PETWORTH COTTAGE NURSING HOME

England & Wales · Charity number 1058769

Details

Status	Registered
Legal form	Charitable company
Company number	03244113
Registered	1996-10-21
Register	View on the Charity Commission register

Contact

Address	Petworth Cottage Nursing Home Byworth Petworth West Sussex GU28 0HQ
Phone	01798 342785
Email	finance@pcnh.co.uk
Website	http://pcnh.co.uk/

Activities

Objects: THE RELIEF OF SICKNESS AND INFIRMITY THROUGH THE PROVISION OF NURSING CARE AND WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING:- (A) TO PROVIDE A SHORT STAY NURSING AND CONVALESCENT HOME FOR THE BENEFIT OF ANY DISABLED OR SICK PERSONS UPON TERMS APPROPRIATE TO THEIR MEANS (B) TO PROVIDE MEDICAL AND/OR NURSING CARE OF LIMITED DURATION FOR ANY DISABLED OR SICK PERSON UPON TERMS APPROPRIATE TO THEIR MEANS.

Activities: The Charity's objects are the relief of sickness and infirmity through the provision of nursing care and to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means and to provide medical and/or nursing care of limited duration for any disabled or sick person.

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Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** PETWORTH
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,945,792	£2,073,456	£2,961,278	54
2023-12-31	£1,873,594	£1,881,696	£2,995,199	56
2022-12-31	£1,882,462	£1,856,826	£2,948,262	55
2021-12-31	£1,610,610	£1,620,716	£2,988,641	55
2020-12-31	£1,685,095	£1,638,095	£2,930,462	58

Trustees

Name	Role	Appointed
CHRISTOPHER RICHARD HUBBARD	Chair	2012-10-22
ANDREW WILLIAM BROOKE		
Allan M Hepworth		2024-01-01
DAVID HEATH MATHIESON BURRELL		
Dr Anthony John Smoker		2018-03-23
Dr GRAHAM MARK LYONS		
Dr SIMON PETT		2013-10-04
John Atkins		2022-01-31
Phillipa Barton		2024-09-26
Timothy John Barrington		2018-03-23

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PETWORTH COTTAGE NURSING HOME

England & Wales - Charity number 1058769

Accounts

Charity Registration No. 1058769

Company Registration No. 03244113 (England and Wales)

PETWORTH COTTAGE NURSING HOME

(A COMPANY LIMITED BY GUARANTEE)

AUDITED ANNUAL GROUP STRATEGIC REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2024

PETWORTH COTTAGE NURSING HOME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C R Hubbard, Chairman	
	Mr J R Atkins	
	Dr A J Smoker	
	Mr T J Barrington	
	Dr S Pett	
	Mr A W Brooke	
	Mr D H M Burrell	
	Dr G M Lyons	
	Mr A M Hepworth	(Appointed 1 January 2024)
	Ms P Barton	(Appointed 26 September 2024)
Secretary	Dr S Pett	
Patron	The Lady Egremont	
Charity number	1058769	
Company number	03244113	
Registered office	Petworth Cottage Nursing Home Fittleworth Road Petworth West Sussex GU28 0HQ	
Auditor	Anova The Barn, Meadow Court Faygate Lane Faygate Horsham West Sussex RH12 4SJ	
Bankers	NatWest Bank PLC 5 East Street Chichester West Sussex PO10 1HH	
Solicitors	Anderson Rowntree Wisteria House Market Square Petworth West Sussex GU28 0AJ	
Investment advisors	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB	

PETWORTH COTTAGE NURSING HOME

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PETWORTH COTTAGE NURSING HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Memorandum and Articles of Association dated 30 August 1996 and "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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objectives are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means.

The Trustee Directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect its Charitable status as a non-profit Organisation. Fees charged reflect the full nursing status of the Home and are generally below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 4 Residents with their fees during 2024 and has cared for a total of some 65 Residents during the year.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and, should conditions allow, to increase the number of Residents admitted who need assistance with their fees.

Achievements and performance

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment of various areas of the Home including the first floor Pantry used by visitors and staff, the staff room and the Volunteers kitchen, all three of which were funded by the proceeds from the Christmas Quiz.

Residents rooms continue to be refurbished and enhanced by a team of members of staff with a very careful eye kept on expenditure. The result is charming and homely.

PCNH has over a period of many years integrated itself within the local community and continues to benefit through its reputation and the activities of the Friends.

Results of Fund Raising Activities for 2024:-

Christmas Quiz	£33,566
Alfresco Lunch	£12,205
Badger Pub	£1,000
Blue Tins	£269
White Horse Pub	£2,000
Braham Donation	£1,000
Codrington Donation	£1,000
Lyn Geneology	£200
Other Donations	£25,204

All of the above are gross figures and do not include expenses.

The Board is hugely appreciative of all these contributions. These gifts and some very generous legacies allow PCNH to fulfil its responsibilities as a Charity for the benefit of the community of Petworth and beyond.

Investment Policy and Performance
Since July 2022, our non-property investments have been under the management of Quilter Cheviot Investment Management (QCIM) under the following investment mandate:-

- That QCIM should aim for optimum "Total Return" (meaning that the proportions of investment growth and re-invested income are of no consequence) and
- That QCIM should manage the portfolio on the basis that PCNH has a medium tolerance for investment risk and also on the understanding that it only has a moderate ability to bear investment losses during periods of volatility and market weakness, and
- That investment income should be transferred to the capital account for reinvestment and
- That QCIM should be free to invest for the longer (indefinite) time-horizon.

The investment director at QCIM who is responsible for managing PCNH's investments continues to be Ms Poppy Fox and the Investment Committee had its second annual review meeting with her on 28th August 2024 (when the value of the portfolio was standing at £865,729) and, after the meeting, the Investment Committee agreed that it was satisfied that she was (i) continuing to operate within our mandate, and (ii) continuing to obtain a very respectable investment performance. (Had £25,000 not been withdrawn a fortnight before the meeting, then it would have been up 7.3% during the year to date.) The total funds under QCIM's management as at 31 December 2023 stood at £830,455 and, a year later on 31 December 2024, this value had increased to £886,342 after all fees despite a £25,000 withdrawal on 6th August of that year. (Had the £25,000 not been withdrawn, then it would have been up over 10% during the year.)

Financial review
In 2024, there was an operating deficit of £214,915 (2023: £97,742) and an overall deficit of £33,921 (2023: surplus of £46,938) leading to a decrease in the total reserves held. The income received from residents rose by 5% (2023: 12.7%) with average occupancy of 27 residents (2023: 27).

Reserves Policy
The financial policy of the charity is to continue to hold reserve funds not only to cover the maintenance and renewal of the buildings and equipment of the charity but also to ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to meet many months expenditure and potential repairs to the property.

Total unrestricted funds were £2,961,278 (2023: £2,995,199) and after taking account of £1,935,679 (2023: £1,944,900) tied up in tangible fixed assets and investment property, uncommitted reserves at the year end were £1,025,599 (2023: £1,050,299).

Risk Assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the Home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:

1. Medium likelihood/high impact
2. Low likelihood/high impact
3. Low likelihood/medium impact

Description of Risk	Category	Planning and strategies for managing risk
Shortage of staffing in the Nursing home sector	1	Reducing dependency on agency staff
Sudden loss of senior staff	1	Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	1	Bed occupancy levels have improved. Sufficient invested funds, see Investment Policy and Performance Report attached.
Electricity failure	1	Secondary generator installed that cuts in automatically if main supply fails.
Natural disaster; such as fire or lightning strike	2	The Home is equipped with fire extinguishers Disaster recovery plan is in place
Misbehaviour by member of staff	2	Training and checks carried out for all staff Disciplinary procedure in place in case of an event arising
Failure of IT system;	3	Patient care records back up on cloud Regular back ups of accounts records
Failure of cooking equipment	3	Offsite suppliers of hot food available
Injury to patient/staff from: 1. Fall 2. Wrongful administration of drugs 3. Financial & Stores fraud leading to financial difficulty	3	(i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (m) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared

In addition to the above view Document headed "Disaster and Emergency Plan 2023" dated 16/05/23 prepared by DB and YS.

The Trustee Directors and Management team will endeavour to sustain occupancy levels. A major consideration and concern continues to be recruitment of both nursing and caring staff. This is greatly exacerbated by PCNH's geographical location which is comparatively isolated. The Budget for 2025 is based therefore upon an occupancy level of 28.

Structure, governance and management

The charitable company is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C R Hubbard, Chairman	
Mr J R Atkins	
Dr A J Smoker	
Mr T J Barrington	
Dr S Pett	
Mr A W Brooke	
Mr D H M Burrell	
Dr G M Lyons	
Mr A M Hepworth	(Appointed 1 January 2024)
Ms P Barton	(Appointed 26 September 2024)

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Ayelen Hayes, Finance Controller and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the Nursing Home Manager, Finance Controller and Doctor, reviews performance and considers issues as they arise.

None of the trustees has any beneficial interest in the company.

All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Auditor

Anova was appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Key Management Personnel

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the Nursing Home Manager, her Deputy and the Finance Controller is resolved by the Chairman with the involvement and approval of the Trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the Nursing Home Manager, the Finance Controller and the lead Trustee for finance using bench marks such as inflation and the National Living Wage.

Review of Year

The need to continue with successional planning is paramount. We are delighted to welcome two new Trustees. Allan Hepworth joined us in January 2024 and Philippa Barton in September 2024, both bring much to the table to say nothing of younger years!!

A situation arose in June of 2024, when a member of staff at PCNH reported a matter to the Chairman of Trustees. The particular matter was subsequently raised as a Formal Grievance which invoked the Formal Grievance Process and Protocols of the PCNH Management System. External expertise was engaged by the Chairman of Trustees to undertake the initial steps of the Formal Grievance Process which went to the Appeal Stage for which additional external expertise was also required. Trustees were appointed to fulfil the functions of Grievance and Appeal Managers.

The duration of the formal processes was very protracted and considerably longer than envisaged. Once an adjudication was made several restorative actions were identified and enacted by the PCNH Leadership Team and the Board of Trustees collaboratively. The staff member resumed normal duties. Throughout the episode the Trustees have placed great store in maintaining a harmonious and supportive working climate at PCNH.

A consequence of the Grievance episode is the human cost to those directly involved, most particularly the Management Team who have borne a very demanding situation with much fortitude. There are other costs that have had to be borne, most notably a significant financial cost amounting to £16,000.

We continue to await the realisation of two Legacies that were very generously gifted to us some two years ago and a further Benefactor's Legacy of some 250,000 US Dollars in 2024. Hopefully these will all come to fruition during 2026, an estimate of the combined values being some £300,000.

Much work has been carried out on our new website which has now been completed and went "live" on 16th June 2025.

Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron), Mrs. Ayelen Hayes, our Finance Manager, all the Nursing, Caring and Administrative Team which Matron leads with great care and example. They have maintained the ethos of compassion and nursing excellence to the highest standard.

Disclosure of information to auditor

We, the Trustee directors of the charitable 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 charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report was approved by the Board of Trustees.

Mr C R Hubbard, Chairman
Trustee
Dated: 23rd July 2025

PETWORTH COTTAGE NURSING HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Petworth Cottage Nursing Home for the purpose of company law, are responsible for preparing the Trustees' 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 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 year.

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;

- make judgements and estimates that are reasonable and prudent; and

- 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.

PETWORTH COTTAGE NURSING HOME

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 December 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatements 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:
- the nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011 and Companies Act 2006.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with HMRC, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale for any significant transactions that are unusual or outside the normal course of operation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Cleghorn (Jul 23, 2025 15:49:07 GMT+1)

23/07/2025

Matthew Cleghorn FCA BSc (Hons) (Senior Statutory Auditor)
for and on behalf of Anova

.....

Chartered Accountants
Statutory Auditor

The Barn, Meadow Court
Faygate Lane
Faygate
Horsham
West Sussex
RH12 4SJ

Anova is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	General funds 2024 £	Operating funds 2024 £	Total 2024 £	General funds 2023 £	Operating funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	71,444	11,329	82,773	86,262	7,044	93,306
Charitable activities							
Patients' fees	4	-	1,833,565	1,833,565	-	1,753,367	1,753,367
Investments	5	29,454	-	29,454	26,921	-	26,921
Total income		100,898	1,844,894	1,945,792	113,183	1,760,411	1,873,594
Expenditure on:							
Raising funds	6	13,647	-	13,647	23,543	-	23,543
Charitable activities							
Provision of a residential care home	7	-	2,045,550	2,045,550	-	1,847,975	1,847,975
Governance	7	-	9,283	9,283	-	7,070	7,070
Total charitable expenditure		-	2,054,833	2,054,833	-	1,855,045	1,855,045
Other	10	-	4,976	4,976	-	3,108	3,108
Total resources expended		13,647	2,059,809	2,073,456	23,543	1,858,153	1,881,696
Net gains/(losses) on investments	14	93,743	-	93,743	55,040	-	55,040
Net incoming/(outgoing) resources before transfers		180,994	(214,915)	(33,921)	144,680	(97,742)	46,938
Gross transfers between funds		(214,915)	214,915	-	(97,742)	97,742	-
Net movement in funds		(33,921)	-	(33,921)	46,938	-	46,938
Fund balances at 1 January 2024		2,995,199	-	2,995,199	2,948,261	-	2,948,261
Fund balances at 31 December 2024		2,961,278	-	2,961,278	2,995,199	-	2,995,199

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	**12**		1,650,679		1,684,900
Investment properties	**15**		285,000		260,000
Investments	**13**		886,342		830,455
			2,822,021		2,775,355
Current assets					
Stocks	**16**	2,600		2,600	
Debtors	**17**	182,121		216,899	
Cash at bank and in hand		55,106		99,380	
		239,827		318,879	
Creditors: amounts falling due within one year	**19**	(100,570)		(99,035)	
Net current assets			139,257		219,844
Total assets less current liabilities			2,961,278		2,995,199
Income funds					
Unrestricted funds			2,961,278		2,995,199
			2,961,278		2,995,199

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 23rd July 2025

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Mr C R Hubbard, Chairman
Trustee

Company Registration No. 03244113

PETWORTH COTTAGE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	**22**		(37,534)		(19,892)
Investing activities					
Purchase of tangible fixed assets		(49,051)		(32,193)	
Proceeds from investment loans and receivables		(12,143)		(10,329)	
Proceeds on disposal of investments		25,000		-	
Interest received		29,454		26,921	
Net cash used in investing activities			(6,740)		(15,601)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(44,274)		(35,493)
Cash and cash equivalents at beginning of year			99,380		134,873
Cash and cash equivalents at end of year			55,106		99,380

1 Accounting policies

Charity information

Petworth Cottage Nursing Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Petworth Cottage Nursing Home, Fittleworth Road, Petworth, West Sussex, GU28 0HQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Investment income is earned through holding assets for investment purposes such as shares and property. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants, including government grants, are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events,

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets costing £100 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5, 10 or 20 years straight line
Plant and equipment	Between 10-33% per annum on cost
Fixtures and fittings	Between 10-50% per annum on cost
Motor vehicles	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustee directors. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

1.7 Investment properties

Investment properties are measured at fair value at each reporting date.

