

Company registration number: 3913377

Charity registration number: 1079718

Cedars Castle Hill

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Lanham & Francis
Registered Auditors
Church House
Church Street
Yeovil
Somerset
BA20 1HB

Cedars Castle Hill

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Cedars Castle Hill

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 2021. These have been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

Objects and aims

The main object of the charity is to provide care for the benefit of aged persons in Shaftesbury and the surrounding area, who are in need. There have been no changes in objectives since the last annual report.

The key objectives by which success is measured are delivering high service standards at sustainable fee levels, while maintaining a prudent level of reserves. In support of this, Cedars Castle Hill (CCH) runs two homes. Castle Hill House (CHH) provides residential care and the Cedars Nursing Home (CED) specialises in providing skilled nursing care. The Homes are primarily for the elderly and disabled, including those in need of dementia care.

In furthering these objectives, the trustees have complied with the duty under s.17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published guidance covering the operation of the Public Benefit under that Act.

ACHIEVEMENTS AND PERFORMANCE

Review of charitable activities undertaken

Despite the challenges presented by the Covid-19 pandemic, the year saw significant improvements in fee income and occupancy levels, as a result of which Cedars Castle Hill achieved a net surplus of £288,961 and strengthened its reserves position by the end of the year. Further details are contained within the financial review.

The pandemic triggered a strong culture of self-reliance within our homes, gratifying support from the local community (particularly in supplying scrubs) and some welcome additional funding from Local Authorities and Central Government to help mitigate Covid-related costs. This included fee uplifts for Local Authority funded residents and Infection Control Grants.

In response to the emerging threat, we decided to shut down our homes ahead of official guidance, to suspend family visits and to refuse to accept new residents, unless they had been fully assessed and we were confident we could meet their needs safely. Later, as soon as resources became available, we ensured our residents and staff were frequently tested and offered vaccinations. As a result of these measures, our high vaccination rate and our location in North Dorset, there were no Covid-related deaths among our residents and staff during the year, and the need for staff to self-isolate was contained at a relatively low level.

This year saw some changes on the organisational front, with Jenny Davies joining us as Head of Homes in April 2020, just as the pandemic was making its presence felt. Over the course of the year Jenny made a significant impact on CCH, capitalising on the opportunities presented by the pandemic, rationalising the Management structure, improving clinical performance (particularly through the introduction of electronic care plans), upgrading staff facilities and maintaining high morale. Sadly Jenny was only with us for 15 months before having to resign on grounds of ill health. The Board acted speedily to recruit her successor, Carol Mayers, who joined us in October 2021.

We are again grateful for the support we received from our Senior Management Team in carrying out the day-to-day running of our homes during the 3 months that preceded Jenny's arrival. We are also thankful for the hard work put in by staff over this challenging year - particularly for their readiness to embrace change and to take on extra duties while their colleagues were self-isolating.

Cedars Castle Hill

Trustees' Report

On the broader front, CCH continues to be one of the largest employers in Shaftesbury, our total numbers averaging 104 full and part-time posts during the year. In addition to the social and economic benefits the homes bring to the local community, we aim to recruit locally wherever we can, whilst welcoming workers from other countries to the extent possible under current immigration regulations. Training remains a key part of our commitment to develop the skills needed to realise individual potential and deliver high standards of personal care. We are proud that we remain well above the national target in terms of the car staff who have completed professional training.

FINANCIAL REVIEW

The results for the year show a surplus of £288,961 (2020 : deficit of £100,388). Closing reserves of £1,743,814 (2020 : £1,454,853) include restricted funds amounting to £126,115 (2020 : £125,580).

Within the above figures the charity held free reserves amounting to £308,170 (2020 : deficit of £23,332).

Policy on reserves

The term 'free reserves' applies to those unrestricted funds, which are neither committed nor invested in tangible fixed assets (net of long term loans). The trustees' goal is that these should be broadly equivalent to three months running costs.

The trustees also aim to build up additional reserves where possible in order to contribute to individual capital projects to improve the charity's facilities in the light of changing and expanding needs for its services. When such projects are planned, specific fundraising campaigns are also undertaken.

The trustees recognise that certain loans, which are secured against the charity's assets, are repayable from 2045, or earlier if certain circumstances arise.

