

Registered Company No: 04693798 (England & Wales)
Charity No: 1098508

DONNINGTON HOUSE CARE HOME LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

DONNINGTON HOUSE CARE HOME LIMITED INFORMATION

Constitution

The organisation is a charitable company limited by guarantee, incorporated on 11 March 2003 and registered as a Charity on 11 July 2003. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association.

Objects of the Charity

The object of the Charity is to provide residential accommodation and associated amenities for persons in need of nursing or other care and with a connection to Chichester or the surrounding area whether by way of birth, family or other association.

Directorate

J H S Shippam (Chairman)
J N Evershed-Martin
V B Bevis
Dr G Tamlyn
A Hutchings
J P Christopher
Mrs N Turner
J C Evershed-Martin

Company Secretary

Mrs N Turner

Matron/Manager

J Kewell

Business Manager

S Lafferty

Bankers

National Westminster Bank plc
5 East Street
Chichester
West Sussex
PO19 1HH

Auditors

Moore (South) LLP
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Solicitors

Irwin Mitchell
Thomas Eggar House
Friary Lane
Chichester
West Sussex
PO19 1UF

Registered Office

12 Birdham Road
Donnington
Chichester
West Sussex
PO19 8TE

DONNINGTON HOUSE CARE HOME LIMITED

CONTENTS

	<u>Pages</u>
Trustees' annual report and strategic report	1 - 5
Report of the independent Auditors	6 - 9
Statement of financial activities (including Income and expenditure account)	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

**TRUSTEES' AND DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

The trustees, who are also directors of the company, present their annual report on its affairs together with the financial statements and auditors' report for the year ended 31 May 2021.

Structure, Governance and Management

Objects of the Charity

The object of the Charity is to provide residential accommodation and associated amenities for persons in need of nursing or other care and with a connection to Chichester or the surrounding area whether by way of birth, family or other association.

The organisation is a charitable company limited by guarantee, incorporated on 11 March 2003 and registered as a charity on 11 July 2003. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association.

The company is registered in England and Wales with the registered number 04693798.

The Charity is registered with the Charity Commission with the registered number 1098508.

Organisation

The Charity is controlled by the Board of Directors, who are also the trustees.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

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

**TRUSTEES' AND DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MAY 2021****Principal activities, achievements and business review**

The principal activity of the Charity continued to be that of the provision of residential accommodation for persons in need of nursing or other care, associated to the Chichester area and in this context the Trustees have taken into consideration the charity's aims in respect of Public Benefit.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Management attend a Managers Forum quarterly that provides valuable information regarding legislation and it shares best practice among all local Home managers.

Senior management are very aware of monitoring staff costs and keeping within budget, using our own staff as much as possible in preference to agency which have not been used during this year. Our Deputy Matron will be responsible for proactively applying for any, and all, benefits we are entitled to.

The trustees continue to appreciate the hard work of the entire staff and the high standard of care that they give our residents particularly during the pandemic.

Covid-19 has continued to significantly impact the practices within Donnington House. We have had periods of closure but are now open for visitors and we have continued to keep some rooms available for testing and staff changing. It has also changed daily working and added a lot of time to tasks usually completed with ease. Going forward to 21-22 we continue to be open to visitors (when guidelines allow). This does however still include significantly more work due to test checks, sanitizing and escorting. Throughout 20-21 we had at least two, and up to six, rooms vacant for Covid reasons and this continued into 21-22, but from November 21 all but two rooms are occupied with a plan to occupy one of these as soon as possible (leaving just one room vacant for Covid reasons). We have been given further infection control grants totalling £56,500 by West Sussex County Council to be used to cover extra salary costs incurred and PPE costs and we anticipate further payments from the same source, for the same reason. Further grant information is not yet available.

We have had no deaths from covid-19. PPE and infection control has been a huge priority and at times staff even wore pajamas to care for residents as there were no gowns available. Extra cleaning such as hourly wiping of door handles continues to take up much time as does all the additional paper work and reporting.

We remain grateful to the Bassil Shippam & Alsford Trust and the F G Woodger Trust for their continued support of the Charity.

Fixed assets

Tangible fixed assets are all held for use by the Charity. The buildings were last valued in September 2019 by Marshall Clark, Chartered Surveyors, for insurance reinstatement purposes, at £4,520,000.

