

Charity Registration No. 1140242

Company Registration No. 07394756 (England and Wales)

Preston Bethany Care

**Annual Report and
Unaudited Financial
Statements**

**For the Year Ended
31 March 2021**

PRESTON BETHANY CARE

LEGAL AND ADMINISTRATIVE INFORMATION

Operating name	Bethany House
Trustees	Ms J Kay (Chairperson) Mr A Wright Mr S Henderson (Treasurer) Dr P Johns Mrs G Nixon-Smith Miss S Etherington Mr M Passmore
Home manager	Mrs G Whitfield
Charity number	1140242
Company number	07394756
Registered office and operation address	Bethany House Gamull Lane Preston Lancashire PR2 6TQ
Independent examiner	Julie Flintoff BA (Hons) FCA Azets Charter House Pittman Way Fulwood Preston PR2 9ZD
Bankers	HSBC Bank Plc Preston 49a Fishergate Preston Lancashire PR1 8BQ Kingdom Bank Ruddington Fields Business Park Mere Way Ruddington Nottingham

PRESTON BETHANY CARE

LEGAL AND ADMINISTRATIVE INFORMATION

Furness Building Society
51 - 55 Duke Street
Barrow in Furness
Cumbria

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Unity Trust Bank
Four Brindley Place
Birmingham
B1 2JB

The Charity Bank Ltd
Fosse House 182 High Street
Tonbridge
TN9 1BE

Cumberland Building Society
90 Fishergate
Preston
PR1 2NJ

Solicitors

Napthens Solicitors
7 Winckley Square
Preston
Lancashire
PR1 3JD

PRESTON BETHANY CARE

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PRESTON BETHANY CARE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

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

Overview of Bethany House

Preston Bethany Care (PBC) is entirely operated by volunteer director/trustees who provide oversight of the charitable and company requirements for the operation of Bethany House residential care home. The director/trustees also aim to widen the reach and care provided to the elderly within the local Christian community.

Bethany House is a comprehensively equipped residential care home for the elderly, staffed entirely by professional management and care staff. Bethany House objectives are provide care to all residents to a standard of excellence which embraces fundamental principles of Good Care Practice, and that this may be witnessed and evaluated through the practice, conduct and control of quality care in the home.

Bethany House is a Christian Home that upholds the principles outlined in the Statement of Faith of the Evangelical Alliance. Respect and assistance are given to enable each resident to follow their faith during their time living at Bethany House and to encourage them to continue living and serving their particular local church.

Bethany House has the capacity to care for 26 residents and during the year under review PBC have maintained a relatively high level of occupancy despite Covid 19. During FY 2020-21 visitors and officials visits were severely constrained.

The home is managed by a general manager together with two care managers and administrative support.

Objectives and activities

Bethany House staff team are supported and professionally trained to:

- provide proactive person centred care for all residents.
- provide personal care which assures all residents and their families of the highest possible quality of life whilst living in Bethany House.
- be flexible, attentively, non-discriminatory, and respectful of individual resident rights to independence, privacy, dignity, fulfilment, and the right to make informed choices and to take risks.
- ensure that each resident's needs and values are respected in matters of religion, culture, race or ethnic origin, sexuality and sexual orientation, political affiliation, marital status, parenthood and disabilities or impairments.
- ensure that the care service as a whole, is delivered in accordance with agreed Contracts for Care and the individual personal care plan.
- manage and deliver a formal programme of staff planning, selection, recruitment, training, personal development and rostering, to enable resident's care needs to be fully met.
- manage the care service efficiently and effectively to make best use of resources and to maximise value for money for the residents.
- ensure that all residents and their families receive written information on the Bethany House procedures for handling complaints, comments and compliments, and how to use it.

PRESTON BETHANY CARE

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

- ensure that Bethany House provides a secure, relaxed, and homely environment in which individual care, well-being and comfort are of prime importance.
- preserve and maintain the dignity, individuality and privacy of all residents within a warm and caring atmosphere, they are sensitive to residents' ever changing needs. Such needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social, and residents are encouraged to participate in the development of their individualised care plans in which the involvement of family and friends may be appropriate and is greatly valued.
- to provide programmes of activities designed to encourage mental alertness, self-esteem, and social interaction with other residents, and with recognition of the core values of care, which are fundamental to the philosophy of Preston Bethany Care and delivered through Bethany House.

The above objectives are achieved by:

- ensuring that all staff are appropriately trained and qualified to deliver the highest standards of care.
- delivering a continuous staff-training programme which ensure that these high standards are maintained in line with the latest initiatives and developments in care practices as may be laid down in appropriate legislation.
- staff working towards PBC and Bethany House on-going objectives.
- the integration of efficient administrative practices with first class standards of care in accordance with the requirements for registration with the Care Quality Commission and appropriate supplementary regulations.

