees are asked to attend trustee training courses delivered by suitable external providers. Existing trustees are encouraged to attend refresher training every other year. Trustees are encouraged to request further information on any issues relevant to their position from the Board and Senior Management Team. All potential Trustees are subject to pre-appointment checks including Enhanced Disclosure and Barring checks. Once appointed all Trustees undertake Child Protection Training.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

For the Board to be capable of furthering the objects of SYP, ideally the Board should include members with skills and expertise in the following areas:

Social Care with respect to children and young people;	Education, training and employment of children and young people;
Finance;	Fundraising;
Law;	PR and Communications;
Strategic and Business Planning;	

In addition, the Trustees as a body should reflect the age, ethnicity and gender differences in society and be able to network and influence on behalf of SYP.

The Trustees are responsible for setting the strategic direction of the organisation. Day-to-day management of SYP is delegated to the Grants Manager.

Following the end of the 2015-20 strategy, the next annual strategy day has been moved to September 2021 to enable the Trustees to be informed by its first round of Grant making. The Charity Commission serious incident reporting guidance is reviewed by the Board annually; in addition it is provided to all new trustees upon being appointed to the Board. Reviewing the Charity Commission serious incident reporting guidance on an annual basis assists trustees to identify serious incidents and report them to the Commission, thereby enabling them to sign the SYP Annual Return declaration in confidence that no relevant incident has been left unreported.

The Board schedules at least four meetings per year, with additional meetings in full or in sub-committees as necessary. Responsibility for Child Protection is through the Grants Manager and Trustees; all of whom have all undertaken Child Protection training. The SYP Investment Committee meet when required. The terms of reference and duties of the Committees are reviewed annually and are based on guidance notes issued by the Institute of Chartered Secretaries and Administrators which reflect the UK Corporate Governance Code (April 2016).

## Objectives

The objects of the Charity are to support and assist children and young people in need or in care in order to relieve their needs for the public benefit.

SYP supports and assists children and young people in need or in care by all charitable means including by helping them to:

- participate in decision making and have their view heard;
- learn and take part in a wide range of recreational and leisure time activities;
- be healthy;
- stay safe;
- make a positive contribution to society; and
- achieve economic and social well-being.

In doing so SYP has regard to the principles of the United Nations Convention on the Rights of the Child.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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**Strategic Report****Activities, Achievements and Performance 2020-21**

The means by which SYP implements its charitable objectives are outlined below:

**Grant making**

The Trustees successfully recruited three new Trustees to support the new strategic direction and activities of the charity, namely grant making to small organisations providing support to children and young people in London which meet our charitable objectives as above.

A Grants manager with experience of setup and management of grant making programmes was recruited in September 2020. As part of the restructure, the charity redeveloped its website and social media presence. This included the new working title for the charity of SYP Trust and the strapline “For children and Young People” to clearly establish our current identity and activities. SYP Trust invited its first applicants to apply before the end of March 2021.

Our website was fully rebuilt and rebranded as SYP Trust to promote awareness of our grant making activities and put our new strategy at the forefront of what we do. The new website launched in February 2021.

**Alternative Provision Education and discontinued operations**

Discontinued operations have been presented in the Statement of Financial Activities with respect to the Keresley School, as well as some ongoing costs in relation to the closure of the Arethusa Venture Centre, which ceased operations during the year to March 2019.

Work continues to realise the value of the remaining part of the land and buildings of the Arethusa Venture Centre site. The asset is currently held in fixed assets (note 9) and based on preliminary assessments an impairment charge against the market value of this site was recognized during the year, amounting to £323k.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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**Plans for the future:****Grant-making**

As noted in the previous two reports, external and other circumstances have obliged SYP to change its approach to its charitable objectives several times over the decades since the Charity was established in 1843. The latest iteration of this has been the board's decision to cease all direct service-delivery activities and use its remaining assets to provide a regular flow of funds to make grants to support disadvantaged young persons.

As noted previously, the objective of the new grant-making trust is to support disadvantaged young people flexibly, and perhaps to help develop new models of care and support. In pursuing our work SYP will seek to collaborate with a wide range of other organisations including charities, local authorities, trusts, and foundations. Trustees view the new charitable trust as a return to the spirit of innovation that characterised the charity in its early years.

Our grant programme aims to distribute circa £100,000 per annum in total to our successful applicants, dependent on the performances of our investments. Grant recipients will be stewarded by a nominated member of the Board or the Grants Manager.

We aim to help support our partner organisations to develop and attract further funding.

We aim to establish a network for our partner organisations to collaborate and share knowledge.

We aim to promote the most innovative, effective and scalable case studies with other funders and organisations delivering in the sector to help replicate best practice and inspire similar projects.

