

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 2023

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
<b>Charity Registration Number</b>	1063041
<b>Company Registration Number</b>	3371270
<b>Registered Office</b>	The charity is incorporated in England and Wales. 48 Fentham Road Hamton in Arden Solihull B92 0AY
<b>Auditor</b>	Buckler Spencer Limited Old Police Station Church Street Swadlincote Derbyshire DE11 8LN

## **Sunny Mount (Knowle)**

### **Trustee's Report**

The member, a director for the purposes of company law, presents the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

#### **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.

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)**

### **Trustee's Report**

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 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.

#### **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

#### **Trustees and officers**

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

Trustee:

Mr D Mattocks

A Kokilagadda (resigned 21 August 2022)

#### **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. Following the resignation of Mr Kokilagadda, on 21st August 2022, the charity is actively looking for new trustees.

##### ***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.

## **Sunny Mount (Knowle)**

### **Trustee's Report**

#### ***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.

#### ***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 trustee's responsibilities**

The trustee (who is also the director of Sunny Mount (Knowle) for the purposes of company law) is responsible for preparing the trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

## Sunny Mount (Knowle)

### Trustee's Report

Company law requires the member to prepare financial statements for each financial year. Under company law the member must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the member is 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 accounting standards, comprising FRS 102 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 member is responsible for keeping proper accounting records that can 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. He is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### Disclosure of information to auditor

The member has taken steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The member confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

#### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the member of the charity on 12 December 2023 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 2023, 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 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 is 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 matter 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 Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustee's Report has 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 Trustee's 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustee**

As explained more fully in the Statement of trustee's responsibilities (set out on page 4 and 5), 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 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.

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

This report is made solely to the charitable company trustee 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 trustee 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 trustee 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

12 December 2023



## Sunny Mount (Knowle)

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	600,694	-	600,694
Charitable activities	4	254,225	-	254,225
Investment income	5	10,230	2,889	13,119
Total income		<u>865,149</u>	<u>2,889</u>	<u>868,038</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(373,443)</u>	-	<u>(373,443)</u>
Total expenditure		<u>(373,443)</u>	-	<u>(373,443)</u>
Net income		<u>491,706</u>	<u>2,889</u>	<u>494,595</u>
Net movement in funds		491,706	2,889	494,595
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>871,170</u>	<u>137,364</u>	<u>1,008,534</u>
Total funds carried forward	17	<u>1,362,876</u>	<u>140,253</u>	<u>1,503,129</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	(5,023)	-	(5,023)
Charitable activities	4	237,859	-	237,859
Investment income	5	209	59	268
Total income		<u>233,045</u>	<u>59</u>	<u>233,104</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(257,923)</u>	-	<u>(257,923)</u>
Total expenditure		<u>(257,923)</u>	-	<u>(257,923)</u>
Net (expenditure)/income		<u>(24,878)</u>	<u>59</u>	<u>(24,819)</u>
Net movement in funds		(24,878)	59	(24,819)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>896,048</u>	<u>137,305</u>	<u>1,033,353</u>
Total funds carried forward	17	<u>871,170</u>	<u>137,364</u>	<u>1,008,534</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2022 is shown in note 17.

The notes on pages 12 to 22 form an integral part of these financial statements.

## Sunny Mount (Knowle)

(Registration number: 3371270)  
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	70,063	67,897
<b>Current assets</b>			
Debtors	14	22,507	194,338
Cash at bank and in hand	15	1,424,959	757,797
		1,447,466	952,135
<b>Creditors: Amounts falling due within one year</b>	16	(14,400)	(11,498)
<b>Net current assets</b>		1,433,066	940,637
<b>Net assets</b>		1,503,129	1,008,534
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		140,253	137,364
<b>Unrestricted income funds</b>			
Unrestricted funds		1,362,876	871,170
<b>Total funds</b>	17	1,503,129	1,008,534

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 10 to 22 were approved by the trustee, and authorised for issue on 12 December 2023 and signed on their behalf by:



.....  
Mr D Mattocks  
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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:

48 Fentham Road  
Hamton in Arden  
Solihull  
B92 0AY

These financial statements were authorised for issue by the trustee on 12 December 2023.

#### **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 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.

##### **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.

##### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***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 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:



## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	2% on cost
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 contribution pension scheme, contributions are shown as an expense as and when they are incurred and paid.

