

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 2022

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	JW Anderson	
	AE Andrews	
	P Rothwell	
	OJ P Rowe	
	J Dresner	(Appointed 20 January 2022)
	GG Gates	(Appointed 20 January 2022)
	J Smoothy	(Appointed 20 January 2022)
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 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022. This report is also a directors report required by s417 of the Companies Act 2006 and all trustees are directors.

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 2019)

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 (up until its sale) 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

During the year the worldwide pandemic of COVID-19 continued to have an impact on the charity with the safety of the residents in both homes paramount.

The procedures put in place by the Charity's previous CEO continued to be implemented as appropriate following her departure in June 2021 and the impact on our residents of the pandemic was kept as minimal as possible.

In summer 2021 a decision was made by the trustees to sell the Sandringham property and all residents and staff were informed. The home closed to residents in October 2021. A sale was agreed before Christmas 2021 at a price of £1.225m and is currently going through the legal sales process.

St Martin's has remained at capacity throughout the year and currently has a waiting list.

Financial review

The results for the year show a deficit of £126,193.

There has been further expenditure of £33,681 to improve the homes and restricted funds this year of £52,549 resulting from four COVID related grants.

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.£466,000

At the year end, the total funds held by the charity amounted to £2,561,595. £1,455,291 were tied up in fixed assets leaving free reserves of £1,106,304. Of this sum £15,246 was designated and represented the property maintenance reserve to upgrade St Martins and £52,549 is restricted. Total funds are currently above the free reserves target of £466,000 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 St Martin's can be carried out in a timely manner. Some of the free reserves are also set aside to fund potential new developments to the site to complement the organisation's charitable purpose.

The principal funding source of the charity is resident's 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.

Post balance sheet event

Subsequent to the year end the sale of Sandringham was completed with the decision for the sale made by the trustees in the current financial year. The residents and staff have all been informed and given significant notice. The closing date for notifications by interested parties was October 2021. Funds received from the sale of the home will be reinvested into the remaining home ensuring adequate maintenance and improvements are made. As at the year end the sale was not finalised.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

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)	(Resigned 14 December 2021)
JW Anderson	
AE Andrews	
P Rothwell	
OJ P Rowe	
JH Lambert	(Resigned 27 October 2021)
J Dresner	(Appointed 20 January 2022)
GG Gates	(Appointed 20 January 2022)
J Smoothy	(Appointed 20 January 2022)

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.

Management

Following the resignation of the Chief Executive during the year the trustees have taken on a number of additional responsibilities to ensure the continued smooth running of the organisation.

The trustees took responsibility for personnel, health and safety and compliance issues in addition to supporting the managers of the care homes. St Martin's 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 trustees. 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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 trustees' report was approved by the Board of Trustees.

.....
AE Andrews
AE Andrews

Date: 15/11/2022

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 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 2022 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.

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.

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

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.

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.

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 effect: 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 with laws and regulations that could have a material impact on the financial statements.

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

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.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

30 November 2022

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 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 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total Unrestricted funds general 2022 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total
<u>Income and endowments from:</u>								
Donations and legacies	3	1,946	-	56,498	58,444	1,428	93,165	94,593
<u>Charitable activities</u>								
Residents fees		1,106,752	-	-	1,106,752	1,355,319	-	1,355,319
Services to residents		5,106	-	-	5,106	4,817	-	4,817
Other income	4	-	4,560	-	4,560	21,334	-	21,334
Total income		1,113,804	4,560	56,498	1,174,862	1,382,898	93,165	1,476,063
<u>Expenditure on:</u>								
Charitable activities	6	1,180,221	33,681	87,153	1,301,055	1,408,202	10,082	1,454,627
Net (outgoing)/incoming resources before transfers		(66,417)	(29,121)	(30,655)	(126,193)	(25,304)	83,083	21,436
Gross transfers between funds		(121)	-	121	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(66,538)	(29,121)	(30,534)	(126,193)	(25,304)	83,083	21,436
Fund balances at 1 April 2021		2,560,338	44,367	83,083	2,687,788	2,585,642	-	2,666,352
Fund balances at 31 March 2022		2,493,800	15,246	52,549	2,561,595	2,560,338	83,083	2,687,788

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

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		1,455,291		1,452,478
Current assets					
Debtors	9	21,535		57,425	
Cash at bank and in hand		1,188,854		1,303,366	
		1,210,389		1,360,791	
Creditors: amounts falling due within one year	11	(104,085)		(125,481)	
Net current assets			1,106,304		1,235,310
Total assets less current liabilities			2,561,595		2,687,788
Income funds					
Restricted funds	12		52,549		83,083
<u>Unrestricted funds</u>					
Designated funds	13	15,246		44,367	
General unrestricted funds		2,493,800		2,560,338	
			2,509,046		2,604,705
			2,561,595		2,687,788


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 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 15/11/2022


JW Anderson (Treasurer)
Trustee

Company registration number 04378521

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(69,912)		41,347
Investing activities					
Purchase of tangible fixed assets		(44,600)		(90,473)	
Proceeds on disposal of investments		-		750,000	
Net cash (used in)/generated from investing activities			(44,600)		659,527
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(114,512)		700,874
Cash and cash equivalents at beginning of year			1,303,366		602,492
Cash and cash equivalents at end of year			1,188,854		1,303,366

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2019). 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. 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.