Ongoing measures to achieve the target for free reserves include delivering service standards that will achieve at least an overall "good" rating, improving occupancy rates, keeping costs under control, monitoring cash flow (and particularly the bad debt position) closely, charging appropriate fees and maintaining a work environment that will attract and retain high quality staff.

Principal funding sources

The principal source of the charity's income is the fees it charges for care services. The beneficiaries are individuals who are in need of residential, respite, rehabilitation or nursing care. Cedars Castle Hill has contractual arrangements with individuals, local authorities and clinical commissioning groups (CCGs), with a majority of its current residents being partially or wholly funded by Social Services and/or the NHS.

As in previous years, we would again like to express our thanks to the Hewer-White (previously the Marshall-Grant) and William Williams Trusts for their continued financial support, which enable us to build the extensions to the two homes.

Investment policy and objectives

Under the Memorandum and Articles of the charity, the trustees have the power to make any investments which they see fit.

FUTURE PLANS

Aims and key objectives for future periods

The Trustees aim to continue providing residential and nursing care for the benefit of aged people who are in need in Shaftesbury and the surrounding area.

The key indicators against which success will be measured are the delivery of high service standards at sustainable fee levels while maintaining a prudent level of reserves.

Cedars Castle Hill

Trustees' Report

REFERENCE AND ADMINISTRATIVE DETAILS

Nature of governing document

Cedars Castle Hill was incorporated on 25 January 2000 under the Companies Act and the liability of its members is limited to £1. The registered charity was founded on 7 March 2000. The charity registration number is 1079718.

Chair	Mrs S D Jacson MBE
Deputy Chair	Mrs E Westall BSc (Hons) Dip SW
Other Trustees	Mr M G Golberg MA (Oxon) CQSW Mrs P A Hobbs SRN Dr S Daddy MB.BS MRCS.LRCP Mr M J Hall BA (Hons) Mr R S Keenlyside BSc (Hons) MRICS Mrs R M Blacklock MA Cantab
Principal Office	Castle Hill House Bimport Shaftesbury Dorset SP7 8AX The charity is incorporated in England and Wales.
Company Registration Number	3913377
Charity Registration Number	1079718
Solicitors	Messrs Rutter & Co 2 Bimport Shaftesbury Dorset SP7 8AY
Auditor	Lanham & Francis Registered Auditors Church House Church Street Yeovil Somerset BA20 1HB

Cedars Castle Hill

Trustees' Report

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of trustees

The management of the company is the responsibility of the trustees, who are elected or co-opted under the terms of the Memorandum and Articles of Association of the charity. Trustees are elected at the Annual General Meeting for a three year term. The Board carries out an annual skills audit to ensure that there is appropriate expertise among its members. If there is a gap in skills, a specific recruitment drive will take place. Applicants are interviewed and recommendations are put to the Board for approval. The trustees have the power to co-opt any person duly qualified to be appointed as a trustee as an additional trustee, but a co-opted trustee holds office only until the next Annual General Meeting.

Induction and training of trustees

The Board is currently updating its induction process for new trustees. Training requirements are regularly reviewed and trustees are offered training when considered necessary.

Arrangements for setting key management personnel remuneration

The performance of key management staff is reviewed on an annual basis through a formal annual performance review system. The review of the Director of Homes is carried out by the Chairman and two other trustees. Remuneration levels reflect a number of factors including performance ratings, market rates and the financial position of the charity

Organisational structure

The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association, the chairman of the trustees is nominated by the trustees, who are elected annually by the members of the charity attending the Annual General Meeting. Trustees serve for renewable three year terms.

The trustees have a duty to put the day to day running of the homes in the hands of one or more suitably qualified registered managers. Following the departure of our previous Head of Homes, April King, in January 2020, CCH was managed on an interim basis by the trustees and Senior Management Team, until the arrival of Jenny Davies in April 2020.

The trustees meet on a quarterly basis to administer the charity. These meetings are attended by senior staff. Much detailed work is undertaken in the Board's two Standing Committees; the Care Committee overseeing care policy and procedures and the Finance and Strategy Committee, which is responsible for overseeing financial management and reviewing options for strategic development of the charity and the services it provides.

Cedars Castle Hill

Trustees' Report

Principal risks and uncertainties

The principal risks and uncertainties faced by the charity include managing the long term consequences of the pandemic - and particularly its impact on the well-being of staff and residents, costs, occupancy levels and financial position.