**Structure, Governance and Management**

The Trustees have committed to improving on equality, diversity and inclusion (EDI) throughout the charity; from our grant making up to our Trustee Board. Our aim is to create a Board that includes lived or living experience of all or most of the areas we wish to target within our strategy. Significant work will be done to ensure we include our beneficiary group in a meaningful and positive way. Our ultimate aim is to be able to welcome young people onto our Board of Trustees.

A Youth inclusion strategy will be devised alongside a new EDI policy and practice. The Charity will engage will invest in external support to ensure the work is high quality and meets the aims we set out to achieve.

**Fundraising**

Despite our change in focus, every donation continues to be hugely valuable and appreciated. Our Grant making model will allow us to achieve a healthy return on investment for donors, and we have successfully reduced our outgoings within the last six months of the year, with more to come. We are very grateful to our dedicated regular donors and to those new donors who have chosen to make a one-off or initiate a new regular donation this financial year.

Thank you to all who responded to our GDPR mailout in the summer of 2020, it was wonderful to hear from so many of you and has allowed us to refresh our donor information.

Due to Covid-19 and our reduced resources following our service closures, we were not able to promote and support London 2020 Marathon runners. We are always grateful to anyone wishing to run to support our charitable cause, and hope to see our regular and new runners over the next year and beyond and would of course be delighted to support them on our social media as much as we can.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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SYP is registered with the Fundraising Regulator. We are committed to complying with its Fundraising Promise and the standards for fundraising set out in the Code of Fundraising Practice. We also commit to the Fundraising Promise. The promise sets out our commitment that we make to our donors and the public to meet the standards in the code. There have been no reported failures to comply with the standards during the year. As part of SYP's opt-in only approach to donor communication preferences we can report that the Charity received no requests to be removed from its mailing list.

We would like to extend our deepest thanks to all the families and executors who have made contact this year to notify the Charity about legacies. The Charity carries out a thorough research of all its legacy income, and 90% is in recognition of the life-changing support the individuals received during their time as residents in one of the Shaftesbury Homes or Arethusa Training Ship. We are proud of our history and it is a great honour to be remembered in the wills of our former young people and their families.



**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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**Public Benefit**

The Trustees have considered the matter of public benefit and are satisfied that Shaftesbury Young People meets the two main principles, as follows:

Principle 1 – There must be an identifiable benefit.

The clear benefits delivered by SYP are those enshrined in “Every Child Matters” and all of its charitable activities are clearly targeted at delivering those outcomes for young people in need or in care.

Principle 2 – Benefit must be to the public or to a section of the public

It is the view of the Trustees that society (and therefore all of the public) benefits from enabling young people to make the best of their opportunities. The young people supported by SYP Grants are the section of the public most in need of pastoral care, education and personal development, which SYP’s Grant Programme aims to deliver to them.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

**Financial Review**

Full details of the results for the year are shown in the Statement of Financial Activities on page 19, and they are further analysed in note 3 on page 26. The total income for the year ended 31 March 2021 decreased to £0.9m (2020 £4m) and total expenditure decreased to £1m (2020 £1.2m). The resulting net decrease in funds for the year before unrealised gains or losses on investments was £146k (2020 net surplus of £2.8m).

The charity formerly had a trading subsidiary which was dissolved on 7 January 2020. The company contributed nil profits (2020: £23k in respect of 2019) to the charity via gift aid during the year.

**Reserves Policy****Unrestricted funds**

A structure for the risk-based assessment of the free reserves requirement was set by the Board in February 2018. This reduced the target for free reserves from £1.2m (2005) to £0.6m. This level was calculated taking into account the amount considered needed to enable the charity to fulfil its existing financial obligations, and to contribute towards future financial obligations arising from the loss of contracts or indeterminate risks. During the year free reserves increased from £4.4m to £4.7m as at 31 March 2021. All of the charity’s services came to an end in the current and previous year, as part of its transformation into a grant-making trust and therefore the Board of Trustees will review the free reserves minimum requirement again, following a current retendering process underway with all suppliers.

The term “free reserves” describes that part of a charity’s funds that is freely available. Free reserves exclude designated funds, endowments and restricted funds, and also any part of unrestricted funds not readily available for spending such as fixed assets.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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**Restricted funds**

The Charity maintains a small number of restricted income funds and follows restricted funds management procedures when establishing and expending funds to facilitate compliance with donor intent. Costs charged to a restricted fund relate to the activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund. A reasonable allocation of support costs, reflecting costs associated with raising, investing and managing the restricted fund, are charged to the fund to which the cost relates. The Charity's restricted income funds decreased to £137k (2020 £142k).

**Endowment funds**

The Charity has been through the process of obtaining permission from the Charity Commission to relax restrictions applicable to its endowment funds but as yet no use has been made of the funds following the granting of permissions in 2011 and 2012. These two permissions changed the status of the Charity's endowment funds from permanent endowment to expendable endowment, meaning that although the Trustees are not under any obligation to spend the capital amounts, they can convert them to unrestricted or restricted income funds to be expended if they see fit. The income generated from endowment funds held for investment is spend on furthering SYP's charitable objectives. During the year endowments have increased to £874k (2020: £779k).