1 Accounting policies **(Continued)**

1.8 Fixed asset investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at each reporting date, unless the value cannot be measured reliably in which case it is measure at cost less impairment.

Gains and losses, whether realised or unrealised, are combined and presented as "Net gains/(losses) on investments in the Statement of Financial Activities".

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the charity are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes.

1.14 Employee benefits

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Interest receivable

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 institution with whom the funds are deposited.

1 Accounting policies **(Continued)**

1.17 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named in the Trustees' report. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2 Critical accounting estimates and judgements

Critical accounting estimates and assumptions:

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical areas of judgement:

Expected useful life and residual value of freehold land and buildings

Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassessed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and change in legislation.

Fair value of investment properties

Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors with reference to current market values.

3 Donations and legacies

	General funds	Operating funds	Total	General funds	Operating funds	Total
	2024	**2024**	**2024**	2023	2023	2023
	£	**£**	**£**	£	£	£
Donations and gifts	71,444	5,000	76,444	86,262	-	86,262
Government grants	-	6,329	6,329	-	7,044	7,044
	71,444	11,329	82,773	86,262	7,044	93,306
Donations and gifts						
Donations and legacies	23,777	5,000	28,777	24,246	-	24,246
Donations received via The Friends	47,667	-	47,667	62,016	-	62,016
	71,444	5,000	76,444	86,262	-	86,262

3 Donations and legacies (Continued)

Grants receivable for core activities						
Government grants	-	6,329	6,329	-	7,044	7,044
	-	6,329	6,329	-	7,044	7,044

During the year, a total of £6,329 (2023: £7,044) was received in government grants. These were received in relation to support for social service residents.

4 Charitable activities

	Patients' fees 2024 £	Patients' fees 2023 £
Sales within charitable activities	1,833,565	1,753,367

5 Investments

	General funds 2024 £	General funds 2023 £
Rental income	9,673	9,646
Income from listed investments	18,644	15,924
Interest receivable	1,137	1,351
	29,454	26,921

6 Raising funds

	General funds 2024 £	General funds 2023 £
Fundraising and publicity		
Other fundraising costs	5,291	9,458
Investment management	8,356	14,085
	13,647	23,543

7 Charitable activities

	Provision of a residential care home 2024	Governance 2024	Total 2024	Provision of a residential care home 2023	Governance 2023	Total 2023
	£	£	£	£	£	£
Staff costs	1,437,690	-	1,437,690	1,339,031	-	1,339,031
Depreciation and impairment	78,299	-	78,299	80,247	-	80,247
Staff agency charges	171,271	-	171,271	110,557	-	110,557
Staff training	6,584	-	6,584	7,291	-	7,291
Food	80,522	-	80,522	84,031	-	84,031
Cleaning and laundry	27,585	-	27,585	24,554	-	24,554
Surgery and medical	22,104	-	22,104	19,909	-	19,909
Incidental patient supplies	6,434	-	6,434	8,272	-	8,272
Heating oil	32,250	-	32,250	24,921	-	24,921
Electricity	27,130	-	27,130	27,345	-	27,345
Water charges	7,543	-	7,543	5,168	-	5,168
Repairs and renewals	48,203	-	48,203	48,625	-	48,625
Garden maintenance	5,274	-	5,274	3,664	-	3,664
Telephone	2,958	-	2,958	1,826	-	1,826
Television	(399)	-	(399)	(722)	-	(722)
Motor and travelling	3,563	-	3,563	1,939	-	1,939
Other charitable expenditure	85,595	-	85,595	57,994	-	57,994
	2,042,606	-	2,042,606	1,844,652	-	1,844,652
Bank charges	2,944	-	2,944	3,323	-	3,323
Governance costs	-	9,283	9,283	-	7,070	7,070
	2,045,550	9,283	2,054,833	1,847,975	7,070	1,855,045

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditors and associates:	**2024**	**2023**
	£	**£**
Audit of the annual accounts	4,895	4,750
Other services to the charitable company		
- Non-audit services provided to the charitable company	2,390	2,320
Total audit fees	7,285	7,070

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2024	**2023**
	Number	**Number**
	54	56

Employment costs	**2024**	**2023**
	£	**£**
Wages and salaries	1,297,974	1,203,111
Social security costs	112,937	112,140
Other pension costs	26,779	23,780
	1,437,690	1,339,031

The key management personnel of the charity comprise the financial controller, the home manager and her deputy. The total remuneration of key management personnel during the year was £180,075 (2023: £180,031).

The number of employees whose annual remuneration was £60,000 or more were:

	2024	**2023**
	Number	**Number**
£70,001 - £80,000	1	1

10 Other

	Operating funds	Restricted funds
	2024	2023
Net loss on disposal of tangible fixed assets	4,976	3,108
	4,976	3,108

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2023: £Nil).

During the year ended 31 December 2024, no Trustee director expenses have been incurred (2023: £Nil).

12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	1,637,862	16,650	260,600	42,835	1,957,947
Additions	27,199	581	21,271	-	49,051
Disposals	(5,237)	-	(4,794)	-	(10,031)
At 31 December 2024	1,659,824	17,231	277,077	42,835	1,996,967
Depreciation and impairment					
At 1 January 2024	127,503	1,033	118,092	26,416	273,044
Depreciation charged in the year	33,101	3,331	37,760	4,106	78,298
Eliminated in respect of disposals	(1,351)	-	(3,703)	-	(5,054)
At 31 December 2024	159,253	4,364	152,149	30,522	346,288
Carrying amount					
At 31 December 2024	1,500,571	12,867	124,928	12,313	1,650,679
At 31 December 2023	1,510,359	15,617	142,506	16,418	1,684,900

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	830,455
Valuation changes	68,743
Dividends/charges etc	12,144
Disposals	(25,000)
At 31 December 2024	886,342
Carrying amount	
At 31 December 2024	886,342
At 31 December 2023	830,455

Fixed asset investments revalued

The historical cost of fixed asset investments at 31 December 2024 was £813,520 (2023: £813,520).

The fair value of listed investments is determined by the reference to market value. The listed investments are wholly comprised of an investment portfolio managed by Quilter Cheviot.

14 Net gains/(losses) on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Revaluation of investments	93,743	55,040

15 Investment property

	2024 £
Fair value	
At 1 January 2024	260,000
Net gains or losses through fair value adjustments	25,000
At 31 December 2024	285,000

The 2024 valuation was made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates for fair value.

15 Investment property (Continued)

	2024	2023
	£	£
Freehold	285,000	260,000

16 Stocks

	2024	2023
	£	£
Medical supplies and food	2,600	2,600

17 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	153,781	163,407
Other debtors	1,383	1,276
Prepayments and accrued income	26,957	52,216
	182,121	216,899

18 Contingent Assets

The charitable company has been legally gifted 10% of an estate, the sum of which is dependant on the sale of property and is likely to be in the region of £64,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

The charitable company has further been gifted a bequest of circa £200k, £180k of which was received in October 2022. The residual inflow of economic benefits (circa £20k) from the bequest has been considered as probable, however, the expected receipt date of the remaining legacy is unknown.

The charitable company has additionally been gifted $250,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

19 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		36,212	34,032
Deferred income	20	3,652	1,311
Trade creditors		32,628	36,366
Other creditors		5,347	5,508
Accruals		22,731	21,818
		100,570	99,035

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

20 Deferred income

	2024 £	2023 £
Other deferred income	3,652	1,311

Deferred income is included in the financial statements as follows:

	£
Balance at 1 January 2024:	1,311
Released in year	(1,311)
Income deferred in year	3,652
Balance at 31 December 2024	3,652

21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Tangible assets	1,650,679	-	1,650,679	1,684,900	-	1,684,900
Investment properties	285,000	-	285,000	260,000	-	260,000
Investments	886,342	-	886,342	830,455	-	830,455
Current assets/(liabilities)	139,257	-	139,257	219,844	-	219,844
	2,961,278	-	2,961,278	2,995,199	-	2,995,199

22 Cash generated from operations

	2024	2023
	£	£
(Deficit)/surpus for the year	(33,921)	46,938
Adjustments for:		
Investment income recognised in statement of financial activities	(29,454)	(26,921)
Loss on disposal of tangible fixed assets	4,976	3,108
Fair value gains and losses on investments	(93,743)	(55,040)
Depreciation and impairment of tangible fixed assets	78,299	80,247
Movements in working capital:		
Decrease/(increase) in debtors	34,774	(34,842)
(Decrease) in creditors	(806)	(32,226)
Increase/(decrease) in deferred income	2,341	(1,156)
Cash absorbed by operations	(37,534)	(19,892)

23 Analysis of changes in net funds

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	99,380	(44,274)	55,106
	99,380	(44,274)	55,106

24 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £26,779 (2023 - £23,780).

Contributions totalling £5,714 were payable to the fund at the balance sheet date (2023: £5,248).

25 Related party transactions

During the year the Charity incurred property management fees of £1,510 (2023: £1,154) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £Nil (2023: £Nil).

There were no other related party transaction that require disclosure in 2024.

26 Controlling party

The charitable company is controlled by its trustee directors.

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Final Audit Report 2025-07-23

Created:	2025-07-23
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PETWORTH COTTAGE NURSING HOME

England & Wales - Charity number 1058769

Accounts

Charity Registration No. 1058769

Company Registration No. 03244113 (England and Wales)

PETWORTH COTTAGE NURSING HOME

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

PETWORTH COTTAGE NURSING HOME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C R Hubbard, Chairman Mr J R Atkins Dr A J Smoker Mr T J Barrington Dr S Pett Mr A W Brooke Mr D H M Burrell Dr G M Lyons Mr A M Hepworth	(Appointed 1 January 2024)
Secretary	Dr S Pett	
Patron	The Lady Egremont	
Charity number	1058769	
Company number	03244113	
Registered office	Petworth Cottage Nursing Home Fittleworth Road Petworth West Sussex GU28 0HQ	
Auditor	Anova The Barn, Meadow Court Faygate Lane Faygate Horsham West Sussex RH12 4SJ	
Bankers	NatWest Bank PLC 5 East Street Chichester West Sussex PO10 1HH	
Solicitors	Anderson Rowntree Wisteria House Market Square Petworth West Sussex GU28 0AJ	

PETWORTH COTTAGE NURSING HOME

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PETWORTH COTTAGE NURSING HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Memorandum and Articles of Association dated 30 August 1996 and "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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objectives are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means

The Trustee Directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect its Charitable status as a non-profit Organisation. Fees charged reflect the full nursing status of the Home and are generally well below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 6 Residents with their fees during 2023 and has cared for a total of some 59 Residents during the year.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and should, conditions allow, to increase the number of Residents admitted who need assistance with their fees.

Achievements and performance

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment of various areas of the Home including the first floor Pantry used by visitors and staff, the staff room and the Volunteers kitchen, all three of which were funded by the proceeds from the Christmas Quiz.

Residents rooms continue to be refurbished and enhanced by a team of members of staff with a very careful eye kept on expenditure. The result is charming and homely.

PCNH has over a period of many years integrated itself within the local community and continues to benefit through its reputation and the activities of the Friends resulting this year in a significant increase compared with 2022.

Results of Fund Raising Activities for 2023:-

Christmas Quiz	£29,086
WS Golf Club	£12,557
Petworth Christmas Fair	£908
Blue Tins	£275
White Horse Pub	£1,344
Alfresco Lunch	£9,291
Zimbabwe Quiz charity	£500
Various	£840

The Board is hugely appreciative of all these contributions. These gifts and some very generous legacies absolutely allow PCNH to fulfil its responsibilities as a Charity for the benefit of the community of Petworth and beyond.

Investment Policy and Performance

In last year's Accounts, it was reported that, following the decision by the Investment Committee on 14th February 2022 (which was later ratified by the Board) that our non-property investments should be placed under the management of Quilter Cheviot Investment Management (QCIM), the existing investments (in the form of two Edentree Amity Funds and two M&G Funds) were then sold in July and August 2022 with the proceeds handed to QCIM.

In the course of setting up a new account with QCIM, the Investment Committee agreed a "Statement of Investment Policy" which was essentially as follows:-

- that QCIM should be authorised to aim for optimum "Total Return" (meaning that the proportions of investment growth and re-invested income would be of no consequence), and
- that QCIM should manage the portfolio on the basis that PCNH has a medium tolerance for investment risk, and also work on the basis that the charity has a moderate ability to bear investment losses during periods of volatility and market weakness, and
- that investment income should be transferred to the capital account for re-investment, and
- that QCIM should be free to invest for the longer (indefinite) time-horizon.

