

JAH-JIREH CHARITY HOMES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

JAH-JIREH CHARITY HOMES

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JAH-JIREH CHARITY HOMES

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Jah-Jireh Charity Homes
Charity registration number	1062023
Trustees	E W Delaney (Resigned 16/06/2021) P J Cutting R Jones A Kendall (Resigned 29/09/2021) F Sartin (Deceased 17/01/2022) C Stringer J Stacey Chairman from 16/06/2021 R Telles C Bland G Cockshott R Daniel (Resigned 31/08/2021) L Chadwick M Donnelly (Appointed 03/03/2022)
Chief executive officer	M Donnelly
Registered office	317 Lytham Road Warton Preston PR4 1TE
Auditor	MHA Moore and Smalley Chartered Accountants & Statutory Auditors Richard House Winckley Square Preston PR1 3HP
Bankers	National Westminster Bank plc 13 Whitegate Drive Blackpool FY3 9AG
Solicitors	Roland Robinsons and Fentons 85-89 Adelaide Street Blackpool FY1 4LX

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2021

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Structure, governance and management

Governing document

Jah-Jireh Charity Homes is governed by a Trust Deed dated 1 April 1997 as amended by a supplemental deed dated 25 February 2005. The charity is registered under the name Jah-Jireh Charity Homes with the Charity Commission (charity number 1062023).

Recruitment, appointment, induction and training of trustees

The minimum number of trustees shall be four with no maximum number. The trustees must be a respected member of a Congregation of Jehovah's Witnesses and shall remain so and be in good standing. Trustees are appointed by a resolution of a meeting of the trustees. A memorandum of his appointment shall be signed by the persons present at such meeting and every new trustee, before acting in the trust of the deed must sign the minute book for which provision is made, a declaration of acceptance and of willingness to act in the trusts declared in the trust deed.

Whilst it is likely that our trustee appointments will be current or previous trustees of another charity and therefore have relevant experience, we nonetheless share with them the Charity Commission Trustee Welcome Pack, a copy of the Trust Deed, the current charity registration with the Charity Commission, copies of previous meeting minutes and background to the work of the charity. Further training will be considered as it is identified. The Trustees hold a range of professional qualifications including in accountancy, law and civil engineering.

Organisational structure

The trustees who served during the year are shown on page 1. The trustees meet at least twice a year. In addition, there are various committees that support the trustees. The current committees are Operations, Finance, Buildings, Legal, Media and International. The committees are made up of trustees and some head office staff. Day to day decisions are made by the Executive Committee and are assisted by staff at the head office and homes of the charity.

Related parties

The trustees provide advice and assistance to Jehovah's Witness communities internationally and at home, including direct visits to explain and replicate the Jah-Jireh Charity Homes experience.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Remuneration of key management personnel

The charity considers its key management personnel to comprise of an Executive Committee (consisting of Chief Executive Officer, Policy and Compliance Manager and Head of Finance) and the Home management of each location (consisting of the Registered Care Manager and the Business Manager). Remuneration of the Executive Committee is approved by a sub-committee of the Trustees. The Home management is set in reference with the market rate for the specific role and is reviewed annually by the Executive Committee.

Objectives and activities

Objects

The objects of the charity are:

- The provision of care facilities for Jehovah's Witnesses in good standing who have need of such facilities by reason of their age, infirmity or economic circumstances;
- The advancement of Christian religion as practised by Jehovah's Witnesses; and
- The relieving of Jehovah's Witnesses in hardship and/or distress.

Aims

The charity aims to continue its work in accordance with its charitable objects, so long as funding is available. It is looking to develop its existing portfolio of care homes as well as further development of land which is owned by the charity.

Objectives for the year

Each year the trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on public benefit and fee charging and the advancement of religion for the public benefit.

The trustees consider the beliefs and practises of the Christian religion, as practised by Jehovah's Witnesses, assist in the advancement of religion for the purposes of charity law, and promote morals and ethics of the Christian faith which can have a positive impact on society as a whole.