**Investment Policy**

SYP's investment policy requires a low risk, defensive portfolio and an income stream that does not require a high degree of fund manager involvement. At 31 March 2021 the actual split was 12% in fixed interest and 88% in equity funds. SYP is governed by The Trustees Act 2000 which provides wider powers of investment. All investments are held in Common Investment Funds or Collective Funds and are monitored by the Board with advice and assistance from the Treasurer.

Total investment income from these securities decreased to £31k (2020: £42k). In line with general stock market movements during the year and as a result of investments placed during the year, the market value of investments has increased from £757k in 2020 to £4.5m in 2021. Trustees consider investment performance during 2020-21 to be acceptable in light of market conditions.

The Trustees reserve the right to exclude companies that carry out activities contrary to the charity's aims or from holding particular investments which damage the Charity's reputation. The Trustees wish to preclude investment in tobacco or alcohol and these are defined as companies with more than 20% of their turnover in these activities.

**Investment Performance**

Waverton took on the investments for Shaftesbury Young People in February 2021, which makes up part of the year under review. Equity markets had recovered well since the health-crisis induced sell off in the first quarter of 2021, but risk assets in general paused in the first quarter of 2021. This turned out to be a good time to make a change as prices were reasonably stable, although the traditionally lower risk assets such as bonds were under pressure during the quarter. The value of the Shaftesbury portfolio declined in value modestly following the investment into the LF Waverton Growth and Income Fund for Charities, returning -0.9% to 31 March 2021. By comparison global equities declined by -0.4% and UK Government Bonds fell by -3.8%.

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021****Risk Management**

The Board participates in a formal risk management process to assess business risks and to implement risk management strategies

The Board review the risk register on at least an annual basis, responding to risks as they arise.

Responsibility for the Risk Register is shared among the whole Board.

The Charity Commission's risk management guidance is followed by the Charity. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying the means of mitigating the risks.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Charity and how we endeavour to mitigate these are:

<b>Financial sustainability for the long-term</b>	
<b>Risk</b>	Failure to achieve long-term financial sustainability through restructuring of the Charity's services and operations, liquidation of land assets and appropriate investment of proceeds. Consequently, leading to the inability to deliver charitable objects in the long-term, irreversible depletion of free reserves, eventual charity failure.
<b>Mitigation</b>	Implementation of transformation strategy is ongoing. This includes closure of head office and outsourcing support functions, transferring the Keresley Centre to a new proprietor, selling land assets through a qualified surveyor and sales agents, tendering for a new investment manager and setting an appropriate investment policy and targets. The reserves policy is reviewed annually and linked to financial and operational risks.

**Covid-19**

Covid-19 did not have a material impact on the Charity's operations and financial results for the year ended 31 March 2021. The board do not consider that it will have a material impact on the charity's ability to operate as a going concern as its effect is mainly limited to the Keresley school, which is no longer under the charity's stewardship. Post year-end, throughout the pandemic, the Charity has been following Government and Department for Education (DfE) guidelines closely. The Keresley school premises were closed but teaching staff continued to deliver education services throughout the lockdown period. Each student has followed a personalised distance learning plan and all accompanying books, materials and online resources were supplied to them by the school. Students engaged positively with the new way of learning.

With regards to the wider operations of the Charity, including fundraising and staffing, Covid-19 has not had a material impact. Fundraising from new donors had previously been scaled down while the Charity restructured its services and overheads, and regular donors have continued to support the Charity throughout the period. Prior to the pandemic the Charity had already put suitable systems and processes in place for home-working and central support staff already worked predominantly from home.

**Statement of trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**TRUSTEES REPORT (continued)****YEAR ENDED 31 MARCH 2021**

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Company law requires the trustees to prepare financial statements for each financial year, which 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 2015 (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.

In discharging this responsibility the Board delegates authority for operational activities to the Chief Executive. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- strategic plan and an annual budget approved by The Board;
- regular consideration by The Board of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties; and
- identification and management of risks.

So far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Board members have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In approving this Trustees Report, the Board is also approving the Strategic Report included here in their capacity as company directors. This report was approved by the Board of Trustees on 7 September 2021 and signed on its behalf by:



**Brian Scott**  
**Chairman of Trustees**

## INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2021

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**Independent Auditor's Report to the Trustees of Shaftesbury Homes & Arethusa****Opinion**

We have audited the financial statements of Shaftesbury Homes & Arethusa (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement, and the notes to the financial statements, including a summary of 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 trustees are responsible for the other information. The other information comprises the information included in the chairman's foreword and the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

**INDEPENDENT AUDITORS' REPORT****YEAR ENDED 31 MARCH 2021**

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information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, 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.

## INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2021

**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:

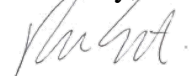
- Enquiry of management and those charged with governance re actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing meeting minutes of those charged with governance.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). 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.



Duncan Cochrane-Dyet (Senior Statutory Auditor)

For and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

Canterbury

29 October 2021

## Statement of Financial Activities for the year ended 31 March 2021

		Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		Continuing activities	Discontinued activities				
Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and Project grants	4	89	-	-	-	89	100
Legacies		601	-	-	-	601	151
Charitable activities	3	-	154	-	-	154	419
Investments	5	31	-	-	-	31	42
Gains on disposals of discontinued operations	2	-	-	-	-	-	3,291
Other income		2	22	-	-	24	39
<b>Total incoming resources</b>		<b>723</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>899</b>	<b>4,042</b>
<b>EXPENDITURE ON:</b>							
Raising funds	7	10	-	-	-	10	2
Charitable activities	3	16	692	5	-	713	1,254
Impairment charge in respect of freehold property	9	-	323	-	-	323	-
<b>Total resources expended</b>		<b>26</b>	<b>1,015</b>	<b>5</b>	<b>-</b>	<b>1,046</b>	<b>1,256</b>
<b>Net (outgoing)/incoming resources for the year before other gains &amp; losses</b>		<b>697</b>	<b>(839)</b>	<b>(5)</b>	<b>-</b>	<b>(147)</b>	<b>2,786</b>
Gains/(losses) on investments		-	-	-	95	95	(86)
<b>NET INCOME/(EXPENDITURE)</b>		<b>697</b>	<b>(839)</b>	<b>(5)</b>	<b>95</b>	<b>(52)</b>	<b>2,700</b>
<b>Transfer between funds</b>	13	-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>697</b>	<b>(839)</b>	<b>(5)</b>	<b>95</b>	<b>(52)</b>	<b>2,700</b>
<b>Balance brought forward at 1st April 2020</b>		<b>3,974</b>	<b>2,279</b>	<b>142</b>	<b>779</b>	<b>7,174</b>	<b>4,474</b>
<b>BALANCES CARRIED FORWARD</b>							
<b>AT 31 MARCH 2021</b>		<b>4,671</b>	<b>1,440</b>	<b>137</b>	<b>874</b>	<b>7,122</b>	<b>7,174</b>

All transactions are derived from continuing and discontinued activities during the year. All recognised gains and losses are included in the statement of financial activities. The accompanying notes on pages 22 - 35 form part of these accounts.

**Balance Sheet as at 31 March 2021**

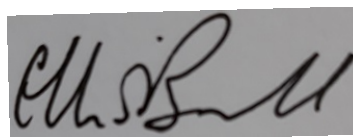
	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	1,465	1,878
Investments	10	<u>4,510</u>	<u>757</u>
		5,975	2,635
<b>CURRENT ASSETS</b>			
Debtors	11	660	280
Cash at bank and in hand		<u>578</u>	<u>4,370</u>
		1,238	4,650
<b>Creditors: Amounts falling due within one year</b>	12	<u>(91)</u>	<u>(111)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,147</u>	<u>4,539</u>
<b>TOTAL NET ASSETS</b>		<u><u>7,122</u></u>	<u><u>7,174</u></u>
<b>FUNDS AND RESERVES</b>			
<b>CAPITAL FUNDS</b>			
Endowment funds	13	874	779
<b>INCOME FUNDS</b>			
Restricted funds	13	137	142
Unrestricted funds	13	6,111	6,253
<b>FUNDS AND RESERVES</b>		<u><u>7,122</u></u>	<u><u>7,174</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 6 September 2021 and were signed below on its behalf by:



**Brian Scott**

**Chairman of Trustees**



**Elliot Bancroft**

**Treasurer**

The notes on pages 22 - 35 form part of these accounts.

## Cash flow statement for the year ended 31 March 2021

	Notes	£'000	2021 £'000	2020 £'000
<b>Net cash (outflow) from operating activities</b>	1		(134)	(255)
Investing activities:				
Purchase of tangible fixed assets		-		(11)
Purchase of investments		(4,000)		-
Proceeds from sale of investments		342		-
Proceeds from sale of tangible assets		-		<u>3,689</u>
<b>Net cash (outflow)/inflow from investing activities</b>			<u>(3,658)</u>	<u>3,678</u>
<b>Increase/(decrease) in cash</b>	2		(3,792)	3,423
Cash and cash equivalent at 1 April 2020			<u>4,370</u>	<u>947</u>
<b>Cash and cash equivalent at 31 March 2021</b>			<u><b>578</b></u>	<u><b>4,370</b></u>