The investment director at QCIM who is responsible for managing PCNH's investments is Ms Poppy Fox and the Investment Committee had its first annual review meeting with her on 6th September 2023 (when the value of the portfolio was standing at £787,182) and, after the meeting, the Investment Committee agreed that it was satisfied that she was (i) operating within our mandate, and (ii) obtaining a respectable investment performance. (It was then up 2.9% in the year to date)

The total funds under QCIM's management as at 31 December 2022 stood at £765,086 and a year later on 31 December 2023, this value had increased to £830,455 after all fees – i.e. 8.5% up during the year as against a 3.6% rise in the FTSE100 Index over the same period. (No additional funds were placed under QCIM's management and nor were any funds withdrawn during the period).

Financial review

In 2023, there was an operating deficit of £97,742 (2022: £265,571) and an overall surplus of £46,938 (2022: deficit £40,377) leading to an increase in the total reserves held. The income received from residents rose by 12.7% (2022: 7.2%) with average occupancy of 27.5 residents (2022: 28.5).

Reserves Policy

The financial policy of the charity is to continue to hold reserve funds not only to cover the maintenance and renewal of the buildings and equipment of the charity but also to ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to meet many months expenditure and potential repairs to the property.

Total unrestricted funds were £2,995,199 (2022: £2,948,262) and after taking account of £1,933,900 (2022: £1,996,063) tied up in tangible fixed assets and investment property, uncommitted reserves at the year end were £1,061,299 (2022: £952,199).

Risk Assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the Home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:

1. Medium likelihood/high impact
2. Low likelihood/high impact
3. Low likelihood/medium impact

Description of Risk	Category	Planning and strategies for managing risk
Shortage of staffing in the Nursing home sector	1	Reducing dependency on agency staff
Sudden loss of senior staff	1	Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	1	Bed occupancy levels have improved. Sufficient invested funds, see Investment Policy Report and Performance attached.
Electricity failure	1	Secondary generator installed that cuts in automatically if main supply fails.
Natural disaster; such as fire or lightning strike	2	The Home is equipped with fire extinguishers Disaster recovery plan is in place
Misbehaviour by member of staff	2	Training and checks carried out for all staff Disciplinary procedure in place in case of an event arising
Failure of IT system;	3	Patient care records back up on cloud Regular back ups of accounts records
Failure of cooking equipment	3	Offsite suppliers of hot food available
Injury to patient/staff from: 1. Fall 2. Wrongful administration of drugs 3. Financial & Stores fraud leading to financial difficulty	3	(i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (m) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared

In addition to the above view Document headed "Disaster and Emergency Plan 2023" dated 16/05/23 prepared by DB and YS.

The Trustee Directors and Management team will endeavour to sustain occupancy levels. A major consideration and concern continues to be recruitment of both nursing and caring staff. This is greatly exacerbated by PCNH's geographical location which is comparatively isolated. The Budget for 2024 is based therefore upon an occupancy level of 28.

Structure, governance and management

The charitable company is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C R Hubbard, Chairman	
Mr J R Atkins	
Dr A J Smoker	
Mr T J Barrington	
Dr S Pett	
Mr A W Brooke	
Mr T R W Longmore	(Resigned 31 December 2023)
Mr D H M Burrell	
Dr G M Lyons	
Mr A M Hepworth	(Appointed 1 January 2024)

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Ayelen Hayes, Finance Controller and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the Nursing Home Manager, Finance Controller and Doctor, reviews performance and considers issues as they arise.

None of the trustees has any beneficial interest in the company.

All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Auditor

Anova was appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Key Management Personnel

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the Nursing Home Manager, her Deputy and the Finance Controller is resolved by the Chairman with the involvement and approval of the Trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the Nursing Home Manager, the Finance Controller and the lead Trustee for finance using bench marks such as inflation and the National Living Wage.

Review of Year

The need to continue with successional planning is paramount. We are greatly encouraged and immensely grateful that over the past four years we have acquired the expertise and support of four new and relatively youthful (!) Trustees with another coming on board this July.

The Management Team is in the throes of being strengthened and restructured. An important new position of Clinical Lead has recently been completed. Further work needs to be addressed and this will be ongoing under the leadership of the Home Manager, together with a Trustee and Experia with whom we have worked over a period of many years.

During the year the Trustees have introduced an Axa Health Plan for the Nursing and Management Team.

We continue to await for the realisation of two legacies that were very generously gifted to the Home. The conclusion and receipt of the gifts is now well into a second year!

Our rather outdated website is being fully reviewed and revamped by a Trustee and the Management Team. Hopefully this will be concluded by early Autumn 2024.

Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron), Mrs. Ayelen Hayes, our Finance Controller, all the nursing, caring and administrative team which she leads with great care and example. They have maintained the ethos of compassion and excellence to the highest standard.

Disclosure of information to auditor

We, the Trustee directors of the charitable 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 charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report was approved by the Board of Trustees.

Mr C R Hubbard, Chairman
Trustee
Dated: 18 July 2024

PETWORTH COTTAGE NURSING HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Petworth Cottage Nursing Home for the purpose of company law, are responsible for preparing the Trustees' 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 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 year.

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;

- make judgements and estimates that are reasonable and prudent; and

- 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.

PETWORTH COTTAGE NURSING HOME

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 December 2023 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatements 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:
- the nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011 and Companies Act 2006.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with HMRC, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale for any significant transactions that are unusual or outside the normal course of operation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Cleghorn FCA BSc (Hons) (Senior Statutory Auditor)
for and on behalf of Anova

18 July 2024.

Chartered Accountants
Statutory Auditor

The Barn, Meadow Court
Faygate Lane
Faygate
Horsham
West Sussex
RH12 4SJ

Anova is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	General funds 2023 £	Operating funds 2023 £	Total 2023 £	General funds 2022 £	Operating funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	86,262	7,044	93,306	271,307	22,358	293,665
Charitable activities							
Patients' fees	4	-	1,753,367	1,753,367	-	1,555,646	1,555,646
Investments	5	26,921	-	26,921	33,151	-	33,151
Total income		113,183	1,760,411	1,873,594	304,458	1,578,004	1,882,462
Expenditure on:							
Raising funds	6	23,543	-	23,543	13,251	-	13,251
Charitable activities							
Provision of a residential care home	7	-	1,847,975	1,847,975	-	1,836,975	1,836,975
Governance	7	-	7,070	7,070	-	6,600	6,600
Total charitable expenditure		-	1,855,045	1,855,045	-	1,843,575	1,843,575
Other	10	-	3,108	3,108	-	-	-
Total resources expended		23,543	1,858,153	1,881,696	13,251	1,843,575	1,856,826
Net gains/(losses) on investments	14	55,040	-	55,040	(66,013)	-	(66,013)
Net incoming/(outgoing) resources before transfers		144,680	(97,742)	46,938	225,194	(265,571)	(40,377)
Gross transfers between funds		(97,742)	97,742	-	(265,571)	265,571	-
Net movement in funds		46,938	-	46,938	(40,377)	-	(40,377)
Fund balances at 1 January 2023		2,948,261	-	2,948,261	2,988,639	-	2,988,639
Fund balances at 31 December 2023		2,995,199	-	2,995,199	2,948,262	-	2,948,262

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**12**		1,684,900		1,736,063
Investment properties	**15**		260,000		260,000
Investments	**13**		830,455		765,086
			2,775,355		2,761,149
Current assets					
Stocks	**16**	2,600		2,600	
Debtors	**17**	216,899		182,057	
Cash at bank and in hand		99,380		134,873	
		318,879		319,530	
Creditors: amounts falling due within one year	**19**	(99,035)		(132,417)	
Net current assets			219,844		187,113
Total assets less current liabilities			2,995,199		2,948,262
Income funds					
Unrestricted funds			2,995,199		2,948,262
			2,995,199		2,948,262

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 18th July 2024

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Mr C R Hubbard, Chairman
Trustee

Company Registration No. 03244113

PETWORTH COTTAGE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(19,892)		70,687
Investing activities					
Purchase of tangible fixed assets		(32,193)		(266,973)	
Proceeds from/reinvestment in investments		(10,329)		37,148	
Dividends, interest and rents from investments		26,921		33,151	
Net cash used in investing activities			(15,601)		(196,674)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(35,493)		(125,987)
Cash and cash equivalents at beginning of year			134,873		260,860
Cash and cash equivalents at end of year			99,380		134,873

1 Accounting policies

Charity information

Petworth Cottage Nursing Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Petworth Cottage Nursing Home, Fittleworth Road, Petworth, West Sussex, GU28 0HQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Investment income is earned through holding assets for investment purposes such as shares and property. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants, including government grants, are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events,

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets costing £100 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5, 10 or 20 years straight line
Plant and equipment	Between 10-33% per annum on cost
Fixtures and fittings	Between 10-50% per annum on cost
Motor vehicles	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustee directors. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

1.7 Investment properties

Investment properties are measured at fair value at each reporting date.

1 Accounting policies **(Continued)**

1.8 Fixed asset investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at each reporting date, unless the value cannot be measured reliably in which case it is measure at cost less impairment.

Gains and losses, whether realised or unrealised, are combined and presented as "Net gains/(losses) on investments in the Statement of Financial Activities".

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the charity are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes.

1.14 Employee benefits

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Interest receivable

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 institution with whom the funds are deposited.

1 Accounting policies **(Continued)**

1.17 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named in the Trustees' report. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2 Critical accounting estimates and judgements

Critical accounting estimates and assumptions:

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical areas of judgement:

Expected useful life and residual value of freehold land and buildings

Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassessed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and change in legislation.

Fair value of investment properties

Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors with reference to current market values.

3 Donations and legacies

	General funds	Operating funds	Total	General funds	Operating funds	Total
	2023	**2023**	**2023**	2022	2022	2022
	£	**£**	**£**	£	£	£
Donations and gifts	86,262	-	86,262	271,307	-	271,307
Government grants	-	7,044	7,044	-	22,358	22,358
	86,262	7,044	93,306	271,307	22,358	293,665
Donations and gifts						
Donations and legacies	24,246	-	24,246	223,580	-	223,580
Donations received via The Friends	62,016	-	62,016	47,727	-	47,727
	86,262	-	86,262	271,307	-	271,307

3 Donations and legacies (Continued)

Grants receivable for core activities						
Government grants	-	7,044	7,044	-	22,358	22,358
	-	7,044	7,044	-	22,358	22,358

During the year, a total of £7,044 (2022: £22,358) was received in government grants These were received in relation to infection control: £Nil (2022: £8,800), support for social service residents: £7,044 (2022: £4,278), Workforce development plan £Nil (2022: £9,280).

4 Charitable activities

	Patients' fees 2023 £	Patients' fees 2022 £
Sales within charitable activities	1,753,367	1,555,646

5 Investments

	General funds 2023 £	General funds 2022 £
Rental income	9,646	8,962
Income from listed investments	15,924	23,751
Interest receivable	1,351	438
	26,921	33,151

6 Raising funds

	General funds 2023 £	General funds 2022 £
Fundraising and publicity		
Other fundraising costs	9,458	9,340
Investment management	14,085	3,911
	23,543	13,251

7 Charitable activities

	Provision of a residential care home 2023 £	Governance 2023 £	Total 2023 £	Provision of a residential care home 2022 £	Governance 2022 £	Total 2022 £
Staff costs	1,339,031	-	1,339,031	1,365,427	-	1,365,427
Depreciation and impairment	80,247	-	80,247	58,191	-	58,191
Staff agency charges	110,557	-	110,557	71,616	-	71,616
Staff training	7,291	-	7,291	3,665	-	3,665
Food	84,031	-	84,031	75,232	-	75,232
Cleaning and laundry	24,554	-	24,554	20,216	-	20,216
Surgery and medical	19,909	-	19,909	25,954	-	25,954
Incidental patient supplies	8,272	-	8,272	932	-	932
Heating oil	24,921	-	24,921	32,172	-	32,172
Electricity	27,345	-	27,345	23,698	-	23,698
Water charges	5,168	-	5,168	4,492	-	4,492
Repairs and renewals	48,625	-	48,625	77,479	-	77,479
Garden maintenance	3,664	-	3,664	3,366	-	3,366
Telephone	1,826	-	1,826	2,196	-	2,196
Television	(722)	-	(722)	(675)	-	(675)
Motor and travelling	1,939	-	1,939	2,430	-	2,430
Other charitable expenditure	57,994	-	57,994	67,866	-	67,866
	1,844,652	-	1,844,652	1,834,257	-	1,834,257
Bank charges	3,323	-	3,323	2,718	-	2,718
Governance costs	-	7,070	7,070	-	6,600	6,600
	1,847,975	7,070	1,855,045	1,836,975	6,600	1,843,575

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditors and associates:	**2023**	**2022**
	£	**£**
Audit of the annual accounts	4,750	4,750
Other services to the charitable company		
- Non-audit services provided to the charitable company	2,320	1,850
Total audit fees	7,070	6,600

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	**2022**
	Number	**Number**
	56	55

Employment costs	**2023**	**2022**
	£	£
Wages and salaries	1,203,111	1,234,983
Social security costs	112,140	107,658
Other pension costs	23,780	22,786
	1,339,031	1,365,427

The key management personnel of the charity comprise the financial controller, the home manager and her deputy. The total remuneration of key management personnel during the year was £180,031 (2022: £183,324).

The number of employees whose annual remuneration was £60,000 or more were:

	2023	**2022**
	Number	**Number**
£70,001 - £80,000	1	1

10 Other

	Operating funds	Total
		£
	2023	2022
Net loss on disposal of tangible fixed assets	3,108	-
	3,108	-

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2022: £Nil).

During the year ended 31 December 2023, no Trustee director expenses have been incurred (2022: £Nil).

12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	1,643,599	-	420,970	42,835	2,107,404
Additions	-	16,650	15,543	-	32,193
Disposals	(500)	-	(181,151)	-	(181,651)
Transfers	(5,237)	-	5,237	-	-
At 31 December 2023	1,637,862	16,650	260,599	42,835	1,957,946
Depreciation and impairment					
At 1 January 2023	94,817	-	255,580	20,944	371,341
Depreciation charged in the year	33,186	1,033	40,556	5,473	80,248
Eliminated in respect of disposals	(500)	-	(178,043)	-	(178,543)
At 31 December 2023	127,503	1,033	118,093	26,417	273,046
Carrying amount					
At 31 December 2023	1,510,359	15,617	142,506	16,418	1,684,900
At 31 December 2022	1,548,782	-	165,390	21,891	1,736,063

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023	765,086
Valuation changes	55,040
Dividends/charges etc	10,329
At 31 December 2023	830,455
Carrying amount	
At 31 December 2023	830,455
At 31 December 2022	765,086

Fixed asset investments revalued

The historical cost of fixed asset investments at 31 December 2023 was £813,520 (2022: £813,520).