The director/trustees aim to provide sufficient resources to ensure the Bethany House staff team:

- are provided with competitive remuneration packages
- are provided with the appropriate equipment and materials to fulfil their roles
- are provided with high quality training
- work in pleasant, safe working conditions
- maintain or improve on the October 2019 CQC GOOD inspection rating
- support Lancashire County Council by; providing affordable residential care for elderly residents from the local community
- maintain its Investors in People Standard for a further three years from March 2020
- maintains its ISO 9001 certification from January 2020. This certification lasts for three years.

The director/trustees recognise the importance that the staff team fulfil in term of delivering high quality resident care. In recognition of the staff roles the director/trustees are continually reviewing and improving the environment and conditions in order to enhance staff engagement and satisfaction.

Fundamental Ethos of PBC

PBC's fundamental ethos are that residents who live in Bethany House should be able to do so in accordance with the PBC's Statement of Values which include the following key requirements, to:

- maintain residents' rights with specific focus on helping them to maintain their privacy and dignity.
- support residents to maintain their independence within a secure safe environment
- provide resident care in accordance PBC "core values of care" to help residents live fulfilled lives,

The director/trustees recognise the significance and value of Charity Commission (CC) guidance and they aim to incorporate CC guidance and recommendations within their oversight roles.

PRESTON BETHANY CARE

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

Public benefit

PBC recognise the importance of providing benefits to the communities that the charity serves. Guidance provided by the Charity Commission specifically identifies requirements to provide "public benefit". PBC fulfils this Public Benefit duty via a number of concurrent initiatives, including:

- financially supporting a part time community worker at Ascension fellowship, as they provide practical social and Spiritual support to the community around Gamull lane. Ascension fellowship deliver this support via their food bank, and their lunch club and generally being available as a "listening ear" for the local community.
- financially supporting a number of local authority residents who would not normally be able to afford the fees at Bethany House. PBC delivers this via their fee "top up" funding which is used to make up the shortfall in funding between the Local Authority funding and the accommodation fees.
- providing good quality work for local community staff.

The current director/trustees (like their predecessors) recognise that:

- the original costs of building Bethany House were largely met by gifts received via Preston Bethany Trust, thus reducing operating costs because there were no repayment or interest costs.
- their on-going voluntary work enables public benefit to continue, whilst maintaining competitive rates for the care provided.
- Bethany House residents benefit significantly from the reduced operational costs of Bethany House. there is an insatiable need for local authority care, so the director/trustees try to avoid creating "resident quotas" which could be perceived as benefitting either private funding or local authority funded residents.

Achievements and performance

During FY2020-21 neither PBC or Bethany House have been immune from the COVID-19 pandemic disruption, which has significantly impacted on most aspects of normal life.

The following commentary provides an overview of the progress compared to the 2020-21 objectives.

- The resident and staff have made numerous positive comments regarding the benefits of the additional Pastoral Care resource provided during the pandemic. The directors/trustees acknowledge the significant benefit that this additional Pastoral Care has had on the mental, physical & Spiritual wellbeing of residents and staff, especially at the height of the pandemic.
- Works to maintain and improve Bethany House have been curtailed during the pandemic, but Bethany House has managed to continue to maintain all the critical elements of the facilities.
- The pandemic has delayed progress developing the directors/trustees future strategies, postponed the director/trustee recruitment, and drastically reduced opportunities for director/trustees relationship development.

PBC Objectives for 2021/22

Due to the restrictions required to control COVID-19 the FY2021-22 objectives remain largely unchanged.

Continue to strengthen the charity board of directors to establish a team of individuals who will:

- continue to maintain PBC financial stability.
- continue to maintain and enhance Bethany House, to provide a homely welcoming environment for residents, staff and residents families.
- fulfil the aims and objectives in the statement of purpose and consolidate the developments from preceding years and to maintain business stability.
- consolidate PBC current position and develop vision and strategy.
- continue to raise the profile of the charity in the Christian community and develop links with local churches.
- continue to improve the physical environment of Bethany House.
- strengthen the Christian profile of the organisation and further develop pastoral care.

PRESTON BETHANY CARE

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

Impact of COVID-19

During February to April 2020 (*the very early stages of the COVID-19 pandemic*) Bethany House manager and the trustees recognised that COVID-19 was likely to have a long term unknown impact, and that they needed to act decisively because there was no obvious outcome. One of the initial actions was that the trustees approved the recruitment of additional staff resourcing. The additional staffing was approved to ensure that Bethany House would be able to continue to operate in event that existing staff became infected with the unknown virus.

