

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 2022

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

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

Sunny Mount (Knowle)

Strategic Report for the Year Ended 31 March 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2022, 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. This is no longer relevant as the old home in Kenilworth Road was sold in 2009.

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

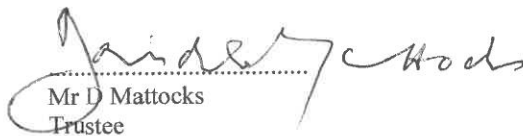
Principal risks and uncertainties

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 trustees of the charity on ~~23/11/22~~ and signed on its behalf by:



Mr D Mattocks
Trustee

Sunny Mount (Knowle)

Trustees' Report

The trustees, 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 2022.

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) 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.

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.

Sunny Mount (Knowle)

Trustees' Report

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 decided to sell the property on the open market, and this was completed on 30th June 2022. Following this, the loan was repaid to Sunny Mount (Knowle) and the remaining funds from the sale proceeds were then transferred to Sunny Mount (Knowle). Olton Grange Residential Home then applied to Companies House to be struck off the register.

Sunny Mount (Knowle) now actively considering how to utilise the funds received from Olton Grange Residential Home to benefit the community by offering further residential care facilities.

Public benefit

The charity provides residential care and accommodation on a needs led basis in a CQC registered care home, 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 trustees 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.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees: Mr D Mattocks

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 trustees

A new trustee was appointed on 12 November 2021. Following the resignation of Mr Kokilagadda, on 21st August 2022, the charity is actively looking for new trustees.

Induction and training of trustees

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 General Manager who reports directly to the Board on all strategic issues. The Home Manager, who reports directly to the General Manager, manages a team of care staff on operational matters. The company no longer has any association with Solihull Care Limited, who were previously offering management and administrative support. The company now provides its own management, financial and administrative services.

Sunny Mount (Knowle)

Trustees' 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.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sunny Mount (Knowle) for the purposes of company law) are responsible for preparing the trustees' 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;

Sunny Mount (Knowle)

Trustees' Report

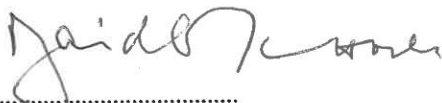
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee 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 trustees 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 trustees of the charity on ~~23/11/22~~ 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 2022, 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 2022 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 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Sunny Mount (Knowle)

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

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' 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 trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5 and 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, 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: 23/11/22

Sunny Mount (Knowle)

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies		(5,023)	-	(5,023)
Charitable activities	3	237,859	-	237,859
Investment income	4	209	59	268
Total income		233,045	59	233,104
Expenditure on:				
Charitable activities	5	(257,923)	-	(257,923)
Total expenditure		(257,923)	-	(257,923)
Net (expenditure)/income		(24,878)	59	(24,819)
Net movement in funds		(24,878)	59	(24,819)
Reconciliation of funds				
Total funds brought forward		896,048	137,305	1,033,353
Total funds carried forward	16	871,170	137,364	1,008,534
		Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		8,259	-	8,259
Charitable activities	3	91,100	-	91,100
Investment income	4	836	163	999
Total income		100,195	163	100,358
Expenditure on:				
Charitable activities	5	(156,690)	-	(156,690)
Total expenditure		(156,690)	-	(156,690)
Net (expenditure)/income		(56,495)	163	(56,332)
Net movement in funds		(56,495)	163	(56,332)
Reconciliation of funds				
Total funds brought forward		952,543	137,142	1,089,685
Total funds carried forward	16	896,048	137,305	1,033,353

The notes on pages 14 to 24 form an integral part of these financial statements.

Sunny Mount (Knowle)

**Statement of Financial Activities for the Year Ended 31 March 2022
(Including Income and Expenditure Account and Statement of Total Recognised Gains and
Losses)**

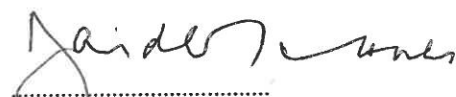
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 16.