## NOTES TO CASHFLOW STATEMENT

	2021 £'000	2020 £'000
<b>1. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
Net incoming / (outgoing) resources for the year	(147)	2,786
Depreciation charges	80	81
Decrease in stocks	-	1
(Increase)/Decrease in debtors	(381)	86
(Decrease)/Increase in creditors	(22)	42
Loss/(Gain) on disposal of fixed assets	12	(3,217)
Gain on disposal of other assets	-	(34)
Change in fair value of freehold property	323	-
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>(134)</b></u>	<u><b>(255)</b></u>

## 2. ANALYSIS OF NET FUNDS

	31-Mar-21	Apr 20	Cash Inflow /(Outflow)	Cash inflow 2020
Cash at bank and in hand	<u>578</u>	<u>4,370</u>	<u>(3,792)</u>	<u>3,423</u>

## Notes to the financial statements

YEAR ENDED 31 MARCH 2021

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### 1. PRINCIPAL ACCOUNTING POLICIES

**(a) General information**

Shaftesbury Homes and Arethusia is a company limited by guarantee registered in England and Wales (company number: 81186) and a registered charity (charity number: 311697). Its registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ.

**(b) Basis of preparation and going concern**

The financial statements have been prepared under the historical cost convention with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities 2015 (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102). The charity is a Public Benefit Entity as defined by FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound. 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.

The financial statements have been prepared on a going concern basis. In making their assessment, the trustees have considered budgets, cash flows and the impact of significant events, including that of COVID19.

Whilst the economic shutdown in response to COVID19 did have an impact on the charity, the effect was largely limited to the operation of the Keresley school. As noted in the Trustees' Report, the operation of the Keresley school was transferred to Value Education For Life in September 2020, and the charity has become a grant making institution.

The trustees are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty, and the going concern basis of preparing the financial statements continues to be appropriate.

Discontinued operations have been presented in the Statement of Financial Activities with respect to the Keresley School, as well as some ongoing costs in relation to the closure of the Arethusia Venture Centre, which ceased operations during the year to March 2019.

At the time of approval of the financial statements the charity's remaining activities are expected to continue in operation for a period of at least 12 months from the date of approval.

The principal accounting policies and estimation techniques are as follows:

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

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**(c) Fund Accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board in furtherance of SYP's charitable objects.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

The endowment funds were gifts and bequests left for the on-going benefit of SYP. As was normal practice at the time, the money given was to be held as capital and only the income spent each year. However in 2011, the Trustees resolved to obtain the consent of the Charity Commission to free these funds from the restrictions with respect to the expenditure of capital. Consent was obtained in March 2012. The trustees now have powers to spend these funds on the purchase, adaptation and redevelopment of properties occupied by the charity for its charitable activities, as resolved by them from time to time.

**(d) Income**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

The Charity receives government and other body grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Legacies are reviewed on a case-by-case basis. Legacies are credited to the Statement of Financial Activity when the trustees are satisfied that the Charity is entitled to the monies, eventual receipt is more probable than not, and that the amount can be reliably measured. On occasion legacies will be notified to the Charity where it is not possible to measure reliably the amount expected to be distributed. On these occasions, the legacy is disclosed as a contingent asset and not included in the accounts.

Investment income is earned through holding of assets for investment purposes such as shares and securities. It includes dividends and interest. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

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Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**(e) Expenditure**

Expenditure is recognised when incurred inclusive of irrecoverable VAT.

Charitable activity costs comprise expenditure, including staff costs, directly attributable to each activity.

Support costs have been allocated to each activity based on staff numbers employed in that activity (or on staff time spent on that activity). Governance costs are included within support costs and relate to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Expenditure on raising funds comprises costs incurred in encouraging people and organisations to support financially the charity's work. These include the costs of advertising, publicity and of the staging of fund-raising events.

Payments in relation to the termination of employment are recognised when the relevant decision-making process has been completed and communicated to all affected parties.

**(f) Fixed assets**

Fixed assets are measured initially at their purchase cost. All assets purchased are capitalised and included within fixed assets if their cost exceeds £500.

Depreciation is calculated so as to write off the cost of tangible fixed assets over estimated useful lives of the assets concerned on a straight line basis. Estimated useful lives of assets are:

Freehold land - nil

Freehold properties - 50 years

Office equipment - 5 years

Fixtures and fittings - 5 years

Fixed assets are reviewed annually for indicators of impairment and revaluations are recognized where there is a material difference between an asset's carrying value and its fair value.

**(g) Investments**

Investments are stated at market value. Realised and unrealised gains on investments are recognised in the Statement of Financial Activities.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

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**(h) Financial instruments – assets and liabilities**

The company only holds basic Financial Instruments. Financial Instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The financial assets and financial liabilities of the company are as follows:

- Debtors – trade and other debtors (including any accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value as detailed on the Balance Sheet.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 11. Amounts due for taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

**(i) Operating leases**

Rentals paid in respect of assets held under operating leases are charged to the SOFA on a straight line basis over the lease term.