The charity's main objectives for the year were to:-

- Make places available for those members of the Jehovah's Witness community in need of such a provision on a full-time or respite basis;
- Progress analysis of any potential development sites that arise for a care home facility in the South-East of England;
- Continuing the programme of refurbishing existing homes, with particular emphasis on safety and enhancements to support staff training and the use of A/V for the use of spiritual activities.
- Improvements to the care provision to work towards and achieve improved ratings with the regulators.
- Recover from the impact of the Covid pandemic.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

Significant activities for achieving objectives

The charity is continuing to pursue the above objectives through actively seeking voluntary donation and maximising fee income through various initiatives. In addition, the introduction of technology to care planning and delivery, medications management, staff and agency rotas and a range of other administrative functions. Enhancements to support staff through an improved training provision and provider oversight.

Volunteers

Due to the increasing demands on the charity, a program has been put in place to enable those who are able to volunteer their time to assist the homes. This can include assisting with small maintenance tasks at the homes or visiting the residents. All volunteers are given appropriate training and are not remunerated.

Achievements and performance

In view of the current economic climate and the pandemic, the trustees are pleased to have maintained occupancy levels above industry averages during the Covid pandemic. A decision to suspend short-term respite at the beginning of the pandemic and restrictions on new admissions following outbreaks has impacted occupancy levels slightly. The Jah-Jireh brand has been registered as a trademark across Europe.

Financial review

The statement of financial activities on page 11 (SOFA) shows net incoming resources of £152,232 (2020: £496,755). Occupancy of homes averaged 87.7% (2020: 91.7%).

Income was increased by the profits from the sale of land in Rainham, which offset the decrease in several other sources of income during the year due to (1) reduced occupancy (2) a drop in legacy receipts and (3) a reduction of receipts from staff accommodation. Once again this year, to offset the reduced income due to the pandemic, several Local Authorities increased their Fees in respect of increased activity related to the pandemic. The Government also continued to provide funding through an 'Infection Control Fund' for the English Homes and the Welsh Government paid out £750 per staff member under their 'Care Worker Support' payment. Higher than expected costs were experienced in agency expenditure, largely due to staff absences (because of isolation or infection) and recruitment difficulties (to address the staff turnover) during the COVID pandemic. Plans are in place to address the staffing levels to reduce the agency spend in 2022.

Reserves policy

It is the policy of the charity to maintain unrestricted funds to cover any emergency repairs which may arise from time to time, together with utilising these with a view to developing additional facilities. The charity continues to build up reserves to provide subsidised places to those service users who cannot afford our full fees and have been refused funding from local authorities.

The amount of cash reserves held at the year ended 31 December 2021 is £2,552,622, which is held for the reasons stated above. The cash reserves are equivalent to just about six months expenditure, which the trustees consider to be reasonable for continued operations.

The total amount of funds held includes designated funds of £158,910. The designated funds comprise funds received towards the proposed new home in the South of England.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

We also received Local Authority grants during the year which are treated as 'Restricted Funds', and carried forward balances for a legacy for the Merthyr home and committed LA grants. We still hold £102,100 at year-end, of which £62,502 relates to grants received from Local Authorities. This relates to the monies designated for the safe visiting facilities that were put on hold early in 2021 and were approved in late 2021 to be completed in 2022.

Principal funding sources

The charity's principal funding sources continue to be from local authority funding, residents' charges and voluntary donations.

With regard to fundraising no professional fundraising organisations are used in any of our activities. We do not solicit funds, all donations are voluntary. Payment methods offered include; card payment via Paypal online and over the telephone using a third party service; payroll giving; direct payment from banks and cash and cheques deposited in donation boxes within our homes, or sent to head office.

Plans for future periods

The charity plans to continue to provide a good standard of care, remunerate its staff appropriately and develop their skills as well as continuing to plan to develop other homes and sheltered accommodation/assisted living if this continues to be practicable. The charity plans to continue providing respite and charitably funded care beds through donated income. In addition, the Trustees will continue to assist and support other members of the international Jehovah's Witness community where and when such support is required. The cost of such support will remain entirely at the discretion of the Trustees.