The fair value of listed investments is determined by the reference to market value. The listed investments are wholly comprised of an investment portfolio managed by Quilter Cheviot.

14 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investments	55,040	(66,013)

15 Investment property

	2023 £
Fair value	
At 1 January 2023 and 31 December 2023	260,000

The 2023 valuation was made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates for fair value.

15 Investment property (Continued)

	2023	2022
	£	£
Freehold	260,000	260,000

16 Stocks

	2023	2022
	£	£
Medical supplies and food	2,600	2,600

17 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	163,407	138,064
Other debtors	1,276	2,183
Prepayments and accrued income	52,216	41,810
	216,899	182,057

18 Contingent Assets

The charitable company has been legally gifted 10% of an estate, the sum of which is dependant on the sale of property and is likely to be in the region of £64,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

The charitable company has further been gifted a bequest of circa £200k, £180k of which was received in October 2022. The residual inflow of economic benefits (circa £20k) from the bequest has been considered as probable, however, the expected receipt date of the remaining legacy is unknown.

19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		34,032	35,644
Deferred income	20	1,311	2,467
Trade creditors		36,366	34,546
Other creditors		5,508	6,724
Accruals		21,818	53,036
		99,035	132,417

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

20 Deferred income

	2023	2022
	£	£
Other deferred income	1,311	2,467

Deferred income is included in the financial statements as follows:

	£
Balance at 1 January 2023:	2,467
Released in year	(2,467)
Income deferred in year	1,311
Balance at 31 December 2023	1,311

21 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:						
Tangible assets	1,684,900	-	1,684,900	1,736,063	-	1,736,063
Investment properties	260,000	-	260,000	260,000	-	260,000
Investments	830,455	-	830,455	765,086	-	765,086
Current assets/(liabilities)	219,844	-	219,844	187,113	-	187,113
	2,995,199	-	2,995,199	2,948,262	-	2,948,262

22 Financial commitments, guarantees and contingent liabilities

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £nil (2022: £1,759)

23 Cash generated from operations

	2023	2022
	£	£
Surplus/(deficit) for the year	46,938	(40,378)
Adjustments for:		
Investment income recognised in statement of financial activities	(26,921)	(33,151)
Loss on disposal of tangible fixed assets	3,108	-
Fair value gains and losses on investments	(55,040)	66,013
Depreciation and impairment of tangible fixed assets	80,247	58,191
Movements in working capital:		
(Increase) in debtors	(34,842)	(17,346)
(Decrease)/increase in creditors	(32,226)	36,594
(Decrease)/increase in deferred income	(1,156)	764
Cash (absorbed by)/generated from operations	(19,892)	70,687

24 Analysis of changes in net funds

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	134,873	(35,493)	99,380
	134,873	(35,493)	99,380

25 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £23,780 (2022 - £22,786).

Contributions totalling £5,248 were payable to the fund at the balance sheet date (2022: £2,994).

26 Related party transactions

During the year the Charity incurred property management fees of £1,154 (2022: £1,077) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £Nil (2022: £Nil).

There were no other related party transaction that require disclosure in 2023.

27 Controlling party

The charitable company is controlled by its trustee directors.

PETWORTH COTTAGE NURSING HOME

England & Wales - Charity number 1058769

Accounts

Charity Registration No. 1058769

Company Registration No. 03244113 (England and Wales)

PETWORTH COTTAGE NURSING HOME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PETWORTH COTTAGE NURSING HOME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C R Hubbard, Chairman	
	Mr J R Atkins	(Appointed 31 January 2022)
	Dr A J Smoker	
	Mr T J Barrington	
	Dr S Pett	
	Mr A W Brooke	
	Mr T R W Longmore	
	Mr D H M Burrell	
	Dr G M Lyons	
Secretary	Mr T R W Longmore	
Patron	The Lady Egremont	
Charity number	1058769	
Company number	03244113	
Registered office	Petworth Cottage Nursing Home Fittleworth Road Petworth West Sussex GU28 0HQ	
Auditor	Matthew Cleghorn FCA BSc (Hons), Anova The Barn, Meadow Court Faygate Lane Faygate Horsham West Sussex RH12 4SJ	
Bankers	NatWest Bank PLC 5 East Street Chichester West Sussex PO10 1HH	
Solicitors	Anderson Rowntree Wisteria House Market Square Petworth West Sussex GU28 0AJ	

PETWORTH COTTAGE NURSING HOME

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PETWORTH COTTAGE NURSING HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Memorandum and Articles of Association dated 30 August 1996 and "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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objectives are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means.

The Trustee Directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect its Charitable status as a non-profit Organisation. Fees charged reflect the full nursing status of the Home and are generally well below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 19 Residents with their fees during 2022 and has cared for a total of some 52 Residents during the year.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and should, conditions allow, to increase the number of Residents admitted who need assistance with their fees.

Achievements and performance

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment and enhancement programme of the accommodation under the guidance of the Refurbishment Committee, the Nursing Home Manager (Matron) and the Finance Controller. Indeed during the year ending 2022 a full and complete refurbishment of the kitchen has been undertaken involving expenditure of £250,000 approximately. The work was completed both on time and within budget, thanks largely to the commitment of two Trustees, Tim Barrington and Graham Lyons, the Home Manager and the co-operation and tolerance of the kitchen team !!

PCNH has over a period of many years integrated itself within the local community and continues to benefit through its reputation and the activities of the Friends which continued to be restricted during 2022 by the aftermath of the Covid visitation.

Results of Fund Raising Activities for 2022:-

Christmas Quiz	£25,444.88
Badger Pub	£1,000.00
Petworth Christmas Fair	£990.10
Blue Tins	£216.00
White Horse Pub	£1,725.00
Alfresco Lunch	£8,201.18

The Board is hugely appreciative of all these contributions. These gifts and some very generous legacies absolutely allow PCNH to fulfil its responsibilities as a Charity for the benefit of the community of Petworth and beyond.

Investment Policy and Performance

In last year's Accounts, it was reported that the Investment Committee were researching the idea of perhaps appointing an investment manager to manage PCNH's non-property investments, and indeed, this duly happened during 2022.

Two investment management firms, Rowan Dartington and Quilter Cheviot Investment Management were considered for the role and, during late 2021 and early 2022, members of the Investment Committee met and interviewed Mr Nigel Pavey of Rowan Dartington followed by Ms Poppy Fox of Quilter Cheviot, and then on 14th February, they decided that Ms Poppy Fox of Quilter Cheviot Investment Management (QCIM) should be appointed. (This decision was duly ratified at the 28th March 2022 Board Meeting).

Then on 20th May, the Investment Committee drafted a "Statement of Investment Policy" (that was ratified at the 23rd May Board Meeting) which essentially stated:-

- that QCIM should be authorised to aim for optimum "Total Return" (meaning that the proportion of investment growth and re- invested income would be of no consequence), and
- that QCIM should manage the portfolio on the basis that PCNH has a medium tolerance for investment risk, and also work on the basis that the charity has a moderate ability to bear investment losses during periods of volatility and market weakness, and
- that investment income should be transferred to the capital account for reinvestment, and
- that, as the next item of capital expenditure (upgrading the kitchen) was not expected to exceed 15% of the then fund value and that no other capital expenditure was then envisaged, QCIM should be free to invest for the longer (indefinite) time-horizon.

As at 31st December 2021, PCNH held two Edentree Amity funds with a combined value of £350,112 and two M&G funds with a combined value of £518,135 (i.e. £868,247 in all), but these were liquidated at lower values (£318,346 in the case of Edentree in July and £495,151 in the case of M&G in August), so QCIM originally had £813,497 placed under its management.

However, £40,000 was then withdrawn in October (due to cash-flow weaknesses caused by the building work to the new kitchen), so in effect, QCIM's starting figure was £773,497.

The total funds under the management of QCIM as at 31 December 2022 was £765,086, after all fees (i.e. 1.1% down on the amount placed under its management).

Financial review

In 2022, there was an operating deficit of £265,571 and an overall deficit of £40,377 leading to a decrease in the total reserves held. The income received from residents rose by 7.2% with average occupancy of 28.5 Residents.

The financial policy of the charity is to continue to hold reserve funds not only to cover the maintenance and renewal of the buildings and equipment of the charity but also to ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to meet many months expenditure and potential repairs to the property. Total unrestricted funds were £2,948,262 and after taking account of £1,996,063 tied up in tangible fixed assets and investment property and the current year deficit, uncommitted reserves at the year end were £952,199.

Risk Assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the Home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:

1. Medium likelihood/high impact
2. Low likelihood/high impact
3. Low likelihood/medium impact

Description of risk	Category	Plans and strategies for managing risk
Shortage of staffing in the Nursing home sector	(1)	- Reducing dependency on agency staff
Sudden loss of senior staff	(1)	- Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced -Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	(1)	• Bed occupancy levels have improved. • Sufficient invested funds, see Investment Policy Report and Performance attached.
Electricity failure	(1)	- Secondary generator installed that cuts in automatically if main supply fails.
Natural disaster; such as fire or lightning strike	(2)	• The Home is equipped with fire extinguishers • Disaster recovery plan is in place
Misbehaviour by member of staff	(2)	• Training and checks carried out for all staff • Disciplinary procedure in place in case of an event arising
Failure of IT system;	(3)	• Patient care records back up on cloud • Regular back ups of accounts records
Failure of cooking equipment	(3)	- Offsite suppliers of hot food available
Injury to patient/staff from: 1. Fall 2. Wrongful administration of drugs 3. Financial & Stores fraud leading to financial difficulty	(3)	(i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (m) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared

In addition to the above view Document headed "Disaster and Emergency Plan 2022" dated 19/04/2022 prepared by DB and YS.

I find myself considering a cautionary note regarding the future. Recruitment of carers and nurses continues to be a very considerable problem and we are aware of this . We need to ensure our Team is remunerated adequately and this will mean that our fees will have to be continually reviewed and adjusted. The decision was therefore made to increase our fees by 7.5% from 1st July 2022 with the probable further increase of a similar amount in January/February 2023.

The Trustee Directors and Management Team will endeavour to sustain occupancy levels. A major consideration and concern continues to be recruitment of both nursing and caring staff. This is greatly exacerbated by PCNH's geographical location which is comparatively isolated. The Budget for 2023 is based therefore upon an occupancy level of 29.

Structure, governance and management

The charitable company is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C R Hubbard, Chairman
Mr J R Atkins (Appointed 31 January 2022)
Dr A J Smoker
Mr T J Barrington
Dr S Pett
Mr A W Brooke
Mr T R W Longmore
Mr D H M Burrell
Dr G M Lyons

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Ayelen Hayes, Finance Controller and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the Nursing Home Manager, Finance Controller and Doctor, reviews performance and considers issues as they arise.

None of the trustees has any beneficial interest in the company.
All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Auditor

Matthew Cleghorn FCA BSc (Hons), Anova were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Key Management Personnel

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the Nursing Home Manager, her Deputy and the Finance Controller is resolved by the Chairman with the involvement and approval of the Trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the Nursing Home Manager, the Finance Controller and the lead Trustee for finance using bench marks such as inflation and the National Living Wage.

Review of Year

I find myself in June of 2023 echoing my reflections of 2021 and 2022. 2022 continued to be a truly testing and demanding time for all of our Team, perhaps most of all for our Carers and Nursing Team who had not only to cherish, nurse and support our Residents but at the same time safe-guarding themselves and their families, many of whom are of school age. They rose to the challenge wonderfully with great good humour and with a will to overcome and support one another, a real team effort ensuring that our Residents thrived..

In addition an awareness by the Trustees and Management of the difficulties that have confronted our very loyal, hardworking and compassionate team of Nurses, Carers and Administrative Staff with a sharp rise and unprecedented increase in the Cost of Living that remedial action needed to be taken. It was therefore decided at a Board meeting on 1st August 2022 that a Cost of Living Bonus should be paid to all staff regardless of seniority and across the board to all 63 members of the team in two tranches of £400, one in September and the other in January 2023, a total of £800. These figures were to be net and the cost of tax absorbed by PCNH.

Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron), Mrs. Ayelen Hayes, our new Finance Controller, all the nursing, caring and administrative team which she leads with great care and example. They have maintained the ethos of compassion and excellence to the highest standard.

Disclosure of information to auditor

We, the Trustee directors of the charitable 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 charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report was approved by the Board of Trustees.

.....

Mr C R Hubbard, Chairman
Trustee
Dated: 17th August 2023

PETWORTH COTTAGE NURSING HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Petworth Cottage Nursing Home for the purpose of company law, are responsible for preparing the Trustees' 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 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 year.

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;

- 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; and

- 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.