**TRUSTEES' AND DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MAY 2021****Risk management**

The trustees examine the major risks that the charity faces each year when preparing and updating the strategic plan, or more frequently as circumstances arise. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the home in the future.

A comprehensive risk register measures the extent of each risk and its likely impact on the charity's business. In relation to finance, the charity recognises that as 99% of its income, excluding grants and donations, is derived from residents' contributions, any significant reduction in residents represents a significant financial risk. The charity seeks to mitigate this by prudent budgeting and by ensuring that it retains sufficient reserves to meet unexpected annual deficits.

The charity also recognises the risks of a negative report from the Care Quality Commission and/or Health & Safety. The charity seeks to mitigate this by robust quality management procedures and regular staff training.

Trustee Training

The present Trustees have a wealth of experience and are fortunate in that they have access to professional advice, which keeps them abreast of developments which may affect the Charity. Board representation includes members with previous business experience as well as experienced legal, and architectural professionals. A local GP acts as an advisor to the Home and attends board meetings whenever possible.

Investment policy and performance

The trustees have the power to invest in such assets as they see fit.

The Charity sometimes needs to react very quickly to particular emergencies and has a policy of keeping enough working capital in short-term deposits which can be accessed readily. Any further funds are invested by the Charity's investment managers to whom day to day management of investments has been delegated by the directors.

The Trustees continue to keep under review the investment strategy.

Future

The Charity remains in a sound financial state as a result of setting a realistic budget target for the home's operations. However concerns still remain that statutory funding caps and cutbacks will have a detrimental impact on our ability to maintain and build upon our reserves and the Trustees continue to look at other possible sources of funding from benefactors and other trusts, with a view to mitigating the long term effects. The charity has chosen to use the current building and facilities to their full potential rather than develop them further.

Financial Review

The directors report a surplus of £82,168 for the year ended 31 May 2021. The balance sheet value of the Charity's net assets at 31 May 2021 was £1,413,131. This improvement was largely due to grants received and the recovery in value of the Charity's investments.

**TRUSTEES' AND DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MAY 2021****Reserves**

As outlined above the principal activity of the Charity is to provide residential accommodation and associated amenities for persons in need of nursing or other care, with a connection to Chichester. The Charity's main sources of income are of an ongoing and recurring nature and are derived from contributions from residents and or funding received on their behalf from Social and Caring Services and Clinical Commissioning Groups.

In assessing the free reserves of the Charity, which are those funds not tied up in fixed assets, and restricted funds, the Board reviewed this constant flow of income and have taken the view that free reserves should be established at a level equivalent to six months operating costs. This is to cover premises, administrative and support costs to satisfy the requirement to provide residential facilities. The home has achieved an increase in free reserves and currently they stand at just over four months; the aim continues to be to reach a figure closer to the recommended level of six months, and the Trustees strategy continues to achieve this.

Public Benefit

The Charity's area of benefit places a geographical restriction which limits the acceptance of residents to those who live or have strong family ties to the area of Chichester and District.

The home was established in 1952 with the ethos of giving help to the less well-off elderly and continues to make its accommodation available to such individuals, subject to demand. Welfare changes mean that today, the less well-off will be funded by the relevant statutory bodies, provided they meet their financial criteria, and will be assessed by them prior to placement in the care environment. Owing to the capping of Social Services rates paid to care homes, none of the rates charged for our rooms now fall within the funding rates paid by West Sussex County Council – the relevant local authority. However the Trustees will continue to exercise their discretion in respect of admissions, where the local authority will be funding the care, to ensure that the home continues to observe its charitable aims and, provided their care needs can be met no person is refused care because of any inability to meet our charges in full.

The home is restricted by the statutory regulatory body (the Care Quality Commission) with regard to the minimum age of its residents and certain care needs cannot be met under the terms of our registration. In all other respects the Charity does not discriminate on the grounds of gender, sexual orientation or ethnic origin.

Governance

Directors are appointed by the members in general meeting, except where an appointment is made to fill a casual vacancy, in which case the directors can appoint a new director to hold office until the next Annual General Meeting.