#### **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.

## **Sunny Mount (Knowle)**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***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 2023

#### 3 Income from donations and legacies

During the year the charity received a donation from the winding up of a charity in the local area. This donation amounted to £593,549 and is shown as an unrestricted fund as it was for use for the general objectives of the charity.

#### 4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Provision of care and accomodation	254,225	254,225
	Unrestricted funds General £	Total 2022 £
Provision of care and accomodation	237,859	237,859

#### 5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	10,230	2,889	13,119
	10,230	2,889	13,119
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	209	59	268
	209	59	268



## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 6 Expenditure on charitable activities

		Unrestricted funds General £	Total 2023 £
Provision of care and accomodation	Note	82,422	82,422
Staff costs		275,309	275,309
Governance costs	7	15,712	15,712
		<u>373,443</u>	<u>373,443</u>
		Unrestricted funds General £	Total 2022 £
Provision of care and accomodation	Note	72,516	72,516
Staff costs		158,800	158,800
Governance costs	7	26,607	26,607
		<u>257,923</u>	<u>257,923</u>
		Activity undertaken directly £	2023 £
Provision of care and accomodation		357,729	357,729
		Activity undertaken directly £	2022 £
Provision of care and accomodation		231,316	231,316

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2023

£357,729 (2022 - £231,316) of the above expenditure was attributable to unrestricted funds and £Nil (2022 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £15,712 (2022 - £26,607) 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	13,312	13,312
<b>Total for 2023</b>	<b>15,712</b>	<b>15,712</b>
<b>Total for 2022</b>	<b>26,607</b>	<b>26,607</b>

#### 8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2023 £	2022 £
Audit fees	2,400	2,400
Depreciation of fixed assets	6,634	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.

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	248,163	147,948
Social security costs	16,724	7,123
Pension costs	4,937	3,729
Other staff costs	5,485	-
	<u>275,309</u>	<u>158,800</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:

	2023 No	2022 No
Care staff	7	7
Administration	1	1
	<u>8</u>	<u>8</u>

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

#### 11 Auditors' remuneration

	2023 £	2022 £
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 2023

#### 13 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2022	96,909	25,043	121,952
Additions	-	8,800	8,800
At 31 March 2023	96,909	33,843	130,752
<b>Depreciation</b>			
At 1 April 2022	34,884	19,171	54,055
Charge for the year	1,938	4,696	6,634
At 31 March 2023	36,822	23,867	60,689
<b>Net book value</b>			
At 31 March 2023	60,087	9,976	70,063
At 31 March 2022	62,025	5,872	67,897

#### 14 Debtors

	2023 £	2022 £
Trade debtors	17,094	5,514
Prepayments	5,249	7,479
Other debtors	164	181,345
	22,507	194,338

#### 15 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	213	-
Cash at bank	167,673	163,843
Short-term deposits	1,257,073	593,954
	1,424,959	757,797

## Sunny Mount (Knowle)

### Notes to the Financial Statements for the Year Ended 31 March 2023

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

	2023 £	2022 £
Trade creditors	5,610	2,762
Other creditors	990	936
Accruals	7,800	7,800
	<u>14,400</u>	<u>11,498</u>

#### 17 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	871,170	865,149	(373,443)	1,362,876
<b>Restricted funds</b>	<u>137,364</u>	<u>2,889</u>	<u>-</u>	<u>140,253</u>
<b>Total funds</b>	<u>1,008,534</u>	<u>868,038</u>	<u>(373,443)</u>	<u>1,503,129</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	896,048	233,045	(257,923)	871,170
<b>Restricted funds</b>	<u>137,305</u>	<u>59</u>	<u>-</u>	<u>137,364</u>
<b>Total funds</b>	<u>1,033,353</u>	<u>233,104</u>	<u>(257,923)</u>	<u>1,008,534</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 2023

#### 18 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	70,063	-	70,063
Current assets	1,307,213	140,253	1,447,466
Current liabilities	(14,400)	-	(14,400)
Total net assets	<u>1,362,876</u>	<u>140,253</u>	<u>1,503,129</u>
	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>

#### 19 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	757,797	667,162	1,424,959
Net debt	<u>757,797</u>	<u>667,162</u>	<u>1,424,959</u>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	807,855	(50,058)	757,797
Net debt	<u>807,855</u>	<u>(50,058)</u>	<u>757,797</u>