PETWORTH COTTAGE NURSING HOME

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 December 2022 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatements 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:
- the nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011 and Companies Act 2006.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with HMRC, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale for any significant transactions that are unusual or outside the normal course of operation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Cleghorn FCA BSc (Hons), Anova

Chartered Accountants
Statutory Auditor

17 August 2023

The Barn, Meadow Court
Faygate Lane
Faygate
Horsham
West Sussex
RH12 4SJ

Matthew Cleghorn FCA BSc (Hons), Anova is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	General funds 2022 £	Operating funds 2022 £	Total 2022 £	General funds 2021 £	Operating funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	271,307	22,358	293,665	64,455	54,029	118,484
Charitable activities							
Patients' fees	4	-	1,555,646	1,555,646	-	1,451,117	1,451,117
Investments	5	33,151	-	33,151	41,009	-	41,009
Total income		304,458	1,578,004	1,882,462	105,464	1,505,146	1,610,610
Expenditure on:							
Raising funds	6	13,251	-	13,251	7,864	-	7,864
Charitable activities							
Provision of a residential care home	7	-	1,836,975	1,836,975	-	1,606,852	1,606,852
Governance	7	-	6,600	6,600	-	6,000	6,000
Total charitable expenditure		-	1,843,575	1,843,575	-	1,612,852	1,612,852
Total resources expended		13,251	1,843,575	1,856,826	7,864	1,612,852	1,620,716
Net gains/(losses) on investments	13	(66,013)	-	(66,013)	68,285	-	68,285
Net incoming/(outgoing) resources before transfers		225,194	(265,571)	(40,377)	165,885	(107,706)	58,179
Gross transfers between funds		(265,571)	265,571	-	(107,706)	107,706	-
Net movement in funds		(40,377)	-	(40,377)	58,179	-	58,179
Fund balances at 1 January 2022		2,988,639	-	2,988,639	2,930,462	-	2,930,462
Fund balances at 31 December 2022		2,948,262	-	2,948,262	2,988,641	-	2,988,641

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PETWORTH COTTAGE NURSING HOME

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**11**		1,736,063		1,527,282
Investment properties	**14**		260,000		260,000
Investments	**12**		765,086		868,247
			2,761,149		2,655,529
Current assets					
Stocks	**15**	2,600		2,600	
Debtors	**16**	182,057		164,711	
Cash at bank and in hand		134,873		260,860	
		319,530		428,171	
Creditors: amounts falling due within one year	**18**	(132,417)		(95,059)	
Net current assets			187,113		333,112
Total assets less current liabilities			2,948,262		2,988,641
Income funds					
Unrestricted funds			2,948,262		2,988,641
			2,948,262		2,988,641

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 17th August 2023

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Mr C R Hubbard, Chairman
Trustee

Company Registration No. 03244113

PETWORTH COTTAGE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		70,687		(24,032)
Investing activities					
Purchase of tangible fixed assets		(266,973)		(9,025)	
Proceeds from investment loans and receivables		37,148		-	
Dividends, interest and rents from investments		33,151		41,009	
Net cash (used in)/generated from investing activities			(196,674)		31,984
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(125,987)		7,952
Cash and cash equivalents at beginning of year			260,860		252,908
Cash and cash equivalents at end of year			134,873		260,860

1 Accounting policies

Charity information

Petworth Cottage Nursing Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Petworth Cottage Nursing Home, Fittleworth Road, Petworth, West Sussex, GU28 0HQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Investment income is earned through holding assets for investment purposes such as shares and property. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants, including government grants, are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.5 Expenditure

1 Accounting policies **(Continued)**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events,

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets costing £100 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5, 10 or 20 years straight line
Fixtures and fittings	Between 10-50% per annum on cost
Motor vehicles	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustee directors. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

1.7 Investment properties

Investment properties are measured at fair value at each reporting date.

1.8 Fixed asset investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at each reporting date, unless the value cannot be measured reliably in which case it is measure at cost less impairment.

Gains and losses, whether realised or unrealised, are combined and presented as "Net gains/(losses) on investments in the Statement of Financial Activities".

1 Accounting policies **(Continued)**

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the charity are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes.

1.14 Employee benefits

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Interest receivable

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 institution with whom the funds are deposited.

1.17 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named in the Trustees' report. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2 Critical accounting estimates and judgements

Critical accounting estimates and assumptions:

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical areas of judgement:

Expected useful life and residual value of freehold land and buildings
Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassessed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and change in legislation.

Fair value of investment properties
Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors with reference to current market values.

3 Donations and legacies

	General funds	Operating funds	Total	General funds	Operating funds	Total
	2022	**2022**	**2022**	2021	2021	2021
	£	**£**	**£**	£	£	£
Donations and gifts	271,307	-	271,307	64,455	-	64,455
Government grants	-	22,358	22,358	-	54,029	54,029
	271,307	22,358	293,665	64,455	54,029	118,484
Donations and gifts						
Donations and legacies	223,580	-	223,580	21,628	-	21,628
Donations received via The Friends	47,727	-	47,727	42,827	-	42,827
	271,307	-	271,307	64,455	-	64,455
Grants receivable for core activities						
Government grants	-	22,358	22,358	-	54,029	54,029
	-	22,358	22,358	-	54,029	54,029

3 Donations and legacies **(Continued)**

During the year, a total of £22,358 (2021: £54,029) was received in government grants These were received in relation to infection control: £8,800 (2021: £45,767), support for social service residents: £4,278 (2021: £4,150), Coronavirus Job Retention Scheme Nil (2021: £4,112), Workforce development plan £9,280 (2021: Nil).

4 Charitable activities

	Patients' fees 2022 £	Patients' fees 2021 £
Sales within charitable activities	1,555,646	1,451,117

5 Investments

	General funds 2022 £	General funds 2021 £
Rental income	8,962	8,445
Income from listed investments	23,751	32,455
Interest receivable	438	109
	33,151	41,009

6 Raising funds

	General funds 2022 £	General funds 2021 £
Fundraising and publicity		
Other fundraising costs	9,340	7,864
Investment management	3,911	-
	13,251	7,864

7 Charitable activities

	Provision of a residential care home 2022 £	Governance 2022 £	Total 2022 £	Provision of a residential care home 2021 £	Governance 2021 £	Total 2021 £
Staff costs	1,365,427	-	1,365,427	1,253,698	-	1,253,698
Depreciation and impairment	58,191	-	58,191	53,530	-	53,530
Staff agency charges	71,616	-	71,616	25,543	-	25,543
Staff training	3,665	-	3,665	4,518	-	4,518
Food	75,232	-	75,232	65,981	-	65,981
Cleaning and laundry	20,216	-	20,216	21,236	-	21,236
Surgery and medical	25,954	-	25,954	23,036	-	23,036
Incidental patient supplies	932	-	932	356	-	356
Heating oil	32,172	-	32,172	14,245	-	14,245
Electricity	23,698	-	23,698	21,872	-	21,872
Water charges	4,492	-	4,492	3,724	-	3,724
Repairs and renewals	77,479	-	77,479	46,410	-	46,410
New building work	-	-	-	4,352	-	4,352
Garden maintenance	3,366	-	3,366	6,837	-	6,837
Telephone	2,196	-	2,196	1,095	-	1,095
Television	(675)	-	(675)	(283)	-	(283)
Motor and travelling	2,430	-	2,430	2,414	-	2,414
Other charitable expenditure	67,866	-	67,866	55,800	-	55,800
	1,834,257	-	1,834,257	1,604,364	-	1,604,364
Bank charges	2,718	-	2,718	2,488	-	2,488
Governance costs	-	6,600	6,600	-	6,000	6,000
	1,836,975	6,600	1,843,575	1,606,852	6,000	1,612,852

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditors and associates:	**2022**	**2021**
	£	**£**
Audit of the annual accounts	4,750	6,000
Other services to the group		
All non-audit services not included above	1,850	120
Total audit fees	6,600	6,120

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022	**2021**
	Number	**Number**
	55	55

Employment costs	**2022**	**2021**
	£	**£**
Wages and salaries	1,234,983	1,141,051
Social security costs	107,658	90,833
Other pension costs	22,786	21,814
	1,365,427	1,253,698

The key management personnel of the charity comprise the trustees and the home manager. The total remuneration of key management personnel during the year was £183,324 (2021: £191,018).

The number of employees whose annual remuneration was £60,000 or more were:

	2022	**2021**
	Number	**Number**
£70,001 - £80,000	1	1

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2021: £NIL).

During the year ended 31 December 2022, no Trustee director expenses have been incurred (2021: £NIL).

11 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2022	1,492,081	305,515	42,835	1,840,431
Additions	151,518	115,455	-	266,973
At 31 December 2022	1,643,599	420,970	42,835	2,107,404
Depreciation and impairment				
At 1 January 2022	76,053	223,450	13,646	313,149
Depreciation charged in the year	18,764	32,130	7,298	58,192
At 31 December 2022	94,817	255,580	20,944	371,341
Carrying amount				
At 31 December 2022	1,548,782	165,390	21,891	1,736,063
At 31 December 2021	1,416,028	82,065	29,189	1,527,282

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

12 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2022	868,247
Valuation changes	(66,013)
Transfers	(40,000)
Dividends/charges etc	2,852
At 31 December 2022	765,086
Carrying amount	
At 31 December 2022	765,086
At 31 December 2021	868,247

Fixed asset investments revalued

The historical cost of fixed asset investments at 31 December 2022 was £813,520 (2021: £807,000).

The fair value of listed investments is determined by the reference to market value. The listed investments are wholly comprised of an investment portfolio managed by Quilter Cheviot.

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(66,013)	68,285

14 Investment property

	2022
	£
Fair value	
At 1 January 2022 and 31 December 2022	260,000

The 2022 valuation was made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates for fair value.

	2022	**2021**
	£	**£**
Freehold	260,000	260,000
Long leasehold	-	-
Short leasehold	-	-

15 Stocks

	2022	**2021**
	£	**£**
Medical supplies and food	2,600	2,600

16 Debtors

	2022	**2021**
Amounts falling due within one year:	**£**	**£**
Trade debtors	138,064	108,667
Other debtors	2,183	-
Prepayments and accrued income	41,810	56,044
	182,057	164,711

17 Contingent Assets

The charitable company has been legally gifted 10% of an estate, the sum of which is dependant on the sale of property and is likely to be in the region of £64,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

The charitable company has further been gifted a bequest of circa £200k, £180k of which was received in October 2022. The residual inflow of economic benefits (circa £20k) from the bequest has been considered as probable, however, the expected receipt date of the remaining legacy is unknown.

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		35,644	37,497
Deferred income	19	2,467	1,703
Trade creditors		34,546	24,404
Other creditors		6,724	7,268
Accruals		53,036	24,187
		132,417	95,059

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

19 Deferred income

	2022 £	2021 £
Other deferred income	2,467	1,703

Deferred income is included in the financial statements as follows:

	£
Balance at 1 January 2022:	1,703
Released in year	(1,703)
Income deferred in year	2,467
Balance at 31 December 2022	2,467

20 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:						
Tangible assets	1,736,063	-	1,736,063	1,527,282	-	1,527,282
Investment properties	260,000	-	260,000	260,000	-	260,000
Investments	765,086	-	765,086	868,247	-	868,247
Current assets/(liabilities)	187,113	-	187,113	333,112	-	333,112
	2,948,262	-	2,948,262	2,988,641	-	2,988,641

21 Financial commitments, guarantees and contingent liabilities

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £1,759 (2021: £nil)

22 Cash generated from operations

	2022	2021
	£	£
(Deficit)/surpus for the year	(40,378)	58,179
Adjustments for:		
Investment income recognised in statement of financial activities	(33,151)	(41,009)
Fair value gains and losses on investments	66,013	(68,285)
Depreciation and impairment of tangible fixed assets	58,191	53,530
Movements in working capital:		
(Increase)/decrease in stocks	-	2,009
(Increase) in debtors	(17,346)	(12,758)
Increase/(decrease) in creditors	36,594	(15,698)
Increase in deferred income	764	
Cash generated from/(absorbed by) operations	70,687	(24,032)

23 Analysis of changes in net funds

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	260,860	(125,987)	134,873
	260,860	(125,987)	134,873

24 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £22,786 (2021 - £21,814).

Contributions totalling £2,994 were payable to the fund at the balance sheet date (2021: £Nil).

25 Related party transactions

During the year the Charity incurred property management fees of £1,077 (2021: £1,552) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £Nil (2021: £Nil).

There were no other related party transaction that require disclosure in 2022.

26 Controlling party

The charitable company is controlled by its trustee directors.

PETWORTH COTTAGE NURSING HOME

England & Wales - Charity number 1058769

Accounts

Registered number: 03244113
Charity number: 1058769

Petworth Cottage Nursing Home

(A company limited by guarantee)

Trustees' report and audited financial statements

For the year ended 31 December 2021

Petworth Cottage Nursing Home
(A company limited by guarantee)

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Petworth Cottage Nursing Home
(A company limited by guarantee)

Reference and administrative details of the Charity, its trustees and advisers
For the year ended 31 December 2021

Trustee directors	Mr C R Hubbard, Chairman Mr A W Brooke Mr T R W Longmore Dr S Pett Mr D H M Burrell Dr G Lyons Miss S E Spriggs (resigned 23 May 2022) Mr T J Barrington Dr A J Smoker Mr J R Atkins (appointed 31 January 2022)
Company registered number	03244113
Charity registered number	1058769
Registered office	Petworth Cottage Nursing Home Fittleworth Road Petworth West Sussex GU28 0HQ
Company secretary	T R W Longmore
Patron	The Lady Egremont
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor Springfield House Springfield Road Horsham West Sussex RH12 2RG
Bankers	NatWest Bank Plc 5 East Street Chichester West Sussex PO10 1HH
Solicitors	Anderson Rowntree Wisteria House Market Square Petworth West Sussex GU28 0AJ

Trustee directors' report
For the year ended 31 December 2021

The Trustee directors present their annual report together with the audited financial statements of the Charity for the year 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 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.

Structure, governance and management

The charity is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

The trustee directors named on page 1 have served throughout the year and to date unless noted otherwise.

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Kate Cooper as Finance Manager and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the nursing home manager, finance manager and Doctor, reviews performance and considers issues as they arise.

Key management personnel

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the nursing home manager, her deputy and the finance manager is resolved by the Chairman with the involvement and approval of the trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the nursing home manager, the finance manager and the lead trustee for finance using bench marks such as inflation and the National Living Wage.

Financial review

In 2021, there was an operating deficit of £107,706 and an overall surplus of £58,179 leading to an increase in the total reserves held. The income received from residents rose by 0.21% with average occupancy of 27.47 residents.

Investment policy and performance

Although no changes to the investments were made during 2021 (meaning that the four collective investments listed below are the same as the ones listed in the 31 December 2020 accounts), it was nevertheless agreed in August 2021 that the Investment Committee should research the idea of perhaps formally appointing an investment manager to manage Petworth Cottage Nursing Home's (PCNH) non-property investments on its behalf.