As the pandemic developed the government recognised the impact of COVID-19 on the care sector and they started to provide financial support via additional grants. These grants were welcomed by the trustees, and they used the grants to ensure that residents and staff could implement all the changing requirements associated with mitigating the impact of COVID-19.

As the pandemic developed Bethany House used the grants to fund:

- increased staffing levels for the additional physical, emotional and spiritual care.
- additional support for residents and staff to help offset some of the loss of human contact from family and friends.
- increase staffing levels to provide additional resident support whilst resident were in isolations,
- additional routine and deep cleaning,
- retaining one bedroom as a social distanced space for staff to take breaks in line with guidance, and
- later in the year to provide a separate visitor area.

Throughout FY2020-21 the mitigation measures broadly worked very well, with a significant proportion of the staff able and willing to continue working, COVID-19 case were maintained at a very low level, and with the consultation and co-operation of residents' family and friends Bethany House also managed to deliver a healthy financial situation.

During the first quarter of FY2021-22 the impact of COVID-19 has been fairly significant, resulting in higher levels staff and resident infections, significantly higher levels of vacancies, reduced income, combined with the higher staffing costs required to care for residents who are all isolating.

The trustees recognised the need to take a much longer term view of the impact from COVID-19, and the need to ensure that adequate resources continue to provided well in to the future.

Financial review

The accompanying accounts show net income for the year of £100,717. This surplus has been achieved through the high occupancy levels maintained during the year, together with the financial government support during the COVID-19 pandemic.

The attached accounts show the current state of the finances which the trustees consider to be sound. The trustees are satisfied that the assets of the charity are available and adequate to fulfil the obligations of the Charity. They are also satisfied that the accounts comply with current statutory requirements and with the Trust Deed.

Reserves policy

In accordance with guidelines issued by the Charity Commission the level of reserves is considered and reviewed at regular intervals by the trustees. The trustees have previously adopted a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity, should be broadly equivalent to six months of expenditure. The director trustees recognise that COVID-19 presents one of the greatest risks to the future sustainability of the charity, because of its unknown impact on many aspects of the business. In recognition of this risk the director trustees have increased the reserves policy from 6 months to 12 months for FY2021-22, which for the current year would equate to £776,027. The free reserves are £957,912 (note 15).

Under the Trust Deed, the charity has the power to invest any surplus liquid funds as the directors/trustees see fit. The charity has had a policy of keeping such funds in short and medium term deposits which allows the charity to access the funds rapidly.

PRESTON BETHANY CARE

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

Risk Review

The director/trustees recognise the crucial role that they fulfil in minimising risks to the charity and the community they serve.

During 2020-21 the director/trustees used the Charity Commission (CC) guidance as the basis for a "root and branch" review of PBC risks: The review identified a variety of risks and the associated mitigations, the most significant finding/conclusions are summarised below:

- The director trustees recognise that COVID-19 presents one of the greatest risks to the future sustainability of the charity, because of its unknown impact on many aspects of the business. In recognition of this risk the director trustees have increased the reserves policy from 6 months to 12 months for FY2021-22.
- The review did not identify any major issues which were not already being mitigated, but the review did highlight some opportunities to improve processes and these are being progressed as required.
- Where new specific risks were identified these are to be mitigated as required below.

Identification and mitigation of major risks:

- Closure of Bethany House following a fire or other major trauma. This risk is incredibly difficult to plan the precise mitigation measure required, but it is envisaged that the insurance policy is sufficient to provide some confidence that appropriate alternative accommodation will be provided as required.
- Closure of the home by external bodies. The director/trustees closely monitor how Bethany House is performing via a number of 3rd party registration bodies. These provide the director/trustees with some ongoing assurance that the current Care Quality Commission requirements are being fulfilled.
- Loss of computer held data - computer data is backed up constantly using an online backup service.
- Loss of income due to falling occupancy. The director/trustees closely monitor occupancy levels (generally in excess of 95%), this helps them to plan budgets, staffing levels and future developments.

PRESTON BETHANY CARE

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

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 2nd October 2010 and registered as a charity in February 2011. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its articles of association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

The company was formed to take the assets and responsibility for management of the residential care home Bethany House. This was previously operated for many years by Preston Bethany Trust, a charity founded in March 1981. On 1st April 2011 the assets and responsibility for management of Bethany House was transferred from Preston Bethany Trust to Preston Bethany Care, and subsequently Preston Bethany Trust was removed from the Charity Commission register of charities.