Plans for Handling the COVID Pandemic

We have specific policies and procedures in place to manage in the pandemic and control the virus. The key risk from a financial perspective relate to a loss of income due to a higher number of deaths of residents in the year and potential for increased costs. All staff and the majority of residents have been vaccinations and this should reduce the risk on occupancy. We continue to maintain a waiting list for new residents which is currently in excess of 35.

We continue with infection control procedures following Government guidelines and these will be funded by making efficiencies in other areas.

Respite remains suspended and is under constant review due to the extended pandemic, we expect a limited respite service when possible and will offset the loss by taking in permanent residents into respite designated beds.

We are confident in returning to good levels of occupancy and being able to manage the potential increased costs. The situation is being constantly monitored and reported to management weekly, monthly meetings are being held with the managers.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

Trustees' responsibilities

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

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period.

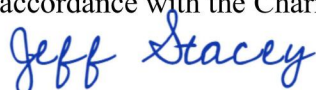
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Auditor

A resolution to re-appoint MHA Moore and Smalley as auditor for the ensuing year will be proposed at the annual trustees' meeting in accordance with the Charities Act 2011.



On behalf of the board

15/06/2022

J Stacey - Chairman of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

Opinion

We have audited the financial statements of Jah-Jireh Charity Homes (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 charity's affairs as at 31st December 2021, and of its incoming resources 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our 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 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
- the charity has not kept adequate accounting records; 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 trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements and for being satisfied 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 charity'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 charity 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 regulations made under section 154 of that Act.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

Use of our report

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

MHA Moore and Smalley

MHA Moore and Smalley
Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

22/06/2022

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

JAH-JIREH CHARITY HOMES

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

	Note	Un- restricted funds £	Designated Funds £	Restricted Funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	2	113,223	2,099	-	115,322	226,915
Charitable activities						
<i>Rents received</i>		36,147	-	-	36,147	44,739
<i>Residents charges</i>		4,464,888	-	-	4,464,888	4,529,290
Investments						
<i>Interest – savings accounts</i>		10,158	-	-	10,158	12,719
Other income						
<i>Gain on disposal of tangible fixed asset held for the charity's own use</i>		267,983	-	-	267,983	-
<i>Covid payments from Councils</i>		53,274	-	-	53,274	62,513
<i>Infection Control Fund</i>		-	-	217,005	217,005	174,753
<i>CJRS</i>		21,090	-	-	21,090	36,055
<i>Wales Care Worker Support</i>		-	-	44,087	44,087	30,464
Total income and endowments		4,966,763	2,099	261,092	5,229,954	5,117,448
Expenditure on:						
Charitable activities	3	4,768,657	1,163	307,902	5,077,722	4,620,693
Total expenditure		4,768,657	1,163	307,902	5,077,722	4,620,693
Net income/(expenditure)		198,106	936	(46,810)	152,232	496,755
Transfers between funds		-	-	-	-	-
Net movement in funds		198,106	936	(46,810)	152,232	496,755
Reconciliation of funds:						
Total funds brought forward		5,536,685	157,974	148,910	5,843,569	5,346,814
Total funds carried forward		5,734,791	158,910	102,100	5,995,801	5,843,569

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on pages 14 to 25 form part of these financial statements.

JAH-JIREH CHARITY HOMES

BALANCE SHEET

31 DECEMBER 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	10	6,972,396	7,550,722
Current assets			
Stocks	11	1,950	1,950
Debtors	12	164,449	186,824
Saving accounts		2,003,678	1,572,938
Cash at bank and in hand		548,944	410,623
		2,719,021	2,172,335
Creditors: amounts falling due within one year	13	(3,695,616)	(569,840)
Net current (liabilities) / assets		(976,595)	1,602,495
Total assets less current liabilities		5,995,801	9,153,217
Creditors: amounts falling due after more than one year	14	-	(3,309,648)
Net assets		5,995,801	5,843,569
Charity Funds			
Unrestricted funds		5,734,791	5,536,685
Designated funds		158,910	157,974
Restricted funds		102,100	148,910
Total charity funds	16	5,995,801	5,843,569

These financial statements were approved and authorised for issue by the board of trustees on15/06/2022.....