In the absence of further details about the Government's plan to devote more resources to the funding of Adult Social Care, there remain uncertainties about the capacity of Local Authorities to cover the increasing cost of providing care. This is a significant issue for CCH where around half our residents are funded in this way.

Along with many other care providers, we face challenges relating to our ability to attract and retain staff with the right skills and motivation to deliver the levels of care we aspire to.

Lastly, meeting the requirements of regulators and commissioners including the CQC, Local Authorities and Charity Commission; protecting our reputation and developing the capacity to accommodate changes in the market place, in technology and the digital environment.

The Trustees have adopted a number of ways to mitigate risk. These include delivering service standards that will achieve at least an overall 'good' rating, improving occupancy rates, keeping costs under control, monitoring cash flow closely, charging sustainable fees and maintaining a work environment that will attract and retain high quality staff.

CCH responds to the needs of its users by working in partnership with families, residents, Local Authorities and CCGs to develop and provide services in response to anticipated demand. It conducts customer service surveys among its residents, staff, health and social care professionals to monitor performance and guide future development, particularly over the use of appropriate technology.

PUBLIC BENEFIT

We have referred to the guidance contained on the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. Further details regarding how the trustees have met this guidance are provided in the relevant sections of this report.

GOING CONCERN

The financial statements have been prepared on the going concern basis. Given the progress made towards achieving the charity's goals, including our CQC rating, the year end result and improved reserves position, the Trustees believe there are no material uncertainties about the CCH's ability to continue.

STATEMENT AS TO 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.

AUDITOR

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Lanham & Francis as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....

Mrs S D Jacson MBE
Chairman

Cedars Castle Hill

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Cedars Castle Hill 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;
- 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.

Approved by the trustees of the charity on and signed on its behalf by:

.....
Mrs S D Jacson MBE
Chairman

Cedars Castle Hill

Independent Auditor's Report to the Members of Cedars Castle Hill

Opinion

We have audited the financial statements of Cedars Castle Hill (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 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.

We have nothing to report in this regard.

Cedars Castle Hill

Independent Auditor's Report to the Members of Cedars Castle Hill

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 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'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:

Cedars Castle Hill

Independent Auditor's Report to the Members of Cedars Castle Hill

Procedures to identify risks:

- enquiring of Trustees and management concerning the Charity's procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: posting of unusual journals; and
- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the group. The key laws we considered in this context included UK Companies Act, Charities Act, employment law, health and safety, pensions legislation and tax legislation.

The procedures to respond to risks identified included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of Trustees and management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing correspondence with HMRC, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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.

.....
Ian Dodds (Senior Statutory Auditor)
For and on behalf of Lanham & Francis, Statutory Auditor

Church House
Church Street
Yeovil
Somerset
BA20 1HB

Date:.....

Cedars Castle Hill

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 £
Income and Endowments from:				
Donations and legacies (including exceptional income)	3	116,109	6,175	122,284
Charitable activities	4	2,450,273	-	2,450,273
Investment income	5	11	-	11
Other income	6	12,056	-	12,056
Total income		<u>2,578,449</u>	<u>6,175</u>	<u>2,584,624</u>
Expenditure on:				
Raising funds	7	(6,790)	-	(6,790)
Charitable activities	8	(2,284,228)	(4,645)	(2,288,873)
Total expenditure		<u>(2,291,018)</u>	<u>(4,645)</u>	<u>(2,295,663)</u>
Net income		287,431	1,530	288,961
Transfers between funds		<u>995</u>	<u>(995)</u>	<u>-</u>
Net movement in funds		288,426	535	288,961
Reconciliation of funds				
Total funds brought forward		<u>1,329,273</u>	<u>125,580</u>	<u>1,454,853</u>
Total funds carried forward	23	<u><u>1,617,699</u></u>	<u><u>126,115</u></u>	<u><u>1,743,814</u></u>

The notes on pages 14 to 26 form an integral part of these financial statements.