The directors who served during the period are shown below:

J H S Shippam (Chairman)

J N Evershed-Martin

V B Bevis

A E Bareham (Resigned 10 December 2021)

T Hembling (Resigned 23 November 2020)

Dr G Tamlyn

A Hutchings

J P Christopher

J Solly (Resigned 31 October 2021)

D E Nicholls (Resigned 23 November 2020)

Mrs N Turner (Appointed 23 November 2020)

J C Evershed-Martin (Appointed 15 February 2021)

All of the Trustees give their time voluntarily and received no benefits from the Charity. No expenses were reimbursed to them during the year.

**TRUSTEES' AND DIRECTORS' ANNUAL REPORT continued
FOR THE YEAR ENDED 31 MAY 2021**

Auditors

The board will place a resolution before the Annual General Meeting for the re-appointment of Moore (South) LLP as auditors for the ensuing year.

Statement of disclosure to auditor

So far as the directors are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board.

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J H S Shippam
Director

Date: 30 March 2022

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF DONNINGTON HOUSE CARE HOME LIMITED****Opinion**

We have audited the financial statements of Donnington House Care Home Limited for the year ended 31 May 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS102, 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 May 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit 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 charitable company'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONTINUED)**TO THE MEMBERS OF DONNINGTON HOUSE CARE HOME LIMITED continued****Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report for the financial year for which the accounts are prepared, is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 1, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF DONNINGTON HOUSE CARE HOME LIMITED continued

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior experience and appropriate knowledge of the client and who had the required competence and skills in the not-for-profit sector to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud. Management override was identified as a significant fraud risk. This is due to the ability to bypass controls and accounting policies adopted.
- Revenue recognition was identified as a significant risk, specifically with regards to completeness of income.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact and effect of COVID-19 on the operations of the charitable company and adapted our approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed grants received, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties and in particular Trustees; and
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to the completeness of income we:-

- performed analytical procedures to identify any unusual or unexpected relationships, along with comparison to budget;
- reconciled fee income in total compared to known occupancy and fee rates,
- tested a sample of grants and donations to supporting documentation confirming income was correctly accounted for; and
- reviewed income received around the year end, ensuring cut-off correctly applied.

INDEPENDENT AUDITORS' REPORT (CONTINUED)**TO THE MEMBERS OF DONNINGTON HOUSE CARE HOME LIMITED continued**

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from the financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment of collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A S Wulff (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

19 April 2022
.....

Chartered Accountants
Statutory Auditor

City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Moore (South) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MAY 2021

	<u>Notes</u>	Unrest- ricted <u>Funds</u>	Restricted <u>Funds</u>	Total <u>2021</u>	Total <u>2020</u>
Income from:					
Voluntary Income:					
Donations		27,608	29,883	57,491	23,826
Grants		61,737	-	61,737	10,000
Investment income – dividends		820	-	820	1,011
Charitable activities:					
Contributions for residents fees		1,566,847	-	1,566,847	1,627,577
Other income		30	-	30	343
Total income		<u>1,657,042</u>	<u>29,883</u>	<u>1,686,925</u>	<u>1,662,757</u>
Expenditure on:					
Cost of generating funds:					
Investment management costs		3,042	-	3,042	3,160
Charitable activities:					
Premises		122,545	39,033	161,578	131,212
Support costs		1,439,968	-	1,439,968	1,462,032
Administration and management		57,447	1,250	58,697	50,607
Total expenditure	4	<u>1,623,002</u>	<u>40,283</u>	<u>1,663,285</u>	<u>1,647,011</u>
Net income / (expenditure)	5	34,040	(10,400)	23,640	15,746
Transfers between funds		-	-	-	-
Unrealised gains on investments		58,528	-	58,528	919
Net movement in funds - total comprehensive income		<u>92,568</u>	<u>(10,400)</u>	<u>82,168</u>	<u>16,665</u>
Funds brought forward		973,263	357,700	1,330,963	1,314,298
Funds carried forward	14	<u><u>£1,065,831</u></u>	<u><u>£347,300</u></u>	<u><u>£1,413,131</u></u>	<u><u>£1,330,963</u></u>

The statement of financial activities includes all gains or losses in the year. All incoming resources and resources expended derive from continuing activities.