Signed on behalf of the board of trustees



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J Stacey – Chairman

JAH-JIREH CHARITY HOMES

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the year	152,232	496,755
Depreciation of tangible fixed assets	219,293	215,852
Surplus on sale of tangible fixed assets	(267,983)	-
Decrease in debtors	22,375	75,362
Increase in creditors	90,065	13,367
Net cash flow from operating activities	215,982	801,336
Cash flow from investing activities		
Receipts from sale of tangible fixed assets	688,558	-
Payments to acquire tangible fixed assets	(61,542)	(29,292)
Net cash flow from investing activities	627,016	(29,292)
Cash flow from financing activities		
Repayment of long term loans	(273,937)	(273,938)
Net cash flow from financing activities	(273,937)	(273,938)
Net increase in cash and cash equivalents	569,061	498,106
Cash and cash equivalents at 1 Jan	1,983,561	1,485,455
Cash and cash equivalents at 31 Dec	2,552,622	1,983,561
Cash and cash equivalents consists of:		
Savings accounts	2,003,678	1,572,938
Cash at bank and in hand	548,944	410,623
Cash and cash equivalents at 31 Dec	2,552,622	1,983,561

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1 Summary of significant accounting policies

General information and basis of preparation

Jah-Jireh Charity Homes is a registered charity in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed on page 3 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 cost 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.

Income recognition

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

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. 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.

Wherever possible residents are charged a full fee, subject to the availability of local authority funding and the use of charitable donations where residents and their families are not able to afford fees.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes residential home care costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on an insert detail basis and other overheads have been allocated on an insert detail basis.

The analysis of these costs is included in note 4.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Tangible fixed assets and depreciation

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- | | |
|---------------------------------|--|
| • Freehold land and buildings | - Nil on land, 2% of cost of buildings |
| • Leasehold land and buildings | - 2% on cost |
| • Plant, equipment and fixtures | - 20% - 33% on cost per annum |
| • Motor vehicles | - 25% of reducing balance |

Investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Stocks

Stocks consist of consumables and are stated at the lower of cost and net realisable value.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Concessionary loans

Concessionary loans include those receivable / payable / receivable and payable to a third party / parties which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable after more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

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 charity for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and are confident there is sufficient evidence to conclude the charity is able to continue as a going concern.

Budgets and Forecasts have been prepared on a worst, likely and best-case scenarios. In all scenarios there is either a surplus or a manageable deficit which is a small percentage of existing cash reserves. The current year performance exceeded expectations, despite the pandemic. Regarding Covid, any lack of future government support can be managed within surpluses or from reserves. Occupancy levels remain good and above average for the industry, we are confident occupancy levels will remain high due to the levels of waiting list we are holding for accommodation.

The healthy cash situation is supported by the high percentage of cash investments, which are retained in short term accounts of up to 6 months. A high percentage of investment cash is distributed among banks to maximise the FSCS protection.

All loan and equipment lease payments are up to date. We have sought and been given assurances that our current financial performance meets the bank's lending criteria to extend the current agreement beyond 2022.

The Trustees and management remain confident that the charity will remain a going concern for the foreseeable future and at least 12 months from the accounts approval.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 Income from donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2021
Gifts	100,300	2,099	-	102,399
Legacies	12,923	-	-	12,923
	<u>113,223</u>	<u>2,099</u>	<u>-</u>	<u>115,322</u>
	Unrestricted funds	Designated funds	Restricted funds	Total 2020
Gifts	107,898	7,632	-	115,530
Legacies	24,977	-	86,408	111,385
	<u>132,875</u>	<u>7,632</u>	<u>86,408</u>	<u>226,915</u>

