

Charity Registration No. 1093882

Company Registration No. 04378521 (England and Wales)

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

JA Le Masurier (Chair)
JW Anderson (Treasurer)
Ms AE Andrews
P Rothwell
OJ P Rowe
Mrs JH Lambert

Secretary Ms M Rogers

Charity number 1093882

Company number 04378521

Registered office

St Martins
59 Imperial Avenue
Westcliff-on-Sea
SS0 8NQ

Auditor

Rickard Luckin Limited
1st Floor
County House
100 New London Road
Chelmsford
Essex
CM2 0RG

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

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THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Articles of Association state that the objects of the Organisation are to assist in the relief of the needy and elderly including through the provision of residential homes. The amendment to the Articles in December 2011 removed the restriction of operating within Southend-on-Sea and Essex particularly.

The assistance is currently provided in the form of two registered residential homes 'Sandringham' with up to 20 residents and 'St Martins' with up to 26 residents.

Ensuring our work delivers our aims

We review our Aims and Objectives regularly - this review looks at what we have achieved and the outcomes of our work over the previous 12 months. It looks at the success of each home in meeting the aims and objectives and the benefits brought to the people who come to live in the homes. This review also helps us ensure our aims, objectives and activities remain focussed on our stated purpose.

In shaping our objectives the trustees confirm that they have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB32)'. The Organisation relies on the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give very careful consideration to the accessibility of its homes to those on low incomes. Currently 67% of our residents have all of their fees paid for them.

The focus of our work

Our main objectives for the year continued to be the provision of high quality care and support to people who come to live in our homes. We primarily care for people who have significant care needs, either through physical and/or mental frailty or because they are living with dementia.

How our activities deliver public benefit

All our activities focus on the needs of people with dependencies associated with the consequences of ageing. In the two care homes the residents are between the ages of 65 through to 100. We have residents who are mobile but need assistance with daily living activities, those living with dementia through to residents who need full 24 hour care as they are unable to leave their bed.

Staff

The work of the organisation is entirely dependent on the commitment and hard work of its staff. They continue to provide a caring, loyal, quality service and have coped very well with the ever increasing dependency and frailty of our residents. This frailty is being demonstrated by the increasing numbers who require greater physical support and those who live with dementia. The extra needs of the residents have emphasised the requirement to continuously increase the skill set of each member of staff to enable them to use a wider variety of techniques and equipment.

Training and development of staff remain a very important on-going investment. We provide specific training on aspects of dementia and the needs of the elderly as well as the need to comply with the regulatory environment in which we operate. Dementia Awareness training now forms part of our mandatory training programme for all new staff.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Throughout the year the worldwide pandemic of COVID-19 has had a significant impact on the on charity with the safety of the residents in both homes paramount.

We suspended unnecessary visits and any non essential maintenance in order to protect our residents and focused on health and safety requirements.

Although not untouched by COVID-19 the clear leadership provided by Michelle Rogers minimised the impact on our residents. Michelle Rogers left the organisation in June 2021 and the trustees would like to extend their thanks to her and wish her well in the future.

We would like to take this opportunity to thank the leadership and staff of both homes who have shown true dedication of which the trustees are immensely proud.

Financial review

The Results for the year show a deficit from the day to day activities of the homes of £25,304.

There has been further expenditure of £36,343 to improve the homes and an additional restricted fund this year of £83,083 resulting from the Infection Control Grant received leaving an overall surplus of £8,173 for the year.

The trustees would like to acknowledge the hard work of the Chief Executive and the teams within both homes.

The principal funding source of the charity remains residents fees received both from private sources and local authority funding.

Reserves policy

As a result of the review of the activities of the organisation, the trustees consider the most appropriate level of free reserves (those funds not tied up in fixed assets, designated and restricted funds) to be the equivalent to 6 months costs i.e. c.£600,000

At the year end, the total funds held of the charity amounted to £2,687,788. £1,452,478 were tied up in fixed assets leaving free reserves of £1,235,310. Of this sum £49,507 was designated and represented the property maintenance reserve to upgrade the St Martins and Sandringham homes and £83,083 is restricted (of which £37,817 is included within fixed assets). This is currently above the free reserves target of £600,000 due to the sale of Chaltonholme in 2016.

The funds which remain above and beyond our free reserves will be used throughout the coming years to ensure upgrades of equipment and services within both homes can be carried out in a timely manner. Some of the free reserves is also set aside to fund potential new activities for the organisation going forward.

The principal funding source of the charity is residents fees which are received both privately and from the local authority.

Risk Management

An assessment of the risks facing the organisation has been carried out and a risk register produced. This is subject to regular review, at least annually, by the trustees. In addition each home regularly carries out risk assessments on its environment and the residents who live within it. The organisation is registered with CQC. as a provider of care in care homes.