The accompanying notes on pages 13 to 20 are an integral part of this statement of financial activities.

BALANCE SHEET
AS AT 31 MAY 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Fixed assets			
Tangible assets	8	781,831	801,087
Current assets			
Investments	9	364,941	308,635
Debtors	11	49,997	187,010
Cash at bank and in hand		412,461	154,813
		-----	-----
		827,399	650,458
Creditors			
Amounts falling due within one year	12	(196,099)	(120,582)
		-----	-----
Net current assets		631,300	529,876
		-----	-----
Total assets less current liabilities		£1,413,131	£1,330,963
		=====	=====
 Called up share capital	13	-	-
Unrestricted income funds			
General funds	14	1,065,831	973,263
Restricted funds	14	347,300	357,700
		-----	-----
Total funds		£1,413,131	£1,330,963
		=====	=====

Signed on behalf of the Board on: 30 March 2022

.....
J H S Shippam
 Director

The accompanying notes on pages 13 to 20 are an integral part of this balance sheet.

Company Registration No: 04693798

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

	<u>Notes</u>	<u>£</u>	2021 <u>£</u>	<u>£</u>	2020 <u>£</u>
Cash inflow / (outflow) from operating activities	6	264,635		(35,214)	
Cash flow from investing activities					
Interest received		30		343	
Dividends received		820		1,011	
Disposal of investments		2,222		2,149	
Investment management costs		(3,042)		(3,160)	
Payments to acquire tangible assets		(7,017)		(6,711)	
		-----		-----	
Net cash used in investing activities			(6,987)		(6,368)
			-----		-----
Net increase / (decrease) in cash and cash equivalents			257,648		(41,582)
Cash and cash equivalents at 1 June			154,813		196,395
			-----		-----
Cash and cash equivalents at 31 May			£412,461		£154,813
			=====		=====
Cash and cash equivalents consist of:					
Cash at bank and in hand			28,402		41,569
Bank deposit accounts			384,059		113,244
			-----		-----
			£412,461		£154,813
			=====		=====

The accompanying notes on pages 13 to 20 are an integral part of this statement of cash flows.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2021****1 Accounting policies**

The Charity's registered office is 12 Birdham Road, Donnington, Chichester, West Sussex, PO19 8TE. The Charity is a company limited by guarantee. The members of the Charity are the trustees named on page 4. In event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard 102, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Donnington House Care Home Limited constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity and have been rounded to the nearest £1.

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. This expectation is based on a thorough review of the budgets and financial forecasts. The Charity has taken advantage of the various government and local authority support grants offered.

Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Funds

General unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

Designated funds are funds which have been set aside at the discretion of the trustees for particular projects.

Restricted funds are funds to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

All income and expenditure is shown in the Statement of Financial Activities (SoFA).

1.3 Restricted income

Donations and grants given for specific purposes are treated as restricted income.

1.4. Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

There were no material gifts in kind during the year and no amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

**NOTES TO THE ACCOUNTS continued
FOR THE YEAR ENDED 31 MAY 2021****1.5. Expenditure recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred. The cost headings comprise expenditure, including staff costs, directly attributable to each activity.

Costs of generating funds, if any, are those costs related to administering voluntary donations, investments and fundraising activities. Governance costs relate to the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Central overheads may be allocated on the basis of their use.

Resources expended include attributable VAT which cannot be recovered.

1.6 Tangible fixed assets

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

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold property	2% straight line on buildings
Equipment, fixtures and fittings	straight line over 4, 5 and 10 years

1.7 Investments

Investments are stated at fair value at the balance sheet date which, in the case of publicly traded investments is the stock market value. The SoFA includes the net gains and losses arising on revaluations and disposals throughout the period.

1.8 Employee benefits

The Charity has arranged a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately from those of the Charity. Pension costs charged in the SoFA represent the contributions payable by the Charity in the year.

1.9 Financial instruments

Financial instruments are recognised in the statements of financial activities when the Charity becomes a part to the contractual provisions of the instrument. Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure.

1.10 Cash flow statement

Under the provisions of FRS102 the company has not prepared a cash flow statement because it is entitled to the exemptions available for small companies.