**(j) Pensions**

The Charity operates a group personal pension defined contribution scheme and an automatic enrolment workplace pension scheme for permanent employees. Both schemes are fully funded and independent of the charity's finances. The charity pays a fixed rate contribution to each scheme which is charged to the statement of financial activities as it falls due.

**(k) Significant judgements**

In preparing these financial statements, management has made judgements in the application of the charity's accounting policies which affect the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation include legacy income recognition, provisions for bad and doubtful debts, depreciation and accruals recognition.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**2 DISCONTINUED OPERATIONS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>INCOME</b>		
Donations and project grants	-	-
Charitable activities	154	-
Other trading activities	-	-
Other income	<u>22</u>	<u>3,291</u>
	<u>176</u>	<u>3,291</u>
<b>EXPENDITURE</b>		
Charitable activities	692	575
Change in fair value of freehold property	<u>323</u>	-
	<u>1,015</u>	<u>575</u>
<b>Net (outgoing)/incoming resources for the year before other gains &amp; losses</b>	(839)	2,716
<b>Balance brought forward at 1st April</b>	<u>2,279</u>	(437)
<b>Balance carried forward at 31st March</b>	<u>1,440</u>	<u>2,279</u>

Other income includes gains on disposal of land and buildings of nil (2020: £3,246k).

Discontinued operations have been presented in the Statement of Financial Activities with respect to the Keresley School, as well as some ongoing costs in relation to the closure of the Arethusa Venture Centre, which ceased operations during the year to March 2019.

Work continues to realise the value of the remaining part of the land and buildings of the Arethusa Venture Centre site. The asset is currently held in fixed assets (note 9) and based on preliminary assessments an impairment charge against the market value of this site was recognized during the year, amounting to £323k.

**3 CHARITABLE ACTIVITIES  
UNRESTRICTED FUNDS**

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Continuing</b>	<b>Discontinued</b>	<b>Total</b>	<b>Total</b>
	<b>activities</b>	<b>activities</b>		
<b>INCOME</b>				
Education Services	-	154	154	419
Outdoor education	-	-	-	-
Grant making	-	-	-	-
	<u>-</u>	<u>154</u>	<u>154</u>	<u>419</u>
<b>EXPENDITURE</b>				
Education Services	-	372	372	678
Outdoor education	-	320	320	575
Grant making	<u>16</u>	-	<u>16</u>	-
	<u>16</u>	<u>692</u>	<u>708</u>	<u>1,254</u>
<b>(DEFICIT)</b>				
Educational Services	-	(218)	(218)	(259)
Outdoor education	-	(320)	(320)	(575)
Grant making	<u>(16)</u>	-	<u>(16)</u>	-
	<u>(16)</u>	<u>(538)</u>	<u>(554)</u>	<u>(833)</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**3 CHARITABLE ACTIVITIES  
PRIOR YEAR**

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
CHARITABLE ACTIVITIES UNRESTRICTED FUNDS	Continuing activities	Discontinued activities	Total	Total
<b>INCOME</b>				
Education Services	419	-	419	777
Outdoor education	-	-	-	832
	<u>475</u>	<u>-</u>	<u>419</u>	<u>1,609</u>
<b>EXPENDITURE</b>				
Education Services	678	-	678	863
Outdoor education	-	575	575	1,388
	<u>678</u>	<u>575</u>	<u>1,253</u>	<u>2,252</u>
<b>(DEFICIT)</b>				
Educational Services	(259)	-	(259)	(86)
Outdoor education	-	(575)	(575)	(556)
	<u>(259)</u>	<u>(575)</u>	<u>(833)</u>	<u>(642)</u>

**4 DONATIONS AND PROJECT GRANTS**

	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2020 £'000
	Continuing activities	Discontinued activities	Restricted funds	Total	Total
General donations	89	0	-	89	100
Education services donations	-	-	-	-	-
Outdoor education donations	-	-	-	-	-
	<u>89</u>	<u>0</u>	<u>0</u>	<u>89</u>	<u>100</u>

**PRIOR YEAR DONATIONS  
AND PROJECT GRANTS**

	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Continuing activities	Discontinued activities	Restricted funds	Total	Total
General donations	100	-	-	100	50
Education services donations	-	-	-	-	136
Outdoor education donations	-	-	-	-	-
	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>186</u>

**5 INVESTMENT INCOME**

	2021 £'000	2020 £'000
Income from listed investments	28	33
Bank interest receivable	3	9
	<u>31</u>	<u>42</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

<b>6 STAFF COSTS &amp; TRUSTEE REMUNERATION</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
The costs of employees were as follows:		
Salaries and wages	126	331
Social security costs	8	29
Pension costs	4	29
Termination payments	57	87
Trustee remuneration	-	-
	<u>196</u>	<u>476</u>

Key management personnel received remuneration of £56,000 during the year (2020: 83,000). Key management personnel comprise the Board of trustees (who are not remunerated) the Chief Executive and the Chief Operating Officer.