Plans for future periods

Subsequent to the year end the trustees made the decision to put the Sandringham home up for sale. The residents and staff have all been informed and given significant notice. The closing date for notifications by interested parties is October 2021. Funds received from the sale of the home will be reinvested into the remaining home ensuring adequate maintenance and improvements are made.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 February 2002 and amended 8th December 2011. The liability of Members in the event of the company being wound up is limited to a sum not exceeding £10 each.

The assets of the original charity were transferred into the name of the charitable company in 2006. The original charity, which was formed in 1946, is used for fundraising, primarily focussed on existing legacy activity.

In April 2012, two local charities, St Martins Residential Care Ltd and Mission of Help, merged with the organisation.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements were:

JA Le Masurier (Chair)

JW Anderson (Treasurer)

Ms AE Andrews

P Rothwell

OJ P Rowe

Mrs JH Lambert

Trustee Recruitment

The process of recruiting new trustees starts with a review of the existing board and identifying where new skills are needed. Trustees then consider all suggested contacts prior to meeting and exploring the role with individuals.

Once an individual has been accepted, a formal induction process is started which includes a Trustee Handbook, the last three years financial statements, a visit to the organisation's homes and meeting the staff.

Trustees are kept up to date with information, monthly reports and briefings.

Trustees meet every three months. In addition, every 4 weeks one of two trustees are involved in approving expenditure in excess of £1,000 and the countersigning of all such payments.

All members of the Board give their time voluntarily and receive no benefits from the charity.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Management

The management and operation of the organisation was delegated by the trustees throughout the financial year to the Chief Executive, Michelle Rogers, who combined the function of Chief Executive with that of Company Secretary and Administrator to the Board. Following the resignation of the Chief Executive the trustees have taken on a number of additional responsibilities to ensure the continued smooth running of the organisation.

The Chief Executive took responsibility for personnel, health and safety and compliance issues in addition to supporting the managers of the care homes. Each home has a Home Manager who reported directly to the Chief Executive and who are registered with CQC. The homes also have a team of experienced senior staff reporting to the Home Manager. Together they are responsible for achieving and maintaining the high standards of care for which the organisation is known. The organisation also has an administrator who reports directly to the Chief Executive. The organisation is fortunate to have a very committed and hardworking management team who continue to move the organisation forward and improve the service for the staff teams and residents through this difficult social and economic climate.

The charity does not remunerate its trustees. The trustees are responsible for setting the remuneration of the charity's senior management team which comprise the key management personnel of the charity in charge of directing and controlling, running and operating the care homes on a day to day basis. Remuneration is set in the context of the charity's purposes, aims and values and to reflect the skills, experience and competences required for particular roles. In setting remuneration, the trustees also consider a number of additional factors including an individual's contribution, affordability and remuneration offered by care homes and care providers of a similar size.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Southend-On-Sea Darby & Joan Organisation Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

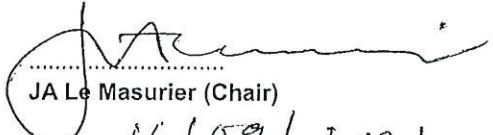
In accordance with the company's articles, a resolution proposing that Rickard Luckin Limited be reappointed as auditor of the company will be put to the next Annual General Meeting.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees' report was approved by the Board of Trustees.



JA Le Masurier (Chair)

Dated: 16/09/2021

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

Opinion

We have audited the financial statements of The Southend-On-Sea Darby & Joan Organisation Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; through communications with legal counsel, and via inspection of the charitable company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the charitable company.

The potential effect of these laws and regulations on the financial statements varies considerably.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements, including: the charitable company's constitution; relevant financial reporting standards; company law; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective from 1 January 2019); and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, operating licences regarding care; employment legislation; health and safety legislation; the regulatory requirements of the Charity Commission; tax legislation particularly in relation to gift aid; UK-GDPR; anti-bribery and corruption legislation; and the care quality commission.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: depreciation;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries posted by senior management, journal entries crediting cash or any revenue account and large year end journals;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the Statement of Financial Activity (SoFA) and the Balance Sheet includes a number of items selected on a random basis;