Cedars Castle Hill

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 £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	6,595	-	6,595
Charitable activities	4	2,175,058	-	2,175,058
Investment income	5	359	-	359
Other income	6	<u>1,679</u>	<u>-</u>	<u>1,679</u>
Total income		<u>2,183,691</u>	<u>-</u>	<u>2,183,691</u>
Expenditure on:				
Raising funds	7	(7,145)	-	(7,145)
Charitable activities	8	<u>(2,276,324)</u>	<u>(3,101)</u>	<u>(2,279,425)</u>
Total expenditure		<u>(2,283,469)</u>	<u>(3,101)</u>	<u>(2,286,570)</u>
Gains/losses on investment assets		<u>2,491</u>	<u>-</u>	<u>2,491</u>
Net expenditure		<u>(97,287)</u>	<u>(3,101)</u>	<u>(100,388)</u>
Net movement in funds		(97,287)	(3,101)	(100,388)
Reconciliation of funds				
Total funds brought forward		<u>1,426,560</u>	<u>128,681</u>	<u>1,555,241</u>
Total funds carried forward	23	<u><u>1,329,273</u></u>	<u><u>125,580</u></u>	<u><u>1,454,853</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

Cedars Castle Hill

(Registration number: 3913377) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	2,093,434	2,103,185
Current assets			
Stocks	16	7,803	10,943
Debtors	17	182,608	191,484
Cash at bank and in hand	18	<u>413,530</u>	<u>32,176</u>
		603,941	234,603
Creditors: Amounts falling due within one year	19	<u>(307,822)</u>	<u>(257,935)</u>
Net current assets/(liabilities)		<u>296,119</u>	<u>(23,332)</u>
Total assets less current liabilities		2,389,553	2,079,853
Creditors: Amounts falling due after more than one year	20	<u>(645,739)</u>	<u>(625,000)</u>
Net assets		<u><u>1,743,814</u></u>	<u><u>1,454,853</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		126,115	125,580
Unrestricted income funds			
Unrestricted funds		<u>1,617,699</u>	<u>1,329,273</u>
Total funds	23	<u><u>1,743,814</u></u>	<u><u>1,454,853</u></u>

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on and signed on their behalf by:

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Mrs S D Jacson MBE
Chairman

Cedars Castle Hill

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		288,961	(100,388)
Adjustments to cash flows from non-cash items			
Depreciation		85,135	83,423
Investment income		(11)	(359)
Interest payable		6,790	6,914
Loss on disposal of tangible fixed assets		5,928	16,017
Profit on disposal of investments		-	(2,491)
		<u>386,803</u>	<u>3,116</u>
Working capital adjustments			
Decrease/(increase) in stocks	16	3,140	(1,156)
Decrease/(increase) in debtors	17	8,876	(84,707)
Increase/(decrease) in creditors	19	<u>37,836</u>	<u>(21,817)</u>
Net cash flows from operating activities		<u>436,655</u>	<u>(104,564)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	11	67
Purchase of tangible fixed assets	15	(81,312)	(10,130)
Sale of investments		-	77,393
Income from dividends	5	<u>-</u>	<u>292</u>
Net cash flows from investing activities		<u>(81,301)</u>	<u>67,622</u>
Cash flows from financing activities			
Interest payable and similar charges	7	(6,790)	(6,914)
Value of new loans obtained during the period		37,000	-
Repayment of loans and borrowings		<u>(4,210)</u>	<u>-</u>
Net cash flows from financing activities		<u>26,000</u>	<u>(6,914)</u>
Net increase/(decrease) in cash and cash equivalents		381,354	(43,856)
Cash and cash equivalents at 1 April		<u>32,176</u>	<u>76,032</u>
Cash and cash equivalents at 31 March		<u><u>413,530</u></u>	<u><u>32,176</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 14 to 26 form an integral part of these financial statements.

Cedars Castle Hill

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 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:

Castle Hill House

Bimport

Shaftesbury

Dorset

SP7 8AX

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 2019) - (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

Cedars Castle Hill 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.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in the financial statements are rounded to the nearest £1.

Going concern

The financial statements have been prepared on the going concern basis. Given the progress made towards achieving the charity's goals, including our CQC rating, the year end result and improved reserves position, the Trustees believe there are no material uncertainties about the CCH's ability to continue.

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.

Cedars Castle Hill

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.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. 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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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' meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

Cedars Castle Hill

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

Tangible fixed assets

Individual fixed assets costing £250.00 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
Freehold land and buildings	2% per annum, straight line basis
Fixtures and fittings	25% per annum, reducing balance basis

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

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.

Concessionary loans

Concessionary loans are valued at the amount received. Where loans are made with no repayment commitment, they are treated as being due after more than five years, unless it becomes likely that an event that will trigger early repayment occurs. Otherwise loan repayments are analysed in accordance with the loan terms.

