

Company registration number: 3371270

Charity registration number: 1063041

# Sunny Mount (Knowle)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Buckler Spencer Limited  
Old Police Station  
Church Street  
Swadlincote  
Derbyshire  
DE11 8LN

# **Sunny Mount (Knowle)**

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## Sunny Mount (Knowle)

### Reference and Administrative Details

<b>Trustee</b>	Mr D Mattocks A Kokilagadda
<b>Principal Office</b>	81-83 Warwick Road Solihull West Midlands B92 7HP  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	3371270
<b>Charity Registration Number</b>	1063041
<b>Auditor</b>	Buckler Spencer Limited Old Police Station Church Street Swadlincote Derbyshire DE11 8LN

## **Sunny Mount (Knowle)**

### **Strategic Report for the Year Ended 31 March 2021**

The trustee, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

#### **Financial review**

##### ***Policy on reserves***

Reserves accumulated from charitable fund-raising are maintained in a separate account, namely the welfare of residents' account. The charity endeavours to hold reserves to enable it to meet its on-going operating commitments and also to be able to respond quickly when further opportunities to extend our activities are identified. It is the company's policy only to utilise these accounts for welfare and leisure for the residents. There is also a Paddock View Appeal reserve account, held in a separate fund, which was to contribute in due course to the building of a specialist unit to replace the Paddock section of the home.

##### ***Principal funding sources***

Funding is principally through income received from residents and statutory organisations which support them, in return for the care and accommodation provided


##### ***Principal risks and uncertainties***

##### ***Risk management***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have established systems and procedures to help to manage these risks.

The strategic report was approved by the trustee of the charity on 3 December 2021 and signed on its behalf by:



.....  
Mr D Mattocks  
Trustee

## **Sunny Mount (Knowle)**

### **Trustee' Report**

The trustee, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

#### **Trustee**

Mr D Mattocks

Mr D Evans (resigned 8 September 2020)

A Kokilagadda (appointed 12 November 2021)

#### **Objectives and activities**

##### ***Objects and aims***

The main objective of the company is the provision of care and accommodation for the four residents of the property at 127 Longdon Road, Knowle.

##### ***Objectives, strategies and activities***

The principal activity of the company is the operation of its property at 127 Longdon Road, Knowle, which provides residential accommodation for 4 residents with learning difficulties, thus fulfilling our commitment to continuing to provide public benefit from our activities.

The Company has considerable cash reserves the majority of which resulted from the sale of land in 2009 and it has long been the objective of the Company to apply these reserves for the development of additional services for the benefit of people with Learning Disabilities residing in the Borough of Solihull.

During the latter months of 2018 the Company was approached by Olton Grange Limited, a Registered Charity that had, for a number of decades, been providing care and accommodation to elderly citizens in their Registered Residential Care Home at 84 Warwick Road Olton Solihull B92 7JJ.

The Home was Registered for a maximum of 25 occupants; a number of the bedrooms had been provided with en-suites however the remaining bedrooms were too small to allow this and also fell way below the spatial standards that are now required/expected. Corridors connecting bedrooms were very narrow and on multi levels and the premises, in their current layout, was considered no longer fit for purpose to provide accommodation for increasingly frail residents. Consequently the Home found it increasingly difficult to fill voids and, for at least the 12 month period preceding closure, the Home had been operating with more than 30% of the bedrooms vacant resulting in a critical reduction in income and rendering the Company no longer financially viable.

The Board of Trustees had hoped that this critical situation would improve however, and regrettably, it didn't. The Home was no longer financially viable and had almost exhausted its financial reserves and it was with great reluctance that the Board of Trustees, accountable to amongst others the Charity Commission, decided that the operation of the Home must cease and that the Charity and Company known as Olton Grange must close and that, in accordance with Article 8 of Olton Grange's Articles of Association, they wished to ultimately transfer the property to Sunny Mount (Knowle) Limited, this transfer of property is also in accordance with the Trust Deed.