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED



Caroline Peters (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

28 November 2021

Chartered Accountants
Statutory Auditor

1st Floor
County House
100 New London Road
Chelmsford
Essex
CM2 0RG

Rickard Luckin Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Notes								
Income from:								
Donations and legacies	3	1,428	-	93,165	94,593	2,930	-	2,930
Charitable activities								
Residents fees		1,355,319	-	-	1,355,319	1,509,063	-	1,431,471
Services to residents		4,817	-	-	4,817	21,504	-	21,504
Investments	4	-	-	-	-	-	10,500	10,500
Other income		21,334	-	-	21,334	-	-	77,592
Total income		1,382,898	-	93,165	1,476,063	1,533,497	10,500	1,543,997
Expenditure on:								
Charitable activities	5	1,408,202	36,343	10,082	1,454,627	1,350,200	28,782	1,378,982
Net (expenditure)/ income for the year/ Net movement in funds		(25,304)	(36,343)	83,083	21,436	183,297	(18,282)	165,015
Fund balances at 1 April 2020		2,585,642	80,710	-	2,666,352	2,402,345	98,992	2,501,337
Fund balances at 31 March 2021		2,560,338	44,367	83,083	2,687,788	2,585,642	80,710	2,666,352

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		1,452,478		1,392,264
Current assets					
Debtors	10	57,425		114,150	
Investments	12	-		750,000	
Cash at bank and in hand		1,303,366		602,492	
		<u>1,360,791</u>		<u>1,466,642</u>	
Creditors: amounts falling due within one year	13	<u>(125,481)</u>		<u>(192,554)</u>	
Net current assets			1,235,310		1,274,088
Total assets less current liabilities			<u>2,687,788</u>		<u>2,666,352</u>
Income funds					
Restricted funds	15		83,083		-
<u>Unrestricted funds</u>					
Designated funds	14	49,507		80,710	
General unrestricted funds		<u>2,555,198</u>		<u>2,585,642</u>	
			2,604,705		2,666,352
			<u>2,687,788</u>		<u>2,666,352</u>

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16/09/2021



JW Anderson (Treasurer)
Trustee

Company Registration No. 04378521

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		41,347		133,561
Investing activities					
Purchase of tangible fixed assets		(90,473)		(105,973)	
Transfer of cash investments to short term cash		750,000		-	
Investment income received		-		10,500	
Net cash generated from/(used in) investing activities			659,527		(95,473)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			700,874		38,088
Cash and cash equivalents at beginning of year			602,492		564,404
Cash and cash equivalents at end of year			1,303,366		602,492

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Southend-On-Sea Darby & Joan Organisation Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is St Martins, 59 Imperial Avenue, Westcliff-on-Sea, SS0 8NQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose and includes the revaluation reserve of tangible fixed assets used by the charitable company in its operational activities.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Residents fee income is recognised in the period in which services are provided and the related fee income is receivable.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Charitable activities include expenditure associated with running the nursing homes.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0%
Building improvements	15 years straight line
Computer equipment	4 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Freehold property is currently depreciated at 0% per annum as the value of the property is continuing to rise. The policy is reviewed annually and will be adjusted if deemed appropriate.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Current asset investments

Investments include cash on deposit with a maturity date of less than one year.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £
Donations and gifts	1,428	-	1,428	2,930
Government support grants	-	93,165	93,165	-
	<u>1,428</u>	<u>93,165</u>	<u>94,593</u>	<u>2,930</u>

4 Investments

	Total 2021 £	Unrestricted funds designated 2020 £
Interest receivable	-	10,500
	<u>-</u>	<u>10,500</u>

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	2021 £	2020 £
Staff costs	1,132,794	1,062,058
Catering expenses	78,573	68,046
Insurance	10,854	10,372
Registration fees	7,637	7,755
Printing, postage, stationery & advertising	3,730	3,522
Sundry expenses	31,366	18,571
Bad debts	-	26
Heat and light	34,610	34,417
Telephone	5,193	4,544
Rates	11,128	10,796
Garden maintenance	243	52
Cleaning	38,503	30,321
Equipment	6,084	6,422
Maintenance	68,445	58,302
Bank charges	1,119	1,194
DBS charges	236	252
Services to residents	4,817	21,504
	<u>1,435,332</u>	<u>1,338,154</u>
Share of support costs (see note 6)	19,295	40,828
	<u>1,454,627</u>	<u>1,378,982</u>
Analysis by fund		
Unrestricted funds - general	1,408,202	1,350,200
Unrestricted funds - designated	36,343	28,782
Restricted funds	10,082	-
	<u>1,454,627</u>	<u>1,378,982</u>

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £	Basis of allocation
Staff costs	-	-	-	-	20,000	20,000	Type of work
Professional fees	-	8,531	8,531	-	11,888	11,888	Governance
Auditors' remuneration	-	10,764	10,764	-	8,940	8,940	Governance
	-	19,295	19,295	-	40,828	40,828	
Analysed between Charitable activities	-	19,295	19,295	-	40,828	40,828	

Governance costs includes payments to the auditors of £9,289 (2020- £8,940) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No trustees received any expenses reimbursed during the year.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Care services	57	57
Maintenance	2	3
Administration	2	2
Total	61	62
Employment costs	2021 £	2020 £
Wages and salaries	1,037,667	993,906
Social security costs	73,022	66,920
Other pension costs	22,105	21,232
	1,132,794	1,082,058