Provisions

Provisions are recognised if the charity has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Cedars Castle Hill

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.

Recognition and measurement

Except for concessionary loans, the charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	1,475	6,175	7,650
Grants, including capital grants;			
Government grants	114,634	-	114,634
Total for 2021	<u>116,109</u>	<u>6,175</u>	<u>122,284</u>
Total for 2020	<u>6,595</u>	<u>-</u>	<u>6,595</u>

During the year the Government provided emergency funds to assist with the additional costs of dealing with the coronavirus pandemic. These infection control grants amounted to £114,634 for the year. Further grants have been received since the year end, extended to help with rapid testing. In view of their size and one-off nature they are considered to be exceptional income.

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
Residential care	2,450,273	2,450,273
Total for 2021	<u>2,450,273</u>	<u>2,450,273</u>
Total for 2020	<u>2,175,058</u>	<u>2,175,058</u>

Cedars Castle Hill

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

5 Investment income

	Unrestricted funds Designated £	General £	Total funds £
Interest receivable and similar income; Interest receivable on bank deposits	-	11	11
Total for 2021	-	11	11
Total for 2020	259	100	359

6 Other income

	Unrestricted funds General £	Total funds £
Rental income	12,056	12,056
Total for 2021	12,056	12,056
Total for 2020	1,679	1,679

7 Expenditure on raising funds

Investment management costs

	Note	Unrestricted funds Designated £	General £	Total funds £
Interest payable; Interest payable on other loans		-	6,790	6,790
Total for 2021		-	6,790	6,790
Total for 2020		193	6,952	7,145

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Residential care		404,893	-	404,893
Sundry expenses		9,065	-	9,065
Residential care		10,852	-	10,852
Depreciation, amortisation and other similar costs		86,418	4,645	91,063
Staff costs		1,754,210	-	1,754,210
Governance costs	9	18,790	-	18,790
Total for 2021		2,284,228	4,645	2,288,873
Total for 2020		2,276,324	3,101	2,279,425

Cedars Castle Hill

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

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Audit fees		
Audit of the financial statements	9,400	9,400
Other fees paid to auditors	9,390	9,390
Total for 2021	<u>18,790</u>	<u>18,790</u>
Total for 2020	<u>14,600</u>	<u>14,600</u>

10 Net incoming/outgoing resources

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

	2021 £	2020 £
Audit fees	18,790	14,600
Loss on disposal of tangible fixed assets	5,928	16,017
Profit on disposal of investments	-	(2,491)
Depreciation of fixed assets	85,135	83,423
Finance charges payable	<u>6,790</u>	<u>6,914</u>

11 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.

Cedars Castle Hill

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

12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	1,608,813	1,568,062
Social security costs	117,021	115,577
Pension costs	28,376	28,603
	<u>1,754,210</u>	<u>1,712,242</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
Charitable activities	87	85
Administration	9	7
Trustees	8	10
	<u>104</u>	<u>102</u>

67 (2020 - 62) of the above employees participated in the Defined Contribution Pension Schemes.

All of the pension costs have been allocated to residential care.

Contributions to the employee pension schemes for the year totalled £28,376 (2020 - £28,603).

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

13 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>9,400</u>	<u>9,400</u>
Other fees to auditors		
All other non-audit services	<u>9,390</u>	<u>5,200</u>

14 Taxation

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

Cedars Castle Hill

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

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2020	2,911,745	386,477	3,298,222
Additions	9,849	71,463	81,312
Disposals	-	(52,065)	(52,065)
At 31 March 2021	<u>2,921,594</u>	<u>405,875</u>	<u>3,327,469</u>
Depreciation			
At 1 April 2020	891,869	303,168	1,195,037
Charge for the year	56,545	28,590	85,135
Eliminated on disposals	-	(46,137)	(46,137)
At 31 March 2021	<u>948,414</u>	<u>285,621</u>	<u>1,234,035</u>
Net book value			
At 31 March 2021	<u>1,973,180</u>	<u>120,254</u>	<u>2,093,434</u>
At 31 March 2020	<u>2,019,876</u>	<u>83,309</u>	<u>2,103,185</u>