As a first step, Mr. Nigel Pavey of Rowan Dartington was invited to submit some written proposals which he duly did on 19th August. Then, on 10th November, the members of the Investment Committee had a meeting with Nigel Pavey, after which the Investment Committee agreed:
i) That, yes, a discretionary fund manager such as Rowan Dartington should, indeed, be appointed, but
ii) That at least one other firm should be invited to present its proposals to us before we select which investment manager will act for us. (The position as at 31 December 2021 is that Ms Poppy Fox of Quilter Cheviot Investment Managers has been invited to submit her investment proposals to us early in the New Year.)

In addition to the agreed plan to appoint an investment manager, the Investment Committee has also decided that it needs to review the following during the early months of 2022, namely the amount of cash to hold in reserve, the investment time horizon of the invested monies, the investment risk mandate of the managed portfolio and whether to invest for income or capital growth or both.

PCNH currently holds:-

22,966 units in M and G Charifund worth on 31 December 2021 £357,394.
132,658 units in M and G Charibond worth on 31 December 2021 £160,741.
176,689 units in Edentree Amity Balanced Fund worth on 31 December 2021 £200,541.
87,674 units in Edentree Amity Global Equity Fund worth on 31 December 2021 £149,571.

The total funds invested as at 31 December 2021 being £868,247.

By the time that next year's Accounts are produced, we would expect these four holdings to have been replaced with a Managed Portfolio.

Future plans

The trustee directors and Management Team will endeavour to sustain occupancy levels. A major consideration and concern continues to be recruitment of both nursing and caring staff. This is greatly exacerbated by PCNH's geographical location which is comparatively isolated. The Budget for 2022 is based therefore upon an occupancy level of 28. This compares with 18 in 2013, 23 in 2014, 28 in 2015, 28.5 in 2016, 29.5 in 2017, 29 in 2018, 29 in 2019, 29 in 2020 and 29 in 2021.

Reserves policy

The financial policy of the charity is to continue to hold reserve funds not only to cover maintenance and renewal of the buildings and equipment of the charity but to also ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to be able to meet many months expenditure and potential repairs to the property. Total unrestricted funds were £2,988,641 and after taking account of £1,787,282 tied up in tangible fixed assets and investment property, uncommitted reserves at the year end were £1,201,359.

Risk assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:
(1) Medium likelihood/high impact
(2) Low likelihood/high impact
(3) Low likelihood/medium impact

Description of risk	Category	Plans and strategies for managing risk
Shortage of staffing in the Nursing home sector	(1)	- Reducing dependency on agency staff
Sudden loss of senior staff	(1)	- Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced -Newly appointed Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	(1)	- Bed occupancy levels have improved - Investment of funds in M & G Charifund and Charibond, and Edentree Amity Global Equity Fund and Amity Balanced Fund generating a return for the charity
Electricity failure	(1)	- Secondary generator installed that cuts in automatically if main supply fails
Natural disaster; such as fire or lightning strike	(2)	- The home is equipped with fire extinguishers - Disaster recovery plan is in place
Misbehaviour by member of staff	(2)	- Training and checks carried out for all staff - Disciplinary procedure in place in case of an event arising
Failure of IT systems	(3)	- Patient care records back up on cloud - Regular back ups of accounts records
Failure of cooking equipment	(3)	- Offsite suppliers of hot food available
Injury to patient/staff from: (i) Fall (ii) Wrongful adminstering of drugs (iii) Financial and Stores fraud leading to financial difficulty	(3)	(i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (iii) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared

Public benefit

The trustee directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect its Charitable status as a non-profit Organisation. Fees charged reflect the full nursing status of the Home and are generally well below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 20 Residents with their fees during 2021.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and should, conditions allow, to increase the number of Residents admitted on this basis.

Trustee directors' report (continued)
For the year ended 31 December 2021

Objects, objectives and principal activities

The charity's objects are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means.

Achievements and performance

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment and enhancement programme of the accommodation under the guidance of the Refurbishment Committee, the Nursing Home Manager (Matron) and the Finance Manager.

REVIEW OF YEAR

I find myself in July of 2022 echoing my reflections of 2020. 2021 continued to be a truly testing and demanding time for all of our Team, perhaps most of all for our Carers and Nursing Team who had not only to cherish, nurse and support our Residents but at the same time safe-guarding themselves and their families, many of whom are of school age. They rose to the challenge wonderfully with great good humour and with a will to overcome and support one another.... a real team effort with the result that yet again all our Residents remained Covid free.

Fund raising activities

PCNH has over a period of many years integrated itself within the local community and continues to benefit through its reputation and the activities of the Friends which inevitably during 2021 were considerably restricted. Normal fund raising activities like the Alfresco Lunch, Winter Fair, Carols at Christmas fell by the "wayside".

Results of Fund Raising Activities for 2021:-

Christmas Quiz	£ 24,210
Badger Pub	£ 1,010
Petworth Fair & Card Reader	£ 1,309
Blue Tins	£ 300
Pattie Art Donation	£ 300
Various Donations	£ 1,661
Newsletter	£ 361

Total £29,151

The Board is hugely grateful and appreciative for all of these contributions. These gifts, activities and very generous donations absolutely allow PCNH to fulfil its responsibilities as a Charity for the benefit of the community of Petworth and beyond.

In closing I find myself considering a cautionary note regarding the future. Recruitment of carers and nurses continues to be a very considerable problem. We need to be suitably aware of this. There have been a number of closures of similar establishments within the area. We need therefore to reward our Team in an appropriate manner and this will mean that our fees will have to be continually reviewed and adjusted.

Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron) and all the nursing and caring team which she leads with great care and example. They have maintained the ethos of compassion and excellence to the highest standard.

Trustee directors' report (continued)
For the year ended 31 December 2021

Disclosure of information to the auditors

We, the Trustee directors of the charitable 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 charitable company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustee directors on 26 September 2022 and signed on their behalf by:

Mr A W Brooke, Trustee

Statement of Trustee directors' responsibilities
For the year ended 31 December 2021

The Trustee directors (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustee directors' 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 Trustee directors to prepare financial statements for each financial year. Under company law, the Trustee directors 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustee directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the Members of Petworth Cottage Nursing Home

Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'Charitable Company') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 December 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Trustee directors' 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 Trustee directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the Members of Petworth Cottage Nursing Home (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee directors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustee directors' responsibilities statement, the Trustee directors (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 Trustee directors 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 Trustee directors 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 Trustee directors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Petworth Cottage Nursing Home (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

Capabilities of the audit in detecting irregularities, including fraud

Based on our understanding of the Charitable Company, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Companies Act 2006, Statement of Recommended Practice, Care Quality Commission regulations and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties and residual value of freehold property. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Review of a sample of expenditure items to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee directors.
- Conclude on the appropriateness of the Trustee directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the Members of Petworth Cottage Nursing Home (continued)

Use of our report

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham Office

26 September 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Petworth Cottage Nursing Home
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2021

	Note	Operating funds 2021 £	General funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	**54,029**	**64,455**	**118,484**	198,168
Charitable activities:					
Patients' fees		**1,451,117**	**-**	**1,451,117**	1,448,118
Investments	5	**-**	**41,009**	**41,009**	38,809
Total income		**1,505,146**	**105,464**	**1,610,610**	1,685,095
Expenditure on:					
Raising funds		**-**	**7,864**	**7,864**	9,457
Charitable activities:	6,7				
Provision of a residential care home		**1,606,852**	**-**	**1,606,852**	1,622,638
Governance		**6,000**	**-**	**6,000**	6,000
Total expenditure		**1,612,852**	**7,864**	**1,620,716**	1,638,095
Net (expenditure)/income before net gains/(losses) on investments		**(107,706)**	**97,600**	**(10,106)**	47,000
Net gains/(losses) on investments	12	**-**	**68,285**	**68,285**	(41,743)
Net (expenditure)/income before taxation		**(107,706)**	**165,885**	**58,179**	5,257
Transfers between funds	17	**107,706**	**(107,706)**	**-**	-
Net movement in funds		**-**	**58,179**	**58,179**	5,257
Reconciliation of funds:					
Total funds brought forward		**-**	**2,930,462**	**2,930,462**	2,925,205
Net movement in funds		**-**	**58,179**	**58,179**	5,257
Total funds carried forward		**-**	**2,988,641**	**2,988,641**	2,930,462

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

The notes on pages 16 to 32 form part of these financial statements.

Petworth Cottage Nursing Home
(A company limited by guarantee)
Registered number: 03244113

Balance sheet
As at 31 December 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	11		**1,527,282**		1,571,787
Investments	12		**868,247**		799,962
Investment property	13		**260,000**		260,000
			2,655,529		2,631,749
Current assets					
Stocks	14	**2,600**		4,609	
Debtors	15	**164,711**		151,953	
Cash at bank and in hand	19	**260,860**		252,908	
		428,171		409,470	
Creditors: amounts falling due within one year	16	**(95,059)**		(110,757)	
Net current assets			**333,112**		298,713
Total net assets			**2,988,641**		2,930,462
Charity funds					
General funds	17		**2,988,641**		2,930,462
Total funds			**2,988,641**		2,930,462

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006 and the members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustee directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustee directors on 26 September 2022 and signed on their behalf by:

Mr A W Brooke, Trustee

The notes on pages 16 to 32 form part of these financial statements.

Petworth Cottage Nursing Home
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	**(24,032)**	50,293
Cash flows from investing activities			
Dividends, interests and rents from investments		**40,900**	38,310
Proceeds from the sale of tangible fixed assets		**-**	7,150
Purchase of tangible fixed assets		**(9,025)**	(72,997)
Bank interest		**109**	499
Net cash provided by/(used in) investing activities		**31,984**	**(27,038)**
Change in cash and cash equivalents in the year		**7,952**	**23,255**
Cash and cash equivalents at the beginning of the year		**252,908**	229,653
Cash and cash equivalents at the end of the year	19	**260,860**	252,908

The notes on pages 16 to 32 form part of these financial statements

Notes to the financial statements
For the year ended 31 December 2021

1. General information

Petworth Cottage Nursing Home is a charitable company registered in the United Kingdom. The address of the registered office is given in the charity information page 1 of these financial statements.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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.

2.2 Going concern

Having reviewed the funds available to the Charity, together with the expected ongoing demand for places and the Charity's projected cash flows, the Trustee directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence.

2.3 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named on page 1. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Investment income is earned through holding assets for investment purposes such as shares and property. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants, including government grants, are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

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 institution with whom the funds are deposited.

2. Accounting policies (continued)

2.7 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 5, 10 or 20 years straight line
Motor vehicles	- 25% per annum reducing balance
Fixtures and fittings	- Between 10-50% per annum on cost

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustee directors. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment properties are measured at fair value at each reporting date.

Gains and losses on fixed asset investments and investment properties, whether realised or unrealised, are combined and presented as "Net gains/(losses) on investments in the Statement of Financial Activities.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the Charity are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.16 Other employee benefits

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

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Expected useful life, and residual value of, freehold land and buildings
Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassesed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and change in legislation.

Fair value of investment properties
Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors.

4. Income from donations and legacies

	Operating funds 2021 £	General funds 2021 £	Total funds 2021 £
Donations			
Donations and legacies	-	21,628	**21,628**
Donations received via The Friends	-	42,827	**42,827**
Government grants	54,029	-	**54,029**
	54,029	64,455	**118,484**

During the year government grants of £45,767 (2020: £51,017) were received in relation to infection control, £4,150 (2020: £6,914) in relation to support for social service residents, £4,112 (2020: £3,728) in relation to the Coronavirus Job Retention Scheme and £nil (2020: £2,500) in relation to statutory sick pay reclaimed.

4. Income from donations and legacies (continued)

	Operating funds 2020 £	General funds 2020 £	Total funds 2020 £
Donations			
Donations and legacies	-	85,910	85,910
Donations received via The Friends	-	48,099	48,099
Government grants	64,159	-	64,159
	64,159	134,009	198,168

5. Investment income

	General funds 2021 £	**Total funds 2021 £**
Rent receivable	8,445	**8,445**
Dividends receivable	32,455	**32,455**
Bank interest receivable	109	**109**
	41,009	**41,009**

	General funds 2020 £	Total funds 2020 £
Rent receivable	8,470	8,470
Dividends receivable	29,840	29,840
Bank interest receivable	499	499
	38,809	38,809

Notes to the financial statements
For the year ended 31 December 2021

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Provision of a residential care home	1,610,364	2,488	**1,612,852**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Provision of a residential care home	1,626,136	2,502	1,628,638

All expenditure on activities undertaken directly and support costs were from operating funds in 2021 and 2020.