**NOTES TO THE ACCOUNTS continued
FOR THE YEAR 31 MAY 2021**

1.11 Taxation

No corporation tax has been provided in these accounts because the income of the Charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

2. Critical judgements and estimates

In preparing the accounts, the trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Depreciation – the Charity accounts for depreciation in accordance with FRS102. The depreciation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgements are made on the estimated useful life of the assets which are regularly reviewed.

3. Comparative Statement of Financial Activities

All amounts included in the statement of financial activities for 2020 relate to unrestricted funds with the exception of grant income of £10,000 and recurring annual costs of £9,150 allocated to the restricted building fund.

4. Analysis of total funds expended

	<u>Fund raising</u>	<u>Investment</u>	<u>Charitable activity</u>	<u>Governance</u>	<u>Total</u>
Staff costs	-	-	1,312,077	-	1,312,077
Other costs	-	3,042	312,022	9,871	324,935
Depreciation	-	-	26,273	-	26,273
	-----	-----	-----	-----	-----
	-	3,042	1,650,372	9,871	1,663,285
	-----	-----	-----	-----	-----

NOTES TO THE ACCOUNTS continued
FOR THE YEAR 31 MAY 2021

5. Net incoming resources for the period

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Depreciation on tangible fixed assets	26,273	25,565
Operating lease rentals		17,877
Auditors' remuneration - Audit	6,600	6,600
- Other services	3,271	3,847
	<u>=====</u>	<u>=====</u>

6. Statement of cash flows

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming resources	84,360	18,471
Depreciation of tangible assets	26,273	25,565
Unrealised gain on investments	(58,528)	(919)
(Increase)/decrease in debtors	137,013	(58,194)
(Decrease)/increase in creditors	75,517	(20,137)
	<u>-----</u>	<u>-----</u>
Net cash inflows / (outflows) from operating activities	<u>£264,635</u>	<u>£(35,214)</u>

7. Staff costs

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Particulars of employees are shown below:		
Employee costs during the year amounted to:		
Wages, salaries and pensions	1,194,057	1,211,036
Social security costs	94,428	91,060
Pension costs	23,592	22,100
Agency staff costs	-	5,709
	<u>-----</u>	<u>-----</u>
	<u>£1,312,077</u>	<u>£1,329,905</u>

	<u>2021</u>	<u>2020</u>
The average number of persons employed by the charity during the year, including part time posts, was:		
Household	14	14
Qualified nurses	13	13
Care staff	34	32
Administration and management	3	3
	<u>-----</u>	<u>-----</u>
	<u>64</u>	<u>62</u>

The trustees do not receive remuneration for their services to the Charity. No travel or other expenses were incurred or reimbursed relating to the trustees during the year. No employee earned more than £60,000 per annum.

NOTES TO THE ACCOUNTS continued
FOR THE YEAR ENDED 31 MAY 2021

8. Tangible fixed assets

The movement in the year was as follows:

	<u>Freehold Property</u>	<u>Equipment, Fixtures and Fittings</u>	<u>Total</u>
<u>Cost</u>			
At 1 June 2020	949,381	241,510	1,190,891
Additions	-	7,017	7,017
	-----	-----	-----
At 31 May 2021	949,381	248,527	1,197,908
	-----	-----	-----
<u>Depreciation</u>			
At 1 June 2020	214,535	175,269	389,804
Charge for the period	15,721	10,552	26,273
	-----	-----	-----
At 31 May 2021	230,256	185,821	416,077
	-----	-----	-----
<u>Net Book Value</u>			
At 31 May 2021	<u>£719,125</u>	<u>£62,706</u>	<u>£781,831</u>
<u>Net Book Value</u>			
At 31 May 2020	<u>£734,846</u>	<u>£66,241</u>	<u>£801,087</u>

The net book value at 31 May 2021 represented fixed assets used for direct charitable purposes.

In September 2019 the trustees obtained an independent professional reinstatement cost assessment of the Charity's freehold property for insurance purposes of £4,520,000 by Marshall Clark Chartered Surveyors.

NOTES TO THE ACCOUNTS continued
FOR THE YEAR ENDED 31 MAY 2021

9. Investments - listed	<u>Market value</u>
Market value at 1 June 2020	308,635
Additions	-
Disposals	(2,222)
Realised and unrealised gains	58,528

Market value at 31 May 2021	<u>£364,941</u>

Market value includes portfolio cash of £nil (2020 - £nil).