16 Stock

	2021 £	2020 £
Stocks	<u>7,803</u>	<u>10,943</u>

17 Debtors

	2021 £	2020 £
Trade debtors	158,687	131,039
Prepayments	21,585	37,172
Other debtors	<u>2,336</u>	<u>23,273</u>
	<u>182,608</u>	<u>191,484</u>

18 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	535	369
Cash at bank	<u>412,995</u>	<u>31,807</u>
	<u>413,530</u>	<u>32,176</u>

Cedars Castle Hill

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

19 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	12,051	-
Trade creditors	56,830	38,667
Other loans	5,000	5,000
Other taxation and social security	62,874	66,735
Other creditors	130,553	131,863
Accruals	40,514	15,670
	<u>307,822</u>	<u>257,935</u>

20 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	20,739	-
Concessionary loans	625,000	625,000
	<u>645,739</u>	<u>625,000</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2021 £	2020 £
Concessionary loans	<u>625,000</u>	<u>625,000</u>

Loans are secured by a fixed charge over the freehold property of the charity. At 31 March 2021 the freehold property had a net book value of £1,973,180 (2020 : £2,019,876).

Included in the creditors are the following amounts due after more than five years:

	2021 £	2020 £
After more than five years not by instalments	<u>625,000</u>	<u>625,000</u>

Other loans after five years

Concessionary loan

Borrowing of £225,000 at 3% pa. No repayment due until 2045.

Concessionary loan

Borrowing of £200,000, interest free. No repayments due until 2045.

Concessionary loan

Borrowing of £200,000, interest free. Loan is only repayable should the properties be sold, transferred to another organisation, or ceased to be used as residential care homes.

Cedars Castle Hill

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

21 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2021 £	2020 £
Other		
Within one year	18,103	17,908
Between one and five years	72,411	71,652
After five years	27,689	45,333
	<u>118,203</u>	<u>134,893</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £18,102 (2020 : £17,908).

22 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £28,376 (2020 - £28,603).

Contributions totalling £6,305 (2020 : £7,411) were payable to the scheme at the end of the year and are included in creditors.

23 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted					
<i>General</i>					
General fund	1,329,273	2,584,624	(2,297,193)	995	1,617,699
Restricted					
Conservatory Fund - Castle Hill House	57,897	-	(1,450)	-	56,447
Dignity in Care - The Cedars	4,537	-	(122)	-	4,415
Dignity in Care - Castle Hill House	5,151	-	(129)	-	5,022
Sun Room - Castle Hill House	16,000	-	(400)	-	15,600
Extension - The Cedars	41,000	-	(1,000)	-	40,000
Sensory Table - The Cedars	-	6,175	(1,544)	-	4,631
Staff Welfare - The Cedars	995	-	-	(995)	-
Total restricted	<u>125,580</u>	<u>6,175</u>	<u>(4,645)</u>	<u>(995)</u>	<u>126,115</u>
Total funds	<u>1,454,853</u>	<u>2,590,799</u>	<u>(2,301,838)</u>	<u>-</u>	<u>1,743,814</u>

Cedars Castle Hill

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

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted						
<i>General</i>						
General fund	1,357,545	2,183,432	(2,283,276)	71,406	166	1,329,273
<i>Designated</i>						
Loan Contingency Fund	<u>69,015</u>	<u>259</u>	<u>(193)</u>	<u>(71,406)</u>	<u>2,325</u>	<u>-</u>
Total unrestricted	<u>1,426,560</u>	<u>2,183,691</u>	<u>(2,283,469)</u>	<u>-</u>	<u>2,491</u>	<u>1,329,273</u>
Restricted						
Conservatory Fund - Castle Hill House	59,347	-	(1,450)	-	-	57,897
Dignity in Care - The Cedars	4,659	-	(122)	-	-	4,537
Dignity in Care - Castle Hill House	5,280	-	(129)	-	-	5,151
Sun Room - Castle Hill House	16,400	-	(400)	-	-	16,000
Extension - The Cedars	42,000	-	(1,000)	-	-	41,000
Staff Welfare - The Cedars	<u>995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995</u>
Total restricted	<u>128,681</u>	<u>-</u>	<u>(3,101)</u>	<u>-</u>	<u>-</u>	<u>125,580</u>
Total funds	<u>1,555,241</u>	<u>2,183,691</u>	<u>(2,286,570)</u>	<u>-</u>	<u>2,491</u>	<u>1,454,853</u>

Cedars Castle Hill

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

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

Conservatory fund – Castle Hill House

This arose from various donations for the purpose of constructing a conservatory at Castle Hill House. The donations have been fully utilised for this purpose and the fund is now being written off at a rate of 2% per annum in line with the underlying assets.