## **Sunny Mount (Knowle)**

### **Trustee' Report**

Sunny Mount (Knowle) Ltd agreed to make a donation to Olton Grange to meet all of their debts and liabilities, including a considerable sum in respect of Statutory Redundancy Payments, enabling Olton Grange to close honourably and in good standing. However, the donation has been reclassified as a loan as the trustee feels that this better represents the economic reality of the transaction. This has resulted in the deficit for 2020/21 reducing by £17,560 to £56,332 and a loan recoverable being set up on the balance sheet of £161,903.

It was originally intended that Sunny Mount would take over the premises of Olton Grange and, subject to Planning Permission, Building Regulations and any statutory approval, redevelop the building to create a number of apartments, on the first and second floor, for people with Learning Disabilities.

However, although the premises are freehold, there remains a restrictive covenant in place, applied by Solihull Metropolitan Borough Council, that the building be used as a "Care Home for Elderly persons". As a result of the difficulties posed by this and other reasons, the company have now decided to sell the property on the open market.

#### ***Public benefit***

The charity provides assisted living on a need basis, not on any criteria set up by the charity or on ability to pay. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The trustee confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### ***Recruitment and appointment of trustee***

A new trustee was appointed on 12 November 2021.

##### ***Induction and training of trustee***

If the intention to recruit trustees changes appropriate induction and training will be provided to any new trustees without appropriate experience in the charitable sector.

##### ***Organisational structure***

The company's most senior officer is the home manager, who manages a team of care staff and who reports to the Board on operational matters. The Board also benefits from the advice of the General Manager of Solihull Care Ltd on policy matters, as well as providing professional and managerial support to the Home Manager.

## Sunny Mount (Knowle)

### Trustee' Report

#### *Major risks and management of those risks*

##### *Risk management*

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have established systems and procedures to help to manage these risks.

##### **Financial instruments**

##### *Objectives and policies*

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have established systems and procedures to help to manage these risks.

##### *Cash flow risk*

The charity retains sufficient funds on deposit to manage its cash flow requirements.

##### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the charity keeps its bank balances in short-term deposit accounts.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

##### **Disclosure of information to auditor**

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustee confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustee of the charity on 3 December 2021 and signed on its behalf by:



.....  
Mr D Mattocks  
Trustee

## Sunny Mount (Knowle)

### Statement of 'Trustee' Responsibilities

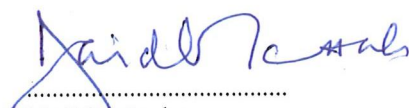
The trustee (who isare also the directors of Sunny Mount (Knowle) for the purposes of company law) isare responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 business.

The trustee are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustee of the charity on 3 December 2021 and signed on its behalf by:

  
.....  
Mr D Mattocks  
Trustee



## **Sunny Mount (Knowle)**

### **Independent Auditor's Report to the Members of Sunny Mount (Knowle)**

#### **Opinion**

We have audited the financial statements of Sunny Mount (Knowle) (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustee 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 original financial statements were authorised for issue.

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

#### **Other information**

The trustee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Sunny Mount (Knowle)**

### **Independent Auditor's Report to the Members of Sunny Mount (Knowle)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Trustee' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustee' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustee' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustee**

As explained more fully in the Statement of Trustee' Responsibilities (set out on page 6), the trustee 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 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 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 trustee 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**

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:

## **Sunny Mount (Knowle)**

### **Independent Auditor's Report to the Members of Sunny Mount (Knowle)**

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 obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework.

Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

Enquiry of management around actual and potential litigation and claims as well as actual, suspected and alleged fraud;

Reviewing minutes of meetings of those charged with governance;

Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Performing audit work over the risk of management bias and override of controls, including testing of significant journal entries and other adjustments for appropriateness,

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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's trustee, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## Sunny Mount (Knowle)

### Independent Auditor's Report to the Members of Sunny Mount (Knowle)



Mr Richard Spencer BA FCA (Senior Statutory Auditor)  
For and on behalf of Buckler Spencer Limited, Statutory Auditor

