



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

Registered Charity No 504302 Registered Company No 00395954

## MESSAGE FROM OUR CHAIR

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

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

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

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

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

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

James Morrell, Chair, July 2023

## TRUSTEES ANNUAL REPORT FOR THE YEAR TO MARCH 2023

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

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

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

## OBJECTS

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

The restated objects are;

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

## STRUCTURE

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

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

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

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

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

## ACTIVITIES & ACHIEVEMENTS

Activities during the year focussed on three areas of achievement;

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

### Safeguarding historic buildings

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

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

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

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

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

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

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

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

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

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

### Increasing capacity

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

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

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

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

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

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

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

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

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

### Public engagement and the development of building conservation skills

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

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

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

## FUTURE PLANS

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

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

## FINANCIAL REVIEW

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

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

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

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

### Investment powers and policy

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

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

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

We hold the following types of investment:

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

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

We manage risk in several ways:

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

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

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

### Reserves policy

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

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

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

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

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

### Going concern

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

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

## GOVERNANCE & MANAGEMENT

### Appointment & recruitment of trustees

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

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

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

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

### Members

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

### Trustees' induction & training

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

### Organisation

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

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

### Staff remuneration

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

### Risk management

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

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

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

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

### Conflicts of interest & related party transactions

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

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

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

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

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

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

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

### Disclosure of information to the auditors

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

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

James R Morrell, Chair of trustees

REFERENCE & ADMINISTRATIVE INFORMATION

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

REFERENCE & ADMINISTRATIVE INFORMATION CONT'D

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

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

### Opinion

We have audited the financial statements of York Conservation Trust Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

## Responsibilities of trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

This description forms part of our auditor's report.

### Use of our report

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

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

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

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

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

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

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

BALANCE SHEET AS AT 31 MARCH 2023

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

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

James R Morrell  
Director & trustee

Ruth I Morrell  
Director & trustee

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

STATEMENT OF CASH FLOWS AS AT MARCH 2023

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

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

a. Organisation address and registration

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

b. Basis of preparation

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

c. Public benefit entity

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

d. Going concern

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

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

e. Key judgements and estimates

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

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES CONT'D

f. Income

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

g. Expenditure

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

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

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

h. Allocation of support costs

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

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

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include staff costs and other costs related to statutory audit, governance related legal costs and Trust meetings together with an apportionment of support costs.

Governance costs have been allocated to raising funds and charitable activities in proportion to their related costs.

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

i. Tangible fixed assets and depreciation

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

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

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

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

j. Heritage assets

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

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

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

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

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

k. Investments

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

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

Details of our investment properties can be found on the Trust's website [www.yorkconservationtrust.org](http://www.yorkconservationtrust.org).

**l. Impairment**

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

**m. Debtors**

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

**n. Short term deposits, bank and cash in hand**

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

**o. Creditors and provisions**

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

**p. Funds structure**

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

**q. Financial instruments**

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

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

r. Pension scheme

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

s. Taxation

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

t. Related party transactions and conflicts of interest

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

u. Employee benefits

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

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

## 2 INCOME AND ENDOWMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

3 ANALYSIS OF EXPENDITURE

Current year

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

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

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

## 3 ANALYSIS OF EXPENDITURE (CONT'D)

Prior year

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

4 STAFF COSTS

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

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

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

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

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

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

5 NET INCOME

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

6 AUDITOR REMUNERATION

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

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

## 7 HERITAGE FIXED ASSETS

	Historic artefacts £	Freehold properties £	Total £
<b>Cost or valuation</b>			
1 April 2022	74,870	27,782,141	27,857,011
Additions	-	-	-
Disposals	-	(437,471)	(437,471)
31 March 2023	<u>74,870</u>	<u>27,344,670</u>	<u>27,419,540</u>
<b>Impairment</b>			
1 April 2022	-	819,613	819,613
Additions	-	-	-
Disposals	-	-	-
31 March 2023	<u>-</u>	<u>819,613</u>	<u>819,613</u>
<b>Net book values</b>			
31 March 2023	<u>74,870</u>	<u>26,525,057</u>	<u>26,599,927</u>
31 March 2022	<u>74,870</u>	<u>26,962,528</u>	<u>27,037,398</u>
Valuation	57,000	-	57,000
Cost including restoration charges and after impairment charge	<u>17,870</u>	<u>26,525,057</u>	<u>26,542,927</u>
<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 £576k at the year-end (2022: £526k)

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 2023

7 HERITAGE FIXED ASSETS CONT'D

Five year financial summary of heritage asset transactions

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

8 FIXED ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

9 INVESTMENTS

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

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

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

10 DEBTORS

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

11 ANALYSIS OF CASH AND CASH EQUIVALENTS

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

12 CREDITORS DUE WITHIN ONE YEAR

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

13 CREDITORS DUE AFTER ONE YEAR

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

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

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

14 CALLED UP SHARE CAPITAL

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

15 FUNDS

Fund balances at 31 March 2023 are represented by

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

15 FUNDS CONT'D

Fund balances at 31 March 2022 are represented by :

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

Designated funds at 31 March 2023 are represented by:

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

Designated funds at 31 March 2022 are represented by:

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

Undesignated funds at 31 March 2023 are represented by:

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

15 FUNDS (CONT'D)

Undesignated funds at 31 March 2022 are represented by:

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

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

Restricted funds at 31 March 2023 are represented by:

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

Restricted funds at 31 March 2022 are represented by:

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

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

## 17 CAPITAL COMMITMENTS

Future capital commitments not otherwise included in these accounts:

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

## 18 CONTINGENT LIABILITY

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

## 19 RELATED PARTY TRANSACTIONS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

19 RELATED PARTY TRANSACTIONS CONT'D

During the year:

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

20 VOLUNTEERS

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

21 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE STATEMENT

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