The trustees who served during the year were:

Trustees who are also directors for the purpose of company law:

Ms J Kay (Chairperson)

Mr A Wright

Mr S Henderson (Treasurer)

Dr P Johns

Mrs G Nixon-Smith

Miss S Etherington

Mr M Passmore

Appointment of Trustees

The existing trustees are approaching charities in the local area to promote an awareness of Preston Bethany Care in the search for new trustees. A short video has been produced explaining the care Preston Bethany Care provides and what it means to be a trustee.

Trustees are elected to serve for a period of three years after which they must be re-elected. All trustees give their time voluntarily and receive no benefit from the charity.

Trustee induction and training

On appointment new trustees are inducted in the workings of the charity and provided with a directors pack which has the last accounts and minutes of trustee meetings. Information on the role and responsibilities of a trustee is given by provision of appropriate Charity Commission information. All trustees receive a DBS check prior to taking up responsibilities.

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

.....
Ms J Kay (Chairperson)

Trustee

Dated:

PRESTON BETHANY CARE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PRESTON BETHANY CARE

I report to the trustees on my examination of the financial statements of Preston Bethany Care (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Julie Flintoff BA (Hons) FCA
Charter House
Pittman Way
Fulwood
Preston
Lancashire
PR2 9ZD

Dated:

PRESTON BETHANY CARE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Unrestricted funds	
	Notes	£	£	Total 2021	Total 2020
				£	£
<u>Income from:</u>					
Donations, legacies and grants	2	13,002	65,907	78,909	478
Charitable activities	3	793,234	-	793,234	761,166
Investments	4	4,662	-	4,662	3,665
Total income		810,898	65,907	876,805	765,309
<u>Expenditure on:</u>					
Charitable activities	5	731,475	44,552	776,027	715,870
Net incoming resources before transfers		79,423	21,355	100,778	49,439
Gross transfers between funds		21,355	(21,355)	-	-
Net income for the year/ Net movement in funds		100,778	-	100,778	49,439
Fund balances at 1 April 2020		1,275,351	-	1,275,351	1,225,912
Fund balances at 31 March 2021		1,376,129	-	1,376,129	1,275,351

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

All income and expenditure derive from continuing activities.

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

PRESTON BETHANY CARE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	9		523		572
Tangible assets	10		417,694		427,090
			<u>418,217</u>		<u>427,662</u>
Current assets					
Debtors	11	4,967		4,620	
Cash at bank and in hand		1,001,918		891,323	
		<u>1,006,885</u>		<u>895,943</u>	
Creditors: amounts falling due within one year	12	(48,973)		(48,254)	
Net current assets			<u>957,912</u>		<u>847,689</u>
Total assets less current liabilities			<u><u>1,376,129</u></u>		<u><u>1,275,351</u></u>
Income funds					
<u>Unrestricted funds - general</u>					
Designated funds	15	418,217		427,662	
General unrestricted funds		<u>957,912</u>		<u>847,689</u>	
			<u>1,376,129</u>		<u>1,275,351</u>
			<u><u>1,376,129</u></u>		<u><u>1,275,351</u></u>

For the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

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

.....
Mr S Henderson (Treasurer)
Trustee

Company Registration No. 07394756

PRESTON BETHANY CARE**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	20		116,828		98,678
Investing activities					
Purchase of tangible fixed assets		(10,895)		(4,994)	
Interest received		4,662		3,665	
Net cash used in investing activities			(6,233)		(1,329)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			110,595		97,349
Cash and cash equivalents at beginning of year			891,323		793,974
Cash and cash equivalents at end of year			1,001,918		891,323

PRESTON BETHANY CARE

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

1 Accounting policies

Charity information

Preston Bethany Care is a private company limited by guarantee incorporated in England and Wales. The registered office is Bethany House, Gamull Lane, Preston, Lancashire, PR2 6TQ.

1.1 Accounting convention

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

The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. 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 comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. At present there are no restricted funds.

1.4 Income

Incoming resources from charitable activities comprise resident fees accounted for in the period to which the service is provided. Fees paid for care after 31 March 2019 are carried forward as deferred income.

Voluntary income received by way of donations is included in incoming resources on a receivable basis.

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.

Grants receivable are recognised on a performance basis when all conditions have been fulfilled.

Investment income in the form of bank interest is credited when receivable.

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered.

The expenditure on charitable activities includes the costs of running the home, support and governance costs which have been allocated to the only charitable activity which is the provision of care to residents of Bethany House.

Governance costs comprise all costs including the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal fees together with trustee insurance.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Trade marks	10% Straight line
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1.7 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.