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of a residential care home 2021 £	Total funds 2021 £
Staff costs	1,253,698	**1,253,698**
Depreciation	53,530	**53,530**
Staff agency charges	25,543	**25,543**
Staff training	4,518	**4,518**
Food	65,981	**65,981**
Cleaning and laundry	21,236	**21,236**
Surgery and medical supplies	23,036	**23,036**
Incidental patient supplies	356	**356**
Heating oil	14,245	**14,245**
Electricity	21,872	**21,872**
Water charges	3,724	**3,724**
Repairs and renewals	46,410	**46,410**
New building work	4,352	**4,352**
Garden maintenance	6,837	**6,837**
Telephone	1,095	**1,095**
Television	(283)	**(283)**
Motor and travelling	2,414	**2,414**
Insurance	21,777	**21,777**
General office expenses	18,391	**18,391**
Sundry expenses	7,395	**7,395**
Council tax	1,420	**1,420**
Advertising	4,033	**4,033**
Legal and professional fees	2,784	**2,784**
Governance costs	6,000	**6,000**
	1,610,364	**1,610,364**

6. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Provision of a residential care home 2020 £	Total funds 2020 £
Staff costs	1,277,958	1,277,958
Depreciation	49,136	49,136
Staff agency charges	18,308	18,308
Staff training	2,992	2,992
Food	61,089	61,089
Cleaning and laundry	21,714	21,714
Surgery and medical supplies	45,526	45,526
Incidental patient supplies	398	398
Heating oil	13,012	13,012
Electricity	21,356	21,356
Water charges	5,948	5,948
Repairs and renewals	42,646	42,646
New building work	10,873	10,873
Garden maintenance	3,987	3,987
Telephone	1,419	1,419
Television	(536)	(536)
Motor and travelling	3,272	3,272
Insurance	17,253	17,253
General office expenses	13,594	13,594
Sundry expenses	7,885	7,885
Council tax	1,364	1,364
Advertising	1,456	1,456
Bad debts	154	154
Legal and professional fees	3,566	3,566
(Profit) / Loss on sale of fixed assets	(4,234)	(4,234)
Governance costs	6,000	6,000
	1,626,136	1,626,136

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Provision of a residential care home 2021 £	Total funds 2021 £
Bank charges	2,488	**2,488**

	Provision of a residential care home 2020 £	Total funds 2020 £
Bank charges	2,502	2,502

7. Auditors' remuneration

	Operating funds 2021 £	Operating funds 2020 £
Governance - Auditors remuneration	**6,000**	6,000
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**120**	-

8. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	**1,141,051**	1,145,443
Social security costs	**90,833**	111,949
Contribution to defined contribution pension schemes	**21,814**	20,566
	1,253,698	1,277,958

8. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Employees	**55**	58

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	**1**	1

9. Key management personnel

	2021 £	2020 £
Wages and salaries	**168,051**	165,261
Social security costs	**19,572**	19,184
Pension costs	**3,395**	6,412
	191,018	190,857

10. Trustee directors' remuneration and expenses

During the year, no Trustee directors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee director expenses have been incurred (2020 - £ NIL).

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2021	**1,492,081**	**42,835**	**302,886**	**1,837,802**
Additions	**-**	**-**	**9,025**	**9,025**
Disposals	**-**	**-**	**(6,396)**	**(6,396)**
At 31 December 2021	**1,492,081**	**42,835**	**305,515**	**1,840,431**
Depreciation				
At 1 January 2021	**61,251**	**3,917**	**200,847**	**266,015**
Charge for the year	**14,802**	**9,729**	**28,999**	**53,530**
On disposals	**-**	**-**	**(6,396)**	**(6,396)**
At 31 December 2021	**76,053**	**13,646**	**223,450**	**313,149**
Net book value				
At 31 December 2021	**1,416,028**	**29,189**	**82,065**	**1,527,282**
At 31 December 2020	1,430,830	38,918	102,039	1,571,787

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	**799,962**
Revaluations	**68,285**
At 31 December 2021	**868,247**
Historical cost as at 1 January 2021 and 31 December 2021	**807,000**

Valuation

The fair value of listed investments is determined by the reference to the market value.

Listed investments at market value

	2021 £	2020 £
Charifund - Equities Investment Fund for Charities	**357,394**	315,222
Charibond - Charities Fixed Interest Common Investment Fund	**160,741**	166,459
Edentree - Amity Balanced Fund	**200,541**	188,173
Edentree - Amity Global Equity Fund	**149,571**	130,108
	868,247	799,962

13. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	**260,000**
At 31 December 2021	**260,000**

The 2021 valuation was made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates to fair value.

14. Stocks

	2021 £	2020 £
Medical supplies and food	**2,600**	4,609

15. Debtors

	2021 £	2020 £
Trade debtors	**108,667**	110,090
Prepayments and accrued income	**56,044**	41,863
	164,711	151,953

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**24,404**	30,248
Other taxation and social security	**37,497**	34,579
Other creditors	**7,268**	6,360
Accruals and deferred income	**25,890**	39,570
	95,059	110,757

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

	2021 £	2020 £
Deferred income at 1 January 2021	**3,221**	1,247
Resources deferred during the year	**1,703**	3,221
Amounts released from previous periods	**(3,221)**	(1,247)
	1,703	3,221

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Operating fund	**-**	**1,505,146**	**(1,612,852)**	**107,706**	**-**	**-**
General funds						
General fund	**2,930,462**	**105,464**	**(7,864)**	**(107,706)**	**68,285**	**2,988,641**
Total of funds	**2,930,462**	**1,610,610**	**(1,620,716)**	**-**	**68,285**	**2,988,641**

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Operating fund	-	1,512,277	(1,628,638)	116,361	-	-
General Funds						
General fund	2,925,205	172,818	(9,457)	(116,361)	(41,743)	2,930,462
Total of funds	2,925,205	1,685,095	(1,638,095)	-	(41,743)	2,930,462

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	**58,179**	5,257
Adjustments for:		
Depreciation charges	**53,530**	49,342
Dividends, interests and rents from investments	**(41,009)**	(38,809)
Loss/(profit) on the sale of fixed assets	**-**	(4,234)
Decrease/(increase) in stocks	**2,009**	(2,500)
Increase in debtors	**(12,758)**	(9,917)
Increase/(decrease) in creditors	**(15,698)**	9,412
Unrealised (gain)/loss on investments	**(68,285)**	41,742
Net cash provided by/(used in) operating activities	**(24,032)**	50,293

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**260,860**	252,908
Total cash and cash equivalents	**260,860**	252,908

20. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	**252,908**	**7,952**	**260,860**
	252,908	**7,952**	**260,860**

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £21,814 (2020 - £20,566). Contributions totalling £nil (2020 - £824) were payable to the fund at the balance sheet date and are included in creditors.

22. Related party transactions

During the year the Charity incurred property management fees of £1,552 (2020 - £3,046) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £nil (2020 - £nil).

There were no other related party transactions requiring disclosure in 2021.

23. Controlling party

The charitable company is controlled by its trustee directors.

PETWORTH COTTAGE NURSING HOME

England & Wales - Charity number 1058769

Accounts

Registered number: 03244113
Charity number: 1058769

Petworth Cottage Nursing Home

(A company limited by guarantee)

Trustees' report and audited financial statements

For the year ended 31 December 2020

Petworth Cottage Nursing Home
(A company limited by guarantee)

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Petworth Cottage Nursing Home
(A company limited by guarantee)

Reference and administrative details of the Charity, its trustees and advisers
For the year ended 31 December 2020

Trustee directors	Mr C R Hubbard, Chairman Mr A W Brooke Mr T R W Longmore Dr S Pett Mr D H M Burrell Dr G Lyons Miss S E Spriggs Mr T J Barrington Dr A J Smoker
Company registered number	03244113
Charity registered number	1058769
Registered office	Wisteria House Market Square Petworth West Sussex GU28 0AJ
Company secretary	T R W Longmore
Patron	Lady Egremont
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor Springfield House Springfield Road Horsham West Sussex RH12 2RG
Bankers	NatWest Bank Plc 5 East Street Chichester West Sussex PO10 1HH
Solicitors	Anderson Rowntree Wisteria House Market Square Petworth West Sussex GU28 0AJ

Trustee directors' report
For the year ended 31 December 2020

The Trustee directors present their annual report together with the audited financial statements of the Charity for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 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.

Structure, governance and management

The charity is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

The trustee directors named on page 1 have served throughout the year and to date.

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Kate Cooper as Finance Manager and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the nursing home manager, finance manager and Doctor, reviews performance and considers issues as they arise.

Key management personnel

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the nursing home manager, her deputy and the finance manager is resolved by the Chairman with the involvement and approval of the trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the nursing home manager, the finance manager and the lead trustee for finance using bench marks such as inflation and the National Living Wage.

Financial review

In 2020, there was an operating deficit of £116,361 and an overall surplus of £5,257 leading to an increase in the total reserves held. The income received from residents rose by 3.61% with average occupancy of 29.13 residents.

Investment policy and performance

The investment policy of Petworth Cottage Nursing Home (PCNH) proposed by the Investment Committee and approved by the Board is briefly:
i) To hold approximately 4 months costs of the Home on deposit to cover an unforeseen shortfall in operating funds or other emergency
ii) To invest 2/3 of the remainder of our reserves to generate capital appreciation.
iii) To invest the remaining 1/3 to generate income.
PCNH proposed for category ii) above investment in M and G Charifund and for category iii) above investment in M and G Charibond and later in Edentree Annuity Balanced Fund and Edentree Global Equity Income Fund.
PCNH took informal advice from a member of the London Stock Exchange.

PCNH therefore now holds:-

22,966 units in M and G Charifund worth on 31 December 2020 £315,222
132,658 units in M and G Charibond worth on 31 December 2020 £166,459
176,689 units in Edentree Amity Balanced Fund worth on 31 December 2020 £188,173
87,674 units in Edentree Amity Global Equity Fund worth on 31 December 2020 £130,108

The total funds invested as at 31 December 2020 being £799,962.

The Covid Pandemic has caused and continues to do so, greater than usual volatility in the value of these investments during 2021. We shall review our current portfolio and consider with caution alternative options.

Future plans

The Trustee Directors and Management Team will endeavour to sustain occupancy levels. A major consideration and concern is recruiting and retaining both nursing and caring staff. The Budget for 2021 is based upon a bed occupancy of 29. This compares with 18 in 2013, 23 in 2014, 28 in 2015, 28.5 in 2016, 29.5 in 2017, 28.89 in 2018, 28.76 in 2019 and 29 in 2020.

Reserves policy

The financial policy of the charity is to continue to hold reserve funds not only to cover maintenance and renewal of the buildings and equipment of the charity but to also ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to be able to meet at least six months expenditure and potential repairs to the property. Total unrestricted funds were £2,930,462 and after taking account of £1,831,787 tied up in fixed assets, uncommitted reserves at the year end were £1,098,675.

Risk assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:
(1) Medium likelihood/high impact
(2) Low likelihood/high impact
(3) Low likelihood/medium impact

Description of risk	Category	Plans and strategies for managing risk
Shortage of staffing in the Nursing home sector	(1)	- Reducing dependency on agency staff
Sudden loss of senior staff	(1)	- Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced -Newly appointed Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	(1)	- Bed occupancy levels have improved - Investment of funds in M & G Charifund and Charibond, and Edentree Amity Global Equity Fund and Amity Balanced Fund generating a return for the charity
Electricity failure	(1)	- Second generator installed that cuts in automatically if main supply fails
Natural disaster; such as fire or lightning strike	(2)	- The home is equipped with fire extinguishers - Disaster recovery plan is in place
Misbehaviour by member of staff	(2)	- Training and checks carried out for all staff - Disciplinary procedure in place in case of an event arising
Failure of IT systems	(3)	- Patient care records back up on cloud - Regular back ups of accounts records
Failure of cooking equipment	(3)	- Offsite suppliers of hot food available
Injury to patient/staff from: (i) Fall (ii) Wrongful adminstering of drugs (iii) Financial and Stores fraud leading to financial difficulty	(3)	 (i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (iii) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared

Public benefit

The Trustee Directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect our charitable status as a non-profit organisation. Fees charged reflect the full nursing status of the Home and are generally below that of similar Nursing Homes. In 2020 PCNH admitted 69 new Residents, of these 20 Residents were admitted through Social Services (SS) or Continuing Health Care (CHC) and these were subsidised by PCNH, the shortfall from SS being 22% and CHC 15% per Resident beneath our 'break-even' weekly fee (BEWF). As a result of this during the year our Charity, PCNH, has assisted and supported some 29 Residents with their fees.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and, should conditions and funds allow, to increase the number of Residents admitted on this basis.

Objects, objectives and principal activities

The charity's objects are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means.

Achievements and performance

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment and enhancement programme of the accommodation under the guidance of the Refurbishment Committee, the Nursing Home Manager (Matron) and the Finance Manager.

REVIEW OF YEAR

As I write this in early September 2021 I reflect that this has been and continues to be, a truly testing and demanding time for all our Team; perhaps most of all for our Carers and Nursing Team who have not only had to cherish, nurse and support our Residents but at the same time safeguarding themselves and caring for their families, many of whom are of school age. They have risen to the challenge wonderfully with great good humour, with a will to overcome and support one another, a real team effort with the result that all Residents have remained Covid free…… Bravo !! Bravo !!

Fund raising activities

PCNH benefits enormously from the activities of the Friends of Petworth Cottage Nursing Home (The Friends). Unsurprisingly 2020 has proved to be a very challenging year in terms of opportunities for organising fund raising. Amazingly, once counting completed in 2021, they have succeeded in surpassing the total for 2019, through such activities as:-

Christmas Quiz	£ 34,330 (a record)
Blue Tins	£ 429
Newsletter	£ 19,476
Pattie Blue Tin	£ 67

Very sadly both 2020 and 2021 have been very restricting in allowing The Friends to reach out in their role as 'Ambassadors' to the wider supporters. No Alfresco lunch, no Winter Fair, both of which allow us to widen our network of supporters and contributors. Roll on 2022! The Board is hugely grateful and appreciative for all these contributions. These gifts, activities and very, very generous donations absolutely allow PCNH to fulfil its responsibility as a Charity for the benefit of the community of Petworth and beyond.

Finally, the ethos of PCNH is dependant upon the professionalism of its Staff, led by the Nursing Home Manager, (Matron) Yvonne Stout and her Management Team. They have 'shone' in a very challenging year and the Trustees are immensely grateful.