1.5 Resources expended

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 the statement of financial activities.

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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	1,946	-	1,946	1,428	-	1,428
Government support grants	-	56,498	56,498	-	93,165	93,165
	<u>1,946</u>	<u>56,498</u>	<u>58,444</u>	<u>1,428</u>	<u>93,165</u>	<u>94,593</u>

4 Other income

	Unrestricted funds designated 2022 £	Total 2021 £
Sale of furniture	<u>4,560</u>	<u>-</u>

5 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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	2022 £	2021 £
Staff costs	998,837	1,132,794
Catering expenses	57,939	78,573
Insurance	13,287	10,854
Registration fees	7,573	7,637
Printing, postage, stationery & advertising	2,790	3,730
Sundry expenses	28,003	31,366
Bad debts	45	-
Heat and light	27,199	34,610
Telephone	7,196	5,193
Rates	9,644	11,128
Garden maintenance	164	243
Cleaning	19,634	38,503
Equipment	3,091	6,084
Maintenance	98,505	68,445
Bank charges	1,031	1,119
DBS charges	(10)	236
Services to residents	5,106	4,817
	<u>1,280,034</u>	<u>1,435,332</u>
Share of support costs (see note 7)	21,021	19,295
	<u>1,301,055</u>	<u>1,454,627</u>
Analysis by fund		
Unrestricted funds - general	1,180,221	1,408,202
Unrestricted funds - designated	33,681	36,343
Restricted funds	87,153	-
	<u>1,301,055</u>	<u>1,454,627</u>

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £	Basis of allocation
Professional fees	-	9,605	9,605	-	8,531	8,531	Governance
Auditors' remuneration	-	11,416	11,416	-	10,764	10,764	Governance
	-	21,021	21,021	-	19,295	19,295	
Analysed between							
Charitable activities	-	21,021	21,021	-	19,295	19,295	

Governance costs includes payments to the auditors of £10,800 (2021- £9,289) for audit fees.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Care services	41	57
Maintenance	2	2
Administration	1	2
Total	44	61

Employment costs

	2022 £	2021 £
Wages and salaries	913,586	1,037,667
Social security costs	65,860	73,022
Other pension costs	19,391	22,105
	998,837	1,132,794

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

	2022 Number	2021 Number
£60,001 to £70,000	-	1

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,878	37,046
Other debtors	-	420
Prepayments and accrued income	16,657	19,959
	<u>21,535</u>	<u>57,425</u>

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2021	1,275,000	59,706	285,631	1,620,337
Additions	-	-	44,600	44,600
	<u>1,275,000</u>	<u>59,706</u>	<u>330,231</u>	<u>1,664,937</u>
At 31 March 2022	1,275,000	59,706	330,231	1,664,937
Depreciation and impairment				
At 1 April 2021	-	56,959	110,899	167,858
Depreciation charged in the year	-	1,374	40,414	41,788
	<u>-</u>	<u>58,333</u>	<u>151,313</u>	<u>209,646</u>
At 31 March 2022	-	58,333	151,313	209,646
Carrying amount				
At 31 March 2022	<u>1,275,000</u>	<u>1,373</u>	<u>178,918</u>	<u>1,455,291</u>
At 31 March 2021	<u>1,275,000</u>	<u>2,747</u>	<u>174,731</u>	<u>1,452,478</u>

Land and buildings with a carrying amount of £1,275,000 were revalued at 30 September 2013 by Chartered Surveyors, 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.

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	34,881	31,908
Other taxation and social security	12,083	14,150
Accruals and deferred income	57,121	79,423
	<u>104,085</u>	<u>125,481</u>

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 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 2021	Incoming resources	Resources expended	Transfers
	£	£	£	£
Infection control grant	70,900	23,091	(41,442)	-
Rapid test grant	12,183	24,059	(36,242)	-
Vaccine fund	-	545	(554)	9
Staff retention grant	-	8,802	(8,914)	112
	<u>83,083</u>	<u>56,497</u>	<u>(87,152)</u>	<u>121</u>
	<u>83,083</u>	<u>56,497</u>	<u>(87,152)</u>	<u>121</u>

The restricted funds represent 4 separate grant monies received to assist with additional requirements as a direct impact of COVID-19.

13 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 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£
Property maintenance	44,367	4,560	(33,681)	15,246
	<u>44,367</u>	<u>4,560</u>	<u>(33,681)</u>	<u>15,246</u>
	<u>44,367</u>	<u>4,560</u>	<u>(33,681)</u>	<u>15,246</u>

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

14 Events after the reporting date

On 4 August 2022 the sale of the Sandringham property was completed for an amount of £1.225m.

15 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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Fund balances at 31 March 2022 are represented by:				
Tangible assets	1,397,506	-	57,785	1,455,291
Current assets/(liabilities)	1,097,834	13,706	(5,236)	1,106,304
	<u>2,495,340</u>	<u>13,706</u>	<u>52,549</u>	<u>2,561,595</u>

17 Analysis of changes in net funds

The charity had no debt during the year.

18 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(126,193)	21,436
Adjustments for:		
Depreciation and impairment of tangible fixed assets	41,788	30,259
Movements in working capital:		
Decrease in debtors	35,890	56,725
(Decrease) in creditors	(21,397)	(67,073)
Cash (absorbed by)/generated from operations	<u>(69,912)</u>	<u>41,347</u>