Old Police Station  
Church Street  
Swadlincote  
Derbyshire  
DE11 8LN

Date: 03/12/2021

## Sunny Mount (Knowle)

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	8,259	-	8,259
Charitable activities	4	91,100	-	91,100
Investment income	5	836	163	999
Total income		<u>100,195</u>	<u>163</u>	<u>100,358</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(156,690)</u>	<u>-</u>	<u>(156,690)</u>
Total expenditure		<u>(156,690)</u>	<u>-</u>	<u>(156,690)</u>
Net (expenditure)/income		<u>(56,495)</u>	<u>163</u>	<u>(56,332)</u>
Net movement in funds		(56,495)	163	(56,332)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>952,543</u>	<u>137,142</u>	<u>1,089,685</u>
Total funds carried forward	17	<u>896,048</u>	<u>137,305</u>	<u>1,033,353</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £ (As restated)
<b>Income and Endowments from:</b>				
Donations and legacies	3	2,500	-	2,500
Charitable activities	4	105,120	-	105,120
Investment income	5	3,908	760	4,668
Total income		<u>111,528</u>	<u>760</u>	<u>112,288</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(136,222)</u>	<u>-</u>	<u>(136,222)</u>
Total expenditure		<u>(136,222)</u>	<u>-</u>	<u>(136,222)</u>
Net (expenditure)/income		<u>(24,694)</u>	<u>760</u>	<u>(23,934)</u>
Net movement in funds		(24,694)	760	(23,934)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>977,237</u>	<u>136,382</u>	<u>1,113,619</u>
Total funds carried forward	17	<u>952,543</u>	<u>137,142</u>	<u>1,089,685</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 17.


The notes on pages 13 to 22 form an integral part of these financial statements.

# Sunny Mount (Knowle)

(Registration number: 3371270)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £ (As restated)
<b>Fixed assets</b>			
Tangible assets	13	72,771	77,645
<b>Current assets</b>			
Debtors	14	168,207	147,267
Cash at bank and in hand	15	807,855	875,492
		976,062	1,022,759
<b>Creditors: Amounts falling due within one year</b>	16	(15,480)	(10,719)
<b>Net current assets</b>		960,582	1,012,040
<b>Net assets</b>		1,033,353	1,089,685
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		137,305	137,142
<b>Unrestricted income funds</b>			
Unrestricted funds		896,048	952,543
<b>Total funds</b>	17	1,033,353	1,089,685

The financial statements on pages 11 to 22 were approved by the trustee, and authorised for issue on 3 December 2021 and signed on their behalf by:

  
.....  
Mr D Mattocks  
Trustee

The notes on pages 13 to 22 form an integral part of these financial statements.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustee is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

81-83 Warwick Road

Solihull

West Midlands

B92 7HP

These financial statements were authorised for issue by the trustee on 3 December 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Sunny Mount (Knowle) 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 notes.

##### **Going concern**

The trustee consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

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 the income receivable can be measured reliably.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Donated services and facilities***

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

#### ***Taxation***

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

#### ***Tangible fixed assets***

Individual fixed assets costing £50.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### ***Depreciation and amortisation***

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	2% on cost



## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

Motor vehicles

20% on cost

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price.

A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Pensions and other post retirement obligations**

The charity operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £
Donated services and facilities	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

#### 4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £
Provision of care and accomodation	91,100	91,100
	<u>91,100</u>	<u>91,100</u>

	Unrestricted funds General £	Total 2020 £
Provision of care and accomodation	105,120	105,120
	<u>105,120</u>	<u>105,120</u>

#### 5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Interest receivable and similar income; Interest receivable on bank deposits	836	163	999
	<u>836</u>	<u>163</u>	<u>999</u>

	Unrestricted funds General £	Restricted funds £	Total 2020 £
Interest receivable and similar income; Interest receivable on bank deposits	3,908	760	4,668
	<u>3,908</u>	<u>760</u>	<u>4,668</u>

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2021 £
Provision of care and accomodation		50,616	50,616
Staff costs		103,626	103,626
Governance costs	7	2,448	2,448
		<u>156,690</u>	<u>156,690</u>
	Note	Unrestricted funds General £	Total 2020 £
Provision of care and accomodation		30,368	30,368
Staff costs		101,851	101,851
Governance costs	7	4,003	4,003
		<u>136,222</u>	<u>136,222</u>

£154,242 (2020 - £132,219) of the above expenditure was attributable to unrestricted funds and £Nil (2020 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £2,448 (2020 - £4,003) which relate directly to charitable activities. See note 7 for further details.