Trustee directors' report (continued)
For the year ended 31 December 2020

Disclosure of information to the auditors

We, the Trustee directors of the charitable 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 charitable company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustee directors on 24/9/2021 and signed on their behalf by:

Mr C Hubbard, Chairman

Statement of Trustee directors' responsibilities
For the year ended 31 December 2020

The Trustee directors (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustee directors' 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 Trustee directors to prepare financial statements for each financial year. Under company law, the Trustee directors 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustee directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the Members of Petworth Cottage Nursing Home

Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'Charitable Company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 December 2020 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Trustee directors' 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 Trustee directors 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 Annual report other than the financial statements and our Auditors' report thereon. The Trustee directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee directors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustee directors' responsibilities statement, the Trustee directors (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 Trustee directors 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 Trustee directors 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 Trustee directors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

Capabilities of the audit in detecting irregularities, including fraud

Based on our understanding of the Charitable Company, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Companies Act 2006, Statement of Recommended Practice, Care Quality Commission regulations and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Review of a sample expenditure items to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee directors.
- Conclude on the appropriateness of the Trustee directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the Members of Petworth Cottage Nursing Home (continued)

Use of our report

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Date: 28 September 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Petworth Cottage Nursing Home
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2020

	Note	Operating funds 2020 £	General funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	**64,159**	**134,009**	**198,168**	102,874
Charitable activities:					
Other charitable activities		**1,448,118**	**-**	**1,448,118**	1,397,639
Investments	5	**-**	**38,809**	**38,809**	46,829
Total income		**1,512,277**	**172,818**	**1,685,095**	1,547,342
Expenditure on:					
Raising funds		**-**	**9,457**	**9,457**	9,851
Charitable activities:	6,7				
Provision of a residential care home		**1,622,638**	**-**	**1,622,638**	1,517,680
Governance		**6,000**	**-**	**6,000**	6,400
Total expenditure		**1,628,638**	**9,457**	**1,638,095**	1,533,931
Net (expenditure)/income before net (losses)/gains on investments		**(116,361)**	**163,361**	**47,000**	13,411
Net (losses)/gains on investments	12,13	**-**	**(41,743)**	**(41,743)**	93,342
Net (expenditure)/income before taxation		**(116,361)**	**121,618**	**5,257**	106,753
Transfers between funds	18	**116,361**	**(116,361)**	**-**	-
Net movement in funds		**-**	**5,257**	**5,257**	106,753
Reconciliation of funds:					
Total funds brought forward		**-**	**2,925,205**	**2,925,205**	2,818,452
Net movement in funds		**-**	**5,257**	**5,257**	106,753
Total funds carried forward		**-**	**2,930,462**	**2,930,462**	2,925,205

The Statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 16 to 33 form part of these financial statements.

Petworth Cottage Nursing Home
(A company limited by guarantee)
Registered number: 03244113

Balance sheet
As at 31 December 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	11		**1,571,787**		1,551,048
Investments	12		**799,962**		871,704
Investment property	13		**260,000**		230,000
			2,631,749		2,652,752
Current assets					
Stocks	14	**4,609**		2,109	
Debtors	15	**151,953**		142,036	
Cash at bank and in hand		**252,908**		229,653	
		409,470		373,798	
Creditors: amounts falling due within one year	16	**(110,757)**		(101,345)	
Net current assets			**298,713**		272,453
Total net assets			**2,930,462**		2,925,205
Charity funds					
Restricted funds	18		**2,930,462**		2,925,205
Total funds			**2,930,462**		2,925,205

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006 and the members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustee directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustee directors on 24/09/2021 and signed on their behalf by:

Mr C Hubbard, Chairman

The notes on pages 16 to 33 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	19	**50,293**	22,254
Cash flows from investing activities			
Dividends, interests and rents from investments		**38,310**	46,063
Proceeds from the sale of tangible fixed assets		**7,150**	-
Purchase of tangible fixed assets		**(72,997)**	(47,376)
User text		**499**	766
Net cash used in investing activities		**(27,038)**	**(547)**
Change in cash and cash equivalents in the year		**23,255**	**21,707**
Cash and cash equivalents at the beginning of the year		**229,653**	207,946
Cash and cash equivalents at the end of the year	20	**252,908**	229,653

The notes on pages 16 to 33 form part of these financial statements

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Petworth Cottage Nursing Home is a charitable company registered in the United Kingdom. The address of the registered office is given in the charity information page 1 of these financial statements.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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.

2.2 Going concern

Having reviewed the funds available to the Charity, together with the expected ongoing demand for places and the Charity's projected cash flows, the Trustee directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence.

Due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the final potential outcomes on the charitable company of the COVID-19 virus. However, taking into consideration the UK Government’s response and the charitable company’s planning, the Trustee directors have a reasonable expectation that the charitable company will continue in operational existence for the foreseeable future.

2.3 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named on page 1. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. The income from fundraising is shown gross, with the associated costs included in fundraising costs.

Investment income is earned through holding assets for investment purposes such as shares and property. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants, including government grants, are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

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 institution with whom the funds are deposited.

2. Accounting policies (continued)

2.7 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 5, 10 or 20 years straight line
Motor vehicles	- 25% per annum reducing balance
Fixtures and fittings	- Between 10-50% per annum on cost

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustees. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment properties are measured at fair value at each reporting date.

Gains and losses on fixed asset investments and investment properties, whether realised or unrealised, are combined and presented as “Net gains/(losses) on investments in the Statement of Financial Activities.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the Charity are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.16 Other employee benefits

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

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Expected useful life, and residual value of, freehold land and buildings
Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassesed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and changes in legislation.

Fair value of investment properties
Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors.

4. Income from donations and legacies

	Operating funds 2020 £	General funds 2020 £	Total funds 2020 £
Donations			
Donations and legacies	-	85,910	**85,910**
Donations received via The Friends	-	48,099	**48,099**
Government grants	64,159	-	**64,159**
	64,159	134,009	**198,168**

During the year government grants of £51,017 (2019: £nil) were received in relation to infection control, £6,914 (2019: £nil) in relation to support for social service residents, £3,728 (2019: £nil) in relation to the Coronavirus Job Retention Scheme and £2,500 (2019: £nil) in relation to statutory sick pay reclaimed.

4. Income from donations and legacies (continued)

	General funds 2019 £	Total funds 2019 £
Donations		
Donations and legacies	48,941	48,941
Donations received via The Friends	53,933	53,933
	102,874	102,874

5. Investment income

	General funds 2020 £	**Total funds 2020 £**
Rent receivable	8,470	**8,470**
Dividends receivable	29,840	**29,840**
Bank interest receivable	499	**499**
	38,809	**38,809**

	General funds 2019 £	Total funds 2019 £
Rent receivable	8,447	8,447
Dividends receivable	37,616	37,616
Bank interest receivable	766	766
	46,829	46,829

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	**Support costs 2020 £**	**Total funds 2020 £**
Provision of a residential care home	1,626,136	2,502	**1,628,638**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Provision of a residential care home	1,521,675	2,405	1,524,080

All expenditure on activities undertaken directly and support costs were from operating funds in 2020 and 2019.

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of a residential care home 2020 £	Total funds 2020 £
Staff costs	1,277,958	**1,277,958**
Depreciation	49,136	**49,136**
Staff agency charges	18,308	**18,308**
Staff training	2,992	**2,992**
Food	61,089	**61,089**
Cleaning and laundry	21,714	**21,714**
Surgery and medical supplies	45,526	**45,526**
Incidental patient supplies	398	**398**
Heating oil	13,012	**13,012**
Electricity	21,356	**21,356**
Water charges	5,948	**5,948**
Repairs and renewals	42,646	**42,646**
New building work	10,873	**10,873**
Garden maintenance	3,987	**3,987**
Telephone	1,419	**1,419**
Television	(536)	**(536)**
Motor and travelling	3,272	**3,272**
Insurance	17,253	**17,253**
General office expenses	13,594	**13,594**
Sundry expenses	7,885	**7,885**
Council tax	1,364	**1,364**
Advertising	1,456	**1,456**
Bad debts	154	**154**
Legal and professional fees	3,566	**3,566**
(Profit) / Loss on sale of fixed assets	(4,234)	**(4,234)**
Governance costs	6,000	**6,000**
	1,626,136	**1,626,136**

6. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Provision of a residential care home 2019 £	Total funds 2019 £
Staff costs	1,084,133	1,084,133
Depreciation	48,862	48,862
Staff agency charges	122,258	122,258
Staff training	6,817	6,817
Food	55,836	55,836
Cleaning and laundry	21,993	21,993
Surgery and medical supplies	26,456	26,456
Incidental patient supplies	874	874
Heating oil	15,771	15,771
Electricity	20,730	20,730
Water charges	5,979	5,979
Repairs and renewals	31,858	31,858
New building work	11,413	11,413
Garden maintenance	7,162	7,162
Telephone	2,058	2,058
Television	(297)	(297)
Motor and travelling	4,039	4,039
Insurance	16,045	16,045
General office expenses	9,245	9,245
Sundry expenses	6,153	6,153
Council tax	1,297	1,297
Advertising	9,106	9,106
Bad debts	78	78
Legal and professional fees	7,227	7,227
(Profit) / Loss on sale of fixed assets	182	182
Governance costs	6,400	6,400
	1,521,675	1,521,675

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Provision of a residential care home 2020 £	**Total funds 2020 £**
Bank charges	2,502	**2,502**

	Provision of a residential care home 2019 £	Total funds 2019 £
Bank charges	2,405	2,405

7. Auditors' remuneration

	Operating funds 2020 £	Operating funds 2019 £
Governance - Auditors remuneration	**6,000**	6,400

8. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	**1,145,443**	990,235
Social security costs	**111,949**	77,926
Contribution to defined contribution pension schemes	**20,566**	15,972
	1,277,958	1,084,133

8. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2020	2019
	No.	No.
Employees	**58**	53

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	**-**	1
In the band £70,001 - £80,000	**1**	-

9. Key management personnel

	2020	2019
	£	£
Wages and salaries	**165,261**	157,178
Social security costs	**19,184**	18,139
Pension costs	**6,412**	3,170
	190,857	178,487

10. Trustee directors' remuneration and expenses

During the year, no Trustee directors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee director expenses have been incurred (2019 - £ NIL).

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	**1,486,736**	**32,180**	**287,053**	**1,805,969**
Additions	**5,345**	**42,835**	**24,817**	**72,997**
Disposals	**-**	**(32,180)**	**(8,984)**	**(41,164)**
At 31 December 2020	**1,492,081**	**42,835**	**302,886**	**1,837,802**
Depreciation				
At 1 January 2020	**46,672**	**29,931**	**178,318**	**254,921**
Charge for the year	**14,579**	**4,309**	**30,454**	**49,342**
On disposals	**-**	**(30,323)**	**(7,925)**	**(38,248)**
At 31 December 2020	**61,251**	**3,917**	**200,847**	**266,015**
Net book value				
At 31 December 2020	**1,430,830**	**38,918**	**102,039**	**1,571,787**
At 31 December 2019	1,440,064	2,249	108,735	1,551,048

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	**871,704**
Revaluations	**(71,742)**
At 31 December 2020	**799,962**
Historical cost as at 1 January 2020 and 31 December 2020	**807,000**

Valuation

The fair value of listed investments is determined by the reference to the market value.

Listed investments at market value

	2020	2019
	£	£
Charifund - Equities Investment Fund for Charities	**315,222**	381,391
Charibond - Charities Fixed Interest Common Investment Fund	**166,459**	164,562
Edentree - Amity Balanced Fund	**188,173**	202,131
Edentree - Amity Global Equity Fund	**130,108**	123,620
	799,962	871,704

13. Investment property

	Freehold investment property
	£
Valuation	
At 1 January 2019 and 31 December 2019	**230,000**
Surplus on revaluation	**30,000**
At 31 December 2020	**260,000**

The 2020 valuations were made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates to fair value.

14. Stocks

	2020 £	2019 £
Medical supplies and food	**4,609**	2,109

15. Debtors

	2020 £	2019 £
Trade debtors	**110,090**	115,775
Prepayments and accrued income	**41,863**	26,261
	151,953	142,036

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	**30,248**	31,882
Other taxation and social security	**34,579**	35,050
Other creditors	**6,360**	20,571
Accruals and deferred income	**39,570**	13,842
	110,757	101,345

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

	2020 £	2019 £
Deferred income at 1 January 2020	**1,247**	2,670
Resources deferred during the year	**3,221**	1,247
Amounts released from previous periods	**(1,247)**	(2,670)
	3,221	1,247

17. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	**1,059,962**	1,101,704
Financial assets measured at amortised cost	**363,148**	345,428
	1,423,110	1,447,132

	2020	2019
	£	£
Financial liabilities		
Financial liabilities measured at cost less impairment	**76,178**	66,295

Financial assets measured at fair value through income and expenditure comprise fixed asset listed investments and investment property.

Financial assets measured at amortised cost comprise trade debtors and cash and cash equivalents.

Financial liabilities measured at cost less impairment comprise trade creditors, accruals and other creditors.

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Operating fund	**-**	**1,512,277**	**(1,628,638)**	**116,361**	**-**	**-**
General funds						
General fund	**2,925,205**	**172,818**	**(9,457)**	**(116,361)**	**(41,743)**	**2,930,462**
Total of funds	**2,925,205**	**1,685,095**	**(1,638,095)**	**-**	**(41,743)**	**2,930,462**

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
General Funds						
Operating fund	-	1,397,639	(1,524,080)	126,441	-	-
General fund	2,818,452	149,703	(9,851)	(126,441)	93,342	2,925,205
	2,818,452	1,547,342	(1,533,931)	-	93,342	2,925,205

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	**5,257**	106,753
Adjustments for:		
Depreciation charges	**49,342**	48,862
Dividends, interests and rents from investments	**(38,809)**	(46,829)
Loss/(profit) on the sale of fixed assets	**(4,234)**	182
Decrease/(increase) in stocks	**(2,500)**	71
Decrease/(increase) in debtors	**(9,917)**	649
Increase in creditors	**9,412**	5,908
Unrealised (gain)/loss on investments	**41,742**	(93,342)
Net cash provided by operating activities	**50,293**	22,254

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	**252,908**	229,653
Total cash and cash equivalents	**252,908**	229,653

21. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	**229,653**	**23,255**	**252,908**
	229,653	**23,255**	**252,908**

22. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £20,566 (2019 - £15,972). Contributions totalling £824 (2019 - £1,499) were payable to the fund at the balance sheet date and are included in creditors.

23. Related party transactions

During the year the Charity incurred property management fees of £3,046 (2019 - £1,779) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £nil (2019 - £nil).

There were no other related party transactions requiring disclosure in 2020.

24. Controlling party

The charitable company is controlled by its trustee directors.