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

(Continued)

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 to £70,000	1	1

9 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2020	1,275,000	59,706	195,157	1,529,863
Additions	-	-	90,473	90,473
At 31 March 2021	1,275,000	59,706	285,630	1,620,336
Depreciation and impairment				
At 1 April 2020	-	54,752	82,847	137,599
Depreciation charged in the year	-	2,207	28,052	30,259
At 31 March 2021	-	56,959	110,899	167,858
Carrying amount				
At 31 March 2021	1,275,000	2,747	174,731	1,452,478
At 31 March 2020	1,275,000	4,954	112,310	1,392,264

Land and buildings with a carrying amount of £1,275,000 were revalued at 30 September 2013 by Kevin Cruiks BSc MRICS of Ayers & Cruiks, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

On adoption of FRS 102 the trustees took advantage of the transitional arrangements and the valuation above was frozen as deemed cost. No further valuations are required, however, impairment reviews are undertaken regularly.

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	37,046	33,013
Other debtors	420	61,216
Prepayments and accrued income	19,959	19,921
	57,425	114,150

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	37,466	94,229
Instruments measured at fair value through profit or loss	-	750,000
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	(111,331)	(164,349)
	<u> </u>	<u> </u>
12 Current asset investments	2021	2020
	£	£
Cash held for investment	-	750,000
	<u> </u>	<u> </u>
13 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	31,908	75,315
Other taxation and social security	14,150	28,205
Other creditors	-	70
Accruals and deferred income	79,423	88,964
	<u> </u>	<u> </u>
	125,481	192,554
	<u> </u>	<u> </u>

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Resources expended 31 March 2021
	£	£	£	£	£
Property maintenance	98,992	10,500	(28,782)	80,710	(31,203)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	98,992	10,500	(28,782)	80,710	(31,203)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The property maintenance designated fund was designated by the trustees for the upgrade and maintenance costs of the St Martins and Sandringham homes.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		
	Balance at 1 April 2020	Incoming resources	Resources expended
	£	£	£
Government grants	-	93,165	(10,082)
			83,083

The restricted funds represent the Infection Control Grant monies received to assist with additional requirements as a direct impact of COVID-19.

16 Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	1,414,661	-	37,817	1,452,478
Current assets/(liabilities)	1,140,537	49,507	45,266	1,235,310
	2,555,198	49,507	83,083	2,687,788

17 The Mission of Help

The charitable company has a wholly owned subsidiary called The Mission of Help with the aim of providing charitable assistance to the poor and needy.

The Mission of Help is dormant and has not had any significant accounting transactions during the accounting period. No value has been attributed to this subsidiary undertaking in the accounts.

18 Analysis of changes in net funds

The charity had no debt during the year.

	2021 £	2020 £
19 Cash generated from operations		
Surplus for the year	21,436	165,015
Adjustments for:		
Investment income recognised in statement of financial activities	-	(10,500)
Depreciation and impairment of tangible fixed assets	30,259	22,360
Movements in working capital:		
Decrease/(increase) in debtors	56,725	(80,753)
(Decrease)/increase in creditors	(67,073)	37,439
Cash generated from operations	41,347	133,561

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
£	£	£
Income and endowments:		
Donations and gifts	1,428	2,930
Residents fees	1,355,319	1,431,471
Sundry Income	21,334	77,592
Services to residents	4,817	21,504
Designated fund interest receivable	-	10,500
RF Government grant income	93,165	-
	<u>1,476,063</u>	<u>1,543,997</u>
Expenditure		
Wages and salaries	1,037,667	973,906
Social security costs	73,022	66,920
Staff Training	4,066	5,095
Staff pension costs	18,039	16,137
Consumables	68,491	68,046
Insurance	10,854	10,372
Registration fees	7,637	7,755
Printing, postage and stationery	3,730	3,522
Sundry Expenses	31,366	18,571
Bad Debt	-	26
Heating and lighting	34,610	34,417
Telephone	5,193	4,544
Rates	11,128	10,796
Garden	243	52
Cleaning costs	38,503	30,321
Maintenance	38,186	35,942
Bank charges	1,119	1,194
Criminal Record Bureau charges	236	252
Services to residents	4,817	21,504
Share of support costs	19,295	40,828
Designated fund equipment and furnishings	6,084	6,422
Designated fund maintenance	30,259	22,360
Restricted fund infection control expenditure	10,082	-
	<u>(1,454,627)</u>	<u>(1,378,982)</u>
Net income for the year	<u><u>21,436</u></u>	<u><u>165,015</u></u>