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total funds £
Audit fees		
Audit of the financial statements	2,400	2,400
Legal fees	48	48
<b>Total for 2021</b>	<u>2,448</u>	<u>2,448</u>
<b>Total for 2020</b>	<u>4,003</u>	<u>4,003</u>

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Audit fees	2,400	2,400
Depreciation of fixed assets	4,874	4,874

#### 9 Trustee remuneration and expenses

No trustee, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	98,133	95,749
Social security costs	2,983	3,802
Pension costs	2,510	2,300
	<u>103,626</u>	<u>101,851</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Care staff	5	6
Administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>7</u>

No employee received emoluments of more than £60,000 during the year.

#### 11 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>2,400</u>	<u>2,400</u>

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 13 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2020	96,909	25,043	121,952
At 31 March 2021	96,909	25,043	121,952
<b>Depreciation</b>			
At 1 April 2020	31,008	13,299	44,307
Charge for the year	1,938	2,936	4,874
At 31 March 2021	32,946	16,235	49,181
<b>Net book value</b>			
At 31 March 2021	63,963	8,808	72,771
At 31 March 2020	65,901	11,744	77,645

#### 14 Debtors

	2021 £	2020 £ (As restated)
Trade debtors	176	40
Prepayments	6,128	2,334
Other debtors	161,903	144,893
	168,207	147,267

#### 15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	-	185
Cash at bank	164,169	32,620
Short-term deposits	643,686	842,687
	807,855	875,492

#### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,936	1,625
Other creditors	2,744	1,294
Accruals	7,800	7,800
	15,480	10,719

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 17 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
General	952,543	100,195	(156,690)	896,048
<b>Restricted funds</b>	<u>137,142</u>	<u>163</u>	<u>-</u>	<u>137,305</u>
<b>Total funds</b>	<u>1,089,685</u>	<u>100,358</u>	<u>(156,690)</u>	<u>1,033,353</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
General	977,237	111,528	(136,222)	952,543
<b>Restricted funds</b>	<u>136,382</u>	<u>760</u>	<u>-</u>	<u>137,142</u>
<b>Total funds</b>	<u>1,113,619</u>	<u>112,288</u>	<u>(136,222)</u>	<u>1,089,685</u>

The specific purposes for which the funds are to be applied are as follows:

#### Paddock View Fund

This comprises money raised for the construction of a new building for the care of residents with severe learning disabilities.

#### Welfare Fund

This fund is used to receive donations to provide items for the welfare of the residents such as trips and equipment.

#### 18 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	72,771	-	72,771
Current assets	838,757	137,305	976,062
Current liabilities	<u>(15,480)</u>	<u>-</u>	<u>(15,480)</u>
<b>Total net assets</b>	<u>896,048</u>	<u>137,305</u>	<u>1,033,353</u>

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2020 £
Tangible fixed assets	77,645	-	77,645
Current assets	885,617	137,142	1,022,759
Current liabilities	<u>(10,719)</u>	<u>-</u>	<u>(10,719)</u>
Total net assets	<u>952,543</u>	<u>137,142</u>	<u>1,089,685</u>

#### 19 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	<u>875,492</u>	<u>(67,637)</u>	<u>807,855</u>
Net debt	<u>875,492</u>	<u>(67,637)</u>	<u>807,855</u>
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	<u>920,717</u>	<u>(45,225)</u>	<u>875,492</u>
Net debt	<u>920,717</u>	<u>(45,225)</u>	<u>875,492</u>

#### 20 Prior year error in disclosure

In prior years the financial Statements have included as a donation monies advanced to a fellow charity - Olton Grange Residential Home.

The trustee has considered the economic relity of the transaction and have concluded that there has been a misallocation.

As a result the donation to Olton Grange Residential Home has been reclassified as a loan, this is because the trustee feels that this better represents the economic reality of the transaction

This has resulted in the deficit for 2020 reducing by £11,505 and the opening reserves for 2020 increasing by £132,838. In addition a loan recievable has been set up on the balance sheet at 31 March 2021 this amounted to £161,903 (2020 - £144,343). The trustee believes this loan to be collectible.