3 Analysis of expenditure on charitable activities

	Staff Costs	Depreciation	Support costs	Total funds
Residential home care costs - 2021	<u>3,052,182</u>	<u>219,293</u>	<u>1,806,247</u>	<u>5,077,722</u>
Residential home care costs - 2020	<u>2,934,293</u>	<u>215,852</u>	<u>1,470,548</u>	<u>4,620,693</u>

Expenditure on charitable activities was £5,077,722 (2020: £4,620,693) of which £4,768,657 (2020: £4,464,736) was attributable to general unrestricted funds, £1,163 (2020: £13,242) was attributable to designated funds and £307,902 (2020: £142,715) was attributable to restricted funds.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4 Allocation of support costs

	Residential home care costs 2021 £	Total funds 2021 £	Residential home care costs 2020 £	Total funds 2020 £
Governance	17,989	17,989	17,926	17,926
Finance	113,255	113,255	134,036	134,036
Residents costs	1,021,808	1,021,808	709,962	709,962
Property costs	555,191	555,191	502,734	502,734
Office costs	98,004	98,004	105,890	105,890
	1,806,247	1,806,247	1,470,548	1,470,548

5 Governance costs

	2021 £	2020 £
Audit fees	12,210	12,480
Accountancy and advisory fees	2,005	2,826
Professional indemnity insurance	3,774	2,540
Board of Trustees' meeting expenses	-	80
	17,989	17,926

6 Net income for the year

Net income is stated after charging / (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	219,293	215,852
Gain on disposal of tangible fixed asset held for the charity's own use	(267,983)	-
Operating lease rentals	32,649	33,765

7 Auditor's remuneration

The auditors' remuneration of £14,215 (2020: £15,306) comprised £12,210 relating to audit services (2020: £12,480) and £2,005 (2020: £2,826) relating to accountancy and other services.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8 Trustees' and key management personnel remuneration and expenses

During the year Mr E Delaney and his family received remuneration and benefits in kind totalling £32,240 (2020: £27,758). During the year Mr J Stacey received remuneration and benefits in kind totalling £12,480 (2020: £12,720).

Legal authority to make such payments to Trustees is contained in the charity's Trust Deed.

The total amount of employee benefits received by key management personnel is £379,810 (2020: £331,431). The charity considers its key management personnel comprise of the chief executive officer, chair of trustees/property asset manager, finance manager, training & policy manager, and the business and care managers from each of the four homes.

The reimbursement of trustees' expenses was as follows:

	2021 No.	2020 No.	2021 £	2020 £
Travel	2	4	379	1,314
Subsistence	1	1	71	152
Accommodation	-	1	-	170
Other	-	-	-	-
	3	6	450	1,636

9 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
Charitable activities	174	206
	174	206

During the year, there was an average of 37 full-time employees (2020: 34), 137 part-time employees (2020: 172) and 123 full-time equivalent employees (2020: 131).

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

The total staff costs and employees benefits were as follows:

	2021 £	2020 £
Wages and salaries	2,834,821	2,741,868
Social security	175,624	154,146
Defined contribution pension costs	<u>41,737</u>	<u>38,279</u>
	3,052,182	2,934,293

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 in either the current or previous year.

10 Tangible fixed assets

	Freehold land and buildings	Long Leasehold land & buildings	Plant equipment and fixtures	Motor vehicles	Total
Cost					
At 1 January 2021	9,863,590	40,000	1,332,484	45,740	11,281,814
Additions	-	-	61,542	-	61,542
Disposals	(420,575)	-	-	-	(420,575)
At 31 December 2021	9,443,015	40,000	1,394,026	45,740	10,922,781
Depreciation					
At 1 January 2021	2,507,845	13,093	1,177,010	33,144	3,731,092
Charge for the year	153,789	640	61,633	3,231	219,293
On disposals	-	-	-	-	-
At 31 December 2021	2,661,634	13,733	1,238,643	36,375	3,950,385
Net book value					
At 31 December 2021	6,781,381	26,267	155,383	9,365	6,972,396
At 31 December 2020	7,355,745	26,907	155,474	12,596	7,550,722

All freehold and leasehold land/ buildings, with the exception of land in Kent, together with plant, equipment, fixtures and motor vehicles are held as functional assets. The land in Kent is included in freehold above at cost of £350,000. It was sold in 2021 and is therefore part of the disposals.