Dignity in Care – The Cedars

This arose from a capital grant from Dignity in Care for the sole purpose of improving the outside decking and patio area for residents. The grant was fully utilised within the time restriction placed on it and the fund is now being written off at a rate of 2% per annum in line with the underlying assets.

Dignity in Care – Castle Hill House

This arose from a capital grant from Dignity in Care for the sole purpose of improving the outside decking and patio area for residents. The grant was fully utilised within the time restriction placed on it and the fund is now being written off at a rate of 2% per annum in line with the underlying assets.

Sun Room – The Cedars

A donation was received to help towards the creation of the sun room at The Cedars. The donation has been fully utilised and the fund is now being written off at a rate of 2% per annum in line with the underlying assets.

Extension - The Cedars

Two grants were received in respect of the building of the extension at The Cedars. Following completion, the funds are now being written off at the rate of 2% per annum in line with the underlying assets.

Sensory Table - The Cedars

A donation was received allowing for the acquisition of a sensory table. The donation has been fully utilised and the fund is being written off at a rate of 25% per annum in line with the underlying asset.

Staff Welfare - The Cedars

This arose from donations received for the benefit of staff at The Cedars. The money is no longer considered to be restricted and has been transferred to general funds.

24 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	1,967,319	126,115	2,093,434
Current assets	603,941	-	603,941
Current liabilities	(307,822)	-	(307,822)
Creditors over 1 year	(645,739)	-	(645,739)
Total net assets	<u>1,617,699</u>	<u>126,115</u>	<u>1,743,814</u>

Cedars Castle Hill

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	1,978,600	124,585	2,103,185
Current assets	233,608	995	234,603
Current liabilities	(257,935)	-	(257,935)
Creditors over 1 year	(625,000)	-	(625,000)
Total net assets	<u>1,329,273</u>	<u>125,580</u>	<u>1,454,853</u>

25 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	32,176	381,354	413,530
Debt due within one year	-	(12,051)	(12,051)
Debt due after more than one year	(625,000)	(20,739)	(645,739)
Net debt	<u>(592,824)</u>	<u>348,564</u>	<u>(244,260)</u>

	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	76,032	(43,856)	32,176
Debt due after more than one year	(625,000)	-	(625,000)
Net debt	<u>(548,968)</u>	<u>(43,856)</u>	<u>(592,824)</u>

26 Related party transactions

There were no related party transactions in the year.

Cedars Castle Hill

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies	7,650	6,595
Grants, including capital grants	114,634	-
Charitable activities	2,450,273	2,175,058
Investment income	11	359
Other income	12,056	1,679
Total Income	<u>2,584,624</u>	<u>2,183,691</u>
Expenditure on:		
Wages and salaries	1,608,813	1,568,062
Social security costs	117,021	115,577
Pension costs	28,376	28,603
Interest payable and similar charges	6,790	6,914
Amounts payable to investment managers	-	231
Household and medical costs	186,501	184,983
Repairs and maintenance	69,199	85,255
Staff training and recruitment	36,336	50,431
Rates, water, light and heat	63,168	61,126
Telephone and fax	5,616	4,710
Printing, postage and stationery	11,283	10,343
Trade subscriptions	32,790	23,574
Sundry expenses	9,065	12,790
Travel and subsistence	599	1,322
Advertising	5,509	8,538
Legal and professional fees	3,071	4,726
Bad debts written off	-	3,446
Bank charges	1,673	1,899
Depreciation, amortisation and other similar costs	91,063	99,440
Auditors' remuneration	18,790	14,600
Total Expenditure	<u>2,295,663</u>	<u>2,286,570</u>
Gains/losses on investment assets	<u>-</u>	<u>(2,491)</u>
Net income/(expenditure)	<u>288,961</u>	<u>(100,388)</u>
Net movement in funds	288,961	(100,388)
Reconciliation of funds		
Total funds brought forward	<u>1,454,853</u>	<u>1,555,241</u>
Total funds carried forward	<u><u>1,743,814</u></u>	<u><u>1,454,853</u></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 23.

The notes on pages 14 to 26 form an integral part of these financial statements.