The average number of employees during the year was:

	<b>2021</b>	<b>2020</b>
Management	0	1
Childrens services	4	8
Administration	1	4
Grants	1	0
	<u>6</u>	<u>13</u>

Employees who received remuneration of more than £60,000:

Remuneration of between:

£60,000 - £70,000	0	1
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## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**6 STAFF COSTS & TRUSTEE REMUNERATION (continued)**

No remuneration or expenses were paid to any trustees during the year (2020: none)

One member of higher paid staff was accruing benefits under a pension scheme (2020: one)

Expenses in respect of defined contribution schemes are allocated to activity costs on the basis of staff numbers employed on that activity.

**7 ANALYSIS OF TOTAL EXPENDITURE**

	<b>Directly allocated Costs £'000</b>	<b>Support Costs £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Raising Funds</b>				
Fundraising	10	-	10	2
Trading company	-	-	-	-
<b>Charitable activities</b>				
Educational services	332	40	372	678
Outdoor education	286	35	321	576
Grant making	13	2	15	-
Impairment charge in respect of freehold property	323	-	323	-
	<u>964</u>	<u>77</u>	<u>1,041</u>	<u>1,256</u>

**Analysis of support costs**

	<b>Governance</b>	<b>Human Resources</b>	<b>Finance, Facilities and IT</b>	<b>2021 £'000</b>
<b>Charitable expenditure</b>				
Education services	25	5	10	40
Outdoor education	22	4	9	35
Grant making	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>49</u>	<u>9</u>	<u>19</u>	<u>77</u>

**Prior year analysis of support costs**

	<b>Governance</b>	<b>Human Resources</b>	<b>Finance, Facilities and IT</b>	<b>2020 £'000</b>
<b>Charitable expenditure</b>				
Education services	39	25	102	166
Outdoor education	<u>39</u>	<u>10</u>	<u>41</u>	<u>90</u>
	<u>78</u>	<u>10</u>	<u>143</u>	<u>256</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**7 ANALYSIS OF TOTAL EXPENDITURE (continued)**

Net movement in funds is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	80	81
Rental charges	14	52
Trustees' liability insurance	6	6
Auditors' remuneration - audit	8	11
- other	<u>-</u>	<u>-</u>

**8 GOVERNANCE COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Auditor's remuneration	8	11
Staff costs	<u>41</u>	<u>67</u>
	<u>49</u>	<u>78</u>

**9 TANGIBLE FIXED ASSETS**

	<b>Freehold land &amp; buildings</b>	<b>Office equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
<b>COST OR VALUATION</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>CHARITY</b>				
At April 2020	3,193	53	39	3,285
Additions	-	-	-	-
Disposals	<u>-</u>	<u>(46)</u>	<u>(28)</u>	<u>(74)</u>
At 31 March 2021	<u>3,193</u>	<u>7</u>	<u>11</u>	<u>3,211</u>
<b>DEPRECIATION</b>				
At April 2020	1,349	33	25	1,407
Charge for year	62	12	6	80
Disposals	-	(37)	(25)	(62)
Impairment charge in respect of freehold property	<u>323</u>	<u>-</u>	<u>-</u>	<u>(323)</u>
At March 2021	<u>1,734</u>	<u>8</u>	<u>6</u>	<u>1,407</u>
<b>Net Book Value</b>				
At 31 March 2021	<u>1,459</u>	<u>-</u>	<u>6</u>	<u>1,465</u>
At 31 March 2020	<u>1,844</u>	<u>20</u>	<u>14</u>	<u>1,878</u>
<b>Freehold land not depreciated</b>				
At 31 March 2021	<u><u>105</u></u>			
At 31 March 2020	<u><u>105</u></u>			

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

The trustees have assessed the value of freehold property by reference to local property market conditions and indices and as a result have recognized an impairment charge of £323k.

**10 FIXED ASSET INVESTMENTS**

	<b>Equity Investments £'000</b>	<b>Fixed Interest securities £'000</b>	<b>Total £'000</b>
Market value at 1 April 2020	290	467	757
Gain on disposal of investments	52	-	52
Proceeds on disposal of investments	(342)	-	(342)
Purchases at cost	4,000	-	4,000
Net unrealised investment loss/(gain)	<u>(25)</u>	<u>68</u>	<u>43</u>
Market value at 31 March 2021	<u>3,975</u>	<u>535</u>	<u>4,510</u>
Historical cost of investments at 31 March 2021	4,000	157	4,157

All investments are held in common investment funds

**11 DEBTORS**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Contracts and charges	9	171
Gift Aid	0	0
Other Debtors	1	4
Prepayments and accrued income	<u>650</u>	<u>105</u>
	<u>660</u>	<u>280</u>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Taxation and social security	-	6
Trade creditors	81	97
Other creditors	1	0
Accruals and deferred income	<u>9</u>	<u>8</u>
	<u>91</u>	<u>111</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