The trustees are confident, without having a professional valuation carried out, that the true value of the properties detailed in the financial statements is greater than the value stated in the financial statements, and use the insured rebuilding cost as a basis for this confidence.

Included in tangible fixed assets is land totalling £1,761,551 (2020: £2,111,551) which is not depreciated. Tangible fixed assets with a net book value of £6,807,648 (2020: £7,032,652) have been pledged as security for liabilities of the charity. The assets have restricted title.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

11 Stocks

	2021 £	2020 £
Finished goods	1,950	1,950

All stock held is for the provision of residential home care.

12 Debtors

	2021 £	2020 £
Trade debtors	78,860	124,385
Other debtors	15,236	11,879
Prepayments and accrued income	70,353	50,560
	164,449	186,824

13 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	125,227	64,078
Other tax and social security	22,666	31,609
Accruals and deferred income	169,215	138,948
Concessionary loans payable	2,000	2,000
Other creditors	1,992	6,894
Fees received in advance	64,867	52,373
Bank loans	3,309,649	273,938
	3,695,616	569,840

Bank loans totalling £3,309,649 (2020: £273,938) are secured by a legal charge over certain freehold property of the charity.

The bank loan is currently repayable in quarterly instalments over 10 years, with the end of the term falling in December 2022. After the year end, the charity has reached an agreement with National Westminster Bank Plc to extend the loan term by a further 10 years. The bank are processing the necessary paperwork to extend the term, following their formal offer. The rate of interest will be 2.5% above the Nat West base rate, a saving on the current rate of interest on the loan of 3% over base rate.

The Concessionary loan payable totals £2,000 it is a single unsecured loan repayable on demand with no on-going repayable element. All concessionary loans payable are interest free.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

14 Creditors: Amounts falling due after more than one year (as restated)

	2021 £	2020 £
Bank loans and overdrafts		
Due within one to two years	-	3,309,648
Due within two to five years	-	-
	<u>-</u>	<u>3,309,648</u>

Bank loans totalling £nil (2020: £3,309,648) are secured by a legal charge over certain freehold property of the charity. The prior year balances have been restated to include amounts incorrectly classified as falling due within two to five years as falling due within one to two years.

15 Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	23,923	21,358
Later than one year and not later than five years	80,137	31,995
Later than five years	45,115	7,090
	<u>149,175</u>	<u>60,443</u>

16 Fund reconciliation

	Balance at 1 Jan 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Dec 2021 £
Unrestricted funds	5,536,685	4,966,763	(4,768,657)	-	5,734,791
Designated funds					
South of England	156,811	2,099	-	-	158,910
Video / Website Work	1,163	-	(1,163)	-	-
Restricted Funds					
Infection Control Fund	62,502	217,005	(217,005)	-	62,502
Merthyr Legacy	86,408	-	(46,810)	-	39,598
Wales Care Workers	-	44,087	(44,087)	-	-
Total funds	5,843,569	5,229,954	(5,077,722)	-	5,995,801

Designated funds

The South of England project funds represent funds received towards the proposed new home in the South of England. The fund has an over and an under subscription clause. This means that any funds over-subscribed can be put to the general use of the charity and any funds under-subscribed, which means the project cannot therefore proceed, can also be put to the general use of the charity, should this become necessary.

Video / website work funds represent funds received from a donor towards producing a series of videos to support a general awareness and promotion of the work undertaken by the charity.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Restricted funds

Infection Control Fund represents money given to the charity by Local Authorities for specific costs related to additional infection control activity related to the COVID pandemic.

Merthyr legacy funds represent a restricted legacy for payment towards the unspecified costs relating to the running of the Merthyr home.

Wales Care Workers funds represent money given by the Welsh Government to recognise the contribution of care workers during the COVID pandemic.