Sunny Mount (Knowle)

(Registration number: 3371270)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	67,897	72,771
Current assets			
Debtors	13	194,338	168,207
Cash at bank and in hand	14	<u>757,797</u>	<u>807,855</u>
		952,135	976,062
Creditors: Amounts falling due within one year	15	<u>(11,498)</u>	<u>(15,480)</u>
Net current assets		<u>940,637</u>	<u>960,582</u>
Net assets		<u>1,008,534</u>	<u>1,033,353</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		137,364	137,305
Unrestricted income funds			
Unrestricted funds		<u>871,170</u>	<u>896,048</u>
Total funds	16	<u>1,008,534</u>	<u>1,033,353</u>

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on 23/11/22 and signed on their behalf by:


.....
Mr D Mattocks
Trustee

The notes on pages 14 to 24 form an integral part of these financial statements.

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees 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

[Authorised for issue date](#)

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 trustees 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 2022

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.

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 trustees'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:

Asset class	Depreciation method and rate
Land and buildings	2% on cost
Motor vehicles	20% on cost

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

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 trustees 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 2022

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.

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Provision of care and accomodation	237,859	237,859

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

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

4 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>209</u>	<u>59</u>	<u>268</u>
	<u>209</u>	<u>59</u>	<u>268</u>

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

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2022 £
Provision of care and accomodation		72,516	72,516
Staff costs		158,800	158,800
Governance costs	6	26,607	26,607
		<u>257,923</u>	<u>257,923</u>

	Note	Unrestricted funds General £	Total 2021 £
Provision of care and accomodation		50,616	50,616
Staff costs		103,626	103,626
Governance costs	6	2,448	2,448
		<u>156,690</u>	<u>156,690</u>

	Activity undertaken directly £	2022 £
Provision of care and accomodation	231,316	231,316

	Activity undertaken directly £	2021 £
Provision of care and accomodation	154,242	154,242

£231,316 (2021 - £154,242) of the above expenditure was attributable to unrestricted funds and £Nil (2021 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £26,607 (2021 - £2,448) which relate directly to charitable activities. See note 6 for further details.

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

6 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	24,207	24,207
Total for 2022	26,607	26,607
Total for 2021	2,448	2,448

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2022 £	2021 £
Audit fees	2,400	2,400
Depreciation of fixed assets	4,874	4,874

8 Trustees remuneration and expenses

No trustees, 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.

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	147,948	98,133
Social security costs	7,123	2,983
Pension costs	3,729	2,510
	<u>158,800</u>	<u>103,626</u>

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

	2022 No	2021 No
Care staff	7	5
Administration	1	1
	<u>8</u>	<u>6</u>

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

10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>2,400</u>	<u>2,400</u>

11 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 2022

12 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Total £
Cost			
At 1 April 2021	96,909	25,043	121,952
At 31 March 2022	96,909	25,043	121,952
Depreciation			
At 1 April 2021	32,946	16,235	49,181
Charge for the year	1,938	2,936	4,874
At 31 March 2022	34,884	19,171	54,055
Net book value			
At 31 March 2022	62,025	5,872	67,897
At 31 March 2021	63,963	8,808	72,771

13 Debtors

	2022 £	2021 £
Trade debtors	5,514	176
Prepayments	7,479	6,128
Other debtors	181,345	161,903
	<u>194,338</u>	<u>168,207</u>

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	163,843	164,169
Short-term deposits	593,954	643,686
	<u>757,797</u>	<u>807,855</u>

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,762	4,936
Other creditors	936	2,744
Accruals	7,800	7,800
	<u>11,498</u>	<u>15,480</u>

16 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General	896,048	233,045	(257,923)	871,170
Restricted funds	<u>137,305</u>	<u>59</u>	<u>-</u>	<u>137,364</u>
Total funds	<u>1,033,353</u>	<u>233,104</u>	<u>(257,923)</u>	<u>1,008,534</u>
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	952,543	100,195	(156,690)	896,048
Restricted funds	<u>137,142</u>	<u>163</u>	<u>-</u>	<u>137,305</u>
Total funds	<u>1,089,685</u>	<u>100,358</u>	<u>(156,690)</u>	<u>1,033,353</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.

Sunny Mount (Knowle)

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	67,897	-	67,897
Current assets	814,771	137,364	952,135
Current liabilities	(11,498)	-	(11,498)
Total net assets	<u>871,170</u>	<u>137,364</u>	<u>1,008,534</u>
	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	(15,480)	-	(15,480)
Total net assets	<u>896,048</u>	<u>137,305</u>	<u>1,033,353</u>

18 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>807,855</u>	<u>(50,058)</u>	<u>757,797</u>
Net debt	<u>807,855</u>	<u>(50,058)</u>	<u>757,797</u>
	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>