## 13 FUNDS

ENDOWMENT	At 1 April 2020	Equity Investments Unrealised Gain/(loss)	Fixed Interest Securities Unrealised Gain/(loss)	Transfers between funds	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Endowment funds	779	27	68	-	874
Total endowment funds	<u>779</u>	<u>27</u>	<u>68</u>	<u>-</u>	<u>874</u>

UNRESTRICTED	At 1 April 2020	Income	Expenditure	Transfers between funds	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
General funds	6,253	899	(1,041)	-	6,111
Total unrestricted funds	<u>6,253</u>	<u>899</u>	<u>(1,041)</u>	<u>-</u>	<u>6,111</u>

RESTRICTED	At 1 April 2020	Income	Expenditure	Transfers between funds	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Bursary Funds	120	-	-	-	120
Water sports	3	-	(5)	2	-
Other	19	-	-	(2)	17
Total restricted funds	<u>142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137</u>

## PRIOR YEAR FUNDS

ENDOWMENT	At 1 April 2019	Equity Investments Unrealised Gain/(loss)	Fixed Interest Securities Unrealised Gain/(loss)	Transfers between funds	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Endowment funds	865	(75)	11	-	779
Total endowment funds	<u>865</u>	<u>(75)</u>	<u>11</u>	<u>-</u>	<u>779</u>

UNRESTRICTED	At 1 April 2019	Income	Expenditure	Transfers between funds	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
General funds	3,433	4,042	(1,256)	-	6,253
Total unrestricted funds	<u>3,433</u>	<u>4,042</u>	<u>(1,256)</u>	<u>-</u>	<u>6,253</u>

RESTRICTED	At 1 April 2019	Income	Expenditure	Transfers between funds	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Bursary Funds	154	-	-	(34)	120
Water sports	3	-	-	-	3
Other	19	-	-	-	19
Total restricted funds	<u>176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**13 FUNDS (continued)****Bursary fund**

Following the closure of the Arethusa Venture Centre on 31 March 2019 the H & M Trust gave approval for the funds it had contributed to Bursary Fund to be expended in line with the new future direction of the charity, improving life chances for young people in need or in care through grant-making. The balance of the fund of £34k was therefore transferred into Unrestricted funds during the prior year.

**Water sports**

The fund will be distributed in the form of grants to other charitable organisations whose objects are to enable disadvantaged young people to access and benefit from water sports activities.

**Other**

The fund comprises aggregated amounts including those to for programmes to support activities for young people with disabilities or mental health problems. The fund will be distributed in the form of grants to other charitable organisations whose objects are in line with this.

**14 FINANCIAL INSTRUMENTS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets measured at amortised cost	<u>588</u>	<u>4,555</u>
Financial liabilities measured at amortised cost	<u>82</u>	<u>99</u>

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Funds at the end of the year are represented by:				
Tangible fixed assets	1,465	-	-	1,465
Investments	3,658	-	852	4,510
Net current assets	988	137	22	563
Total net assets	<u>6,111</u>	<u>137</u>	<u>874</u>	<u>7,122</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)****Prior year analysis of net assets between funds**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2020 £'000</b>
Funds at the end of the year are represented by:				
Tangible fixed assets	1,878	-	-	1,878
Investments	-	-	757	757
Net current assets	<u>4,375</u>	<u>142</u>	<u>22</u>	<u>4,539</u>
Total net assets	<u>6,253</u>	<u>142</u>	<u>779</u>	<u>7,174</u>

**16 PENSION SCHEMES**

The charity operates a group personal pension plan (which is a defined contribution scheme) into which the charity pays 7% of salary for each member of the scheme. The charity also operates an automatic enrolment workplace pension scheme into which the charity pays the statutory contribution %. During the year total contributions into both schemes amounted to £4,300 (2020: £14,600).

**17 TAXATION**

Shaftesbury Homes & Arethusa is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**18 LIABILITY OF MEMBERS**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1 per member.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2021

**19 OPERATING LEASE COMMITMENTS**

The charity had outstanding commitments for future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

	<b>Property</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	-	16
Between 2 and 5 years	-	-
	<u>-</u>	<u>16</u>

Total lease payments recognised as an expense during the period amounted to £7k (2020: £39k).

**20 OPERATING LEASE RECEIVABLES**

During the year to March 2019 the charity entered into an operating lease relating to its former head office premises in Bromley. This is a sub-lease arrangement and there are none of the charity's fixed assets included. The non-cancellable operating lease rentals receivable are as follows:

	<b>Property</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	-	25
Between 2 and 5 years	-	-
	<u>-</u>	<u>25</u>

**21 RELATED PARTY TRANSACTIONS**

Details of remuneration of trustees and key management personnel are included in note 6. No further related party transactions were undertaken such as are required to be disclosed under FRS 102.