Significant investments (market value > 5% of total)

ASI Strategic Bond Fund I (ACC) 22,656 units	41,380
Blackrock UK Fund S GBP (ACC) 11,580 units	20,335
M+G North American Dividend Fund Sterling I (INC) 831 units	27,077
Merian UK Mid Cap Fund U1 GBP (ACC) 12,487 units	26,735
Schroder US Smaller Companies Fund Z GBP (ACC) 14,415 units	25,039
SVS Cornelian Managed Growth D (ACC) 37,817 units	80,814
MI Twentyfour AM Dynamic Bond Fund I Shares (ACC) 127 units	23,857
	=====

10. Financial instruments

	<u>2021</u>	<u>2020</u>
Financial assets at amortised cost	407,732	482,296
Financial liabilities at amortised cost	(175,128)	(95,710)
	-----	-----
	<u>£232,604</u>	<u>£386,586</u>
	=====	=====

Financial assets comprise investments, trade debtors and accrued income.
 Financial liabilities comprise trade creditors and accruals.

NOTES TO THE ACCOUNTS continued
FOR THE YEAR ENDED 31 MAY 2021

11. Debtors: Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
Residents' contributions due	42,791	173,661
Prepayments and accrued income	7,206	13,349
	-----	-----
	£49,997	£187,010
	=====	=====

12. Creditors: Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
Trade creditors	99,762	26,710
Taxation and social security	20,971	24,872
Accruals	75,366	69,000
	-----	-----
	£196,099	£120,582
	=====	=====

13. Called up share capital

The company is limited by guarantee, and as such has no issued share capital.

In the event of the company being dissolved, all the members of the company, and those that were members within the last twelve months, have promised to contribute a sum not exceeding £1 as may be demanded of them towards the payment of the debts and liabilities of the Charity.

14. Funds

	<u>Balance</u> <u>01.06.20</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance</u> <u>31.05.21</u>
Unrestricted					
Designated funds	7,311	-	-	-	7,311
General funds	965,952	1,715,570	(1,623,002)	-	1,058,520
	-----	-----	-----	-----	-----
Total unrestricted funds	973,263	1,715,570	(1,623,002)	-	1,065,831
Restricted funds					
Building fund	347,700	-	(9,150)	-	338,550
National lottery grant	10,000	-	(1,250)	-	8,750
Lift refurbishment fund		29,883	(29,883)	-	-
	-----	-----	-----	-----	-----
	357,700	29,883	(40,283)	-	347,300
	-----	-----	-----	-----	-----
Total funds	£1,330,963	£1,745,453	£(1,663,285)	£-	£1,413,131
	=====	=====	=====	=====	=====

Designated funds relate to donations which have been earmarked for specific projects and events. The restricted building fund relates to donations received and expenditure regarding the extension, redevelopment and refurbishment work undertaken at the care home. The National lottery grant relates to the provision of an engaging sensory environment for residents. The lift refurbishment fund relates to a specific donation for that purpose.

NOTES TO THE ACCOUNTS continued
FOR THE YEAR ENDED 31 MAY 2021

15. Analysis of net assets between funds

As at 31 May 2021	Unrestricted Funds	Restricted Funds	Total Funds
Tangible fixed assets	439,531	342,300	781,831
Investments	364,941	-	364,941
Other current assets	457,458	5,000	462,458
Current liabilities	(196,099)	-	(196,099)
Total net assets	£1,065,831	£347,300	£1,413,131

16. Financial Commitments

At 31 May 2021 the Charity had total commitments under non-cancellable operating leases as follows:

	Other 2021 £	Other 2020 £
Payable:		
Within one year	21,473	19,137
	=====	=====
Two to five years	62,075	60,648
	=====	=====
In over five years	3,127	6,500
	=====	=====

17. Related party transactions

During the year the Charity received donations of £15,000 (2020: £15,000) from the Bassil Shippam and Alsford Trust. J H S Shippam is also a trustee of this trust.

18. Control relationship

The Charity is controlled by the Board of Trustees.