	Balance at 1 Jan 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Dec 2020 £
Unrestricted funds	5,183,230	4,818,191	(4,464,736)	-	5,536,685
Designated funds					
South of England Video/Website Work	163,584	2,632	(9,405)	-	156,811
Restricted Funds	-	5,000	(3,837)	-	1,163
Infection Control Fund					
Merthyr Legacy	-	174,753	(112,251)	-	62,502
Wales Care Workers	-	86,408	-	-	86,408
	-	30,464	(30,464)	-	-
Total funds	5,346,814	5,117,448	(4,620,693)	-	5,843,569

17 Analysis of net assets (between unrestricted, designated and restricted funds)

	Tangible fixed assets £	Other net assets £	2021 Total £
Unrestricted funds	6,972,396	(1,237,605)	5,734,791
Designated funds	-	158,910	158,910
Restricted funds	-	102,100	102,100
	6,972,396	(976,595)	5,995,801
	Tangible fixed assets £	Other net assets £	2020 Total £
Unrestricted funds	7,550,722	(2,014,037)	5,536,685
Designated funds	-	157,974	157,974
Restricted funds	-	148,910	148,910
	7,550,722	(1,707,153)	5,843,569

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

18 **Pension and other post-retirement benefits**

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £41,737 (2020: £38,279).

19 **Events after the end of the period**

The charity is not aware of any legacy or other events after the period.

20 **Related party transactions**

Trustees are employed by the charity, their remuneration and benefits in kind are included in note 8.

During the year the charity paid monies totalling £7,280 to Mr E W Delaney (2020: £7,280) for the use of 317 Lytham Road, Warton, as an administration office. The charity has agreed to rent these premises on a mutually agreed ongoing basis.

During the year the charity received cash donations totalling £240 (2020: £6,373) from trustees.

21 **Capital Commitments**

At the 31 December 2021, there are no capital commitments.

22 **Non Cash Donations**

At the 31 December 2021, the charity had no non-cash donations to declare.

23 **Volunteers**

At the 31 December 2021, there are 2 regular volunteers who have covered roles that may have featured on the payroll, they cover the areas of media service and IT support, we estimate the value of the time spent to be in the region of £28,139.

JAH-JIREH CHARITY HOMES

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

	2021		2020	
Income and endowments from:	£	£	£	£
Donations and legacies		115,322		226,915
<i>Charitable activities</i>				
Rents received		36,147		44,739
Residents charges		4,464,888		4,529,290
<i>Investments</i>				
Interest – savings accounts		10,158		12,719
<i>Other Income</i>				
Gain on disposal of tangible fixed asset held for the charity's own use		267,983		-
Covid payments from Councils		53,274		62,513
Infection Control Fund		217,005		174,753
Coronavirus Job Retention Scheme		21,090		36,055
Wales Care Worker Support		44,087		30,464
Total income and endowments		5,229,954		5,117,448
Expenditure on:				
<i>Charitable activities</i>				
Wages and salaries	3,052,182		2,934,293	
Agency costs	490,299		178,753	
Rent	10,286		10,285	
Rates, insurance and water	120,876		107,463	
Heat and light	195,873		162,885	
Repairs and renewals	241,891		222,102	
Food	256,512		257,250	
Nursing, cleaning and household supplies	198,298		220,603	
Stationery, postage and telephone	41,623		50,773	
Motor and travel expenses	47,683		27,582	
Bank charges	6,834		7,696	
Bank loan interest	106,421		125,993	
Sundry expenses	23,219		25,772	
Training costs	10,965		15,551	
Legal and professional fees	15,670		19,342	
Criminal records applications	2,961		1,629	
Registration fees	18,847		18,943	
Depreciation: Buildings	154,429		154,429	
Plant and fixtures	61,633		57,224	
Motor vehicles	3,231		4,199	
		5,059,733		4,602,767
<i>Governance costs</i>				
Audit fees	12,210		12,480	
Accountancy and advisory fees	2,005		2,826	
Professional indemnity insurance	3,774		2,540	
Board of trustees meeting expenses	-		80	
		17,989		17,926
Total expenditure		5,077,722		4,620,693
Net income for the year		152,232		496,755