The trustees do not apply a minimum value on items that will be recognised as fixed assets. The trustees review the fixed assets and the general decor of the home on a quarterly basis and implement a policy of repairs or replacement as necessary in the best interests of the charity.

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:

Leasehold land and buildings	Over the life of the lease
Plant and equipment	15% Straight Line
Fixtures and fittings	20% Reducing Balance
Computers	33.3% Straight Line
Furniture and equipment	20% Reducing Balance

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

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.9 Cash at bank

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.

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity only has financial assets (debtors, cash and bank balances) and liabilities (creditors and accruals) of a kind that qualify as basic financial instruments. They are initially recognized at transaction value and subsequently measured at their settlement value.

1.11 Employee benefits

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

1.12 Retirement benefits

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions are charged as an expense as they fall due.

1.13 Value added tax

VAT is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

2 Donations, legacies and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Donations and gifts	800	-	800	478
Job Retention Scheme	12,202	-	12,202	-
Other government grants	-	65,907	65,907	-
	<u>13,002</u>	<u>65,907</u>	<u>78,909</u>	<u>478</u>
For the year ended 31 March 2020	<u>478</u>	<u>-</u>		<u>478</u>

3 Charitable activities

	2021 £	2020 £
Residential fees	<u>793,234</u>	<u>761,166</u>

4 Investments

	2021 £	2020 £
Interest receivable	<u>4,662</u>	<u>3,665</u>

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	2021 £	2020 £
Staff costs	619,908	555,095
Depreciation, amortisation and loss on disposal of fixed assets	20,340	19,040
Food & consumables	54,995	58,448
Heat & light	15,235	15,127
Rates	7,111	7,330
Rest home insurance	4,429	4,162
Registration & other fees	4,219	4,938
Telephone	1,156	1,226
Printing, postage, stationery & advertising	3,969	2,120
Repairs & renewals	17,109	25,681
Motor expenses	176	347
Miscellaneous	6,024	2,985
Gardening	2,320	3,115
Clinical waste	5,754	4,622
Quality assurance costs	3,598	1,391
Training	934	1,788
Bank charges	32	32
Governance costs:		
Accountancy	4,702	5,478
Independent examination/audit	2,600	2,550
Legal and professional	1,020	-
Trustee insurance	396	395
	<u>776,027</u>	<u>715,870</u>
Analysis by fund		
Unrestricted funds - general	731,475	
Restricted funds	44,552	
	<u>776,027</u>	
For the year ended 31 March 2020		
Unrestricted funds - general		715,870
		<u>715,870</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Insurance premiums during the year amounting to £402 (2020: £396) were incurred by the charity in respect of indemnity insurance for the trustees.

The charity has not met any individual expenses incurred by the trustees for services provided by the charity during the year.

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management and administration	3	3
Catering	5	4
Care assistants/nurses	30	29
Pastoral care	1	1
	<u>39</u>	<u>37</u>

Employment costs

	2021 £	2020 £
Wages and salaries	603,578	539,358
Other pension costs	16,330	15,737
	<u>619,908</u>	<u>555,095</u>

There were no employees whose annual remuneration was £60,000 or more.

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Audit/independent examination	2,600	2,550
Accountancy services	2,518	2,990
Other services including payroll	2,184	2,548
	<u>7,302</u>	<u>8,088</u>

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Intangible fixed assets

	Trade marks £
Cost	
At 1 April 2020 and 31 March 2021	670
	<hr/>
Amortisation and impairment	
At 1 April 2020	98
Amortisation charged for the year	49
	<hr/>
At 31 March 2021	147
	<hr/>
Carrying amount	
At 31 March 2021	523
	<hr/> <hr/>
At 31 March 2020	572
	<hr/> <hr/>

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Furniture and equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	521,692	97,623	159,965	23,917	4,122	807,319
Additions	-	3,619	3,298	3,978	-	10,895
Disposals	-	-	(1,516)	(1,101)	(343)	(2,960)
At 31 March 2021	521,692	101,242	161,747	26,794	3,779	815,254
Depreciation and impairment						
At 1 April 2020	130,834	90,493	134,927	20,092	3,883	380,229
Depreciation charged in the year	6,077	4,533	5,633	3,786	39	20,068
Eliminated in respect of disposals	-	-	(1,340)	(1,101)	(296)	(2,737)
At 31 March 2021	136,911	95,026	139,220	22,777	3,626	397,560
Carrying amount						
At 31 March 2021	384,781	6,216	22,527	4,017	153	417,694
At 31 March 2020	390,858	7,130	25,038	3,825	239	427,090

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	4,967	4,620
	<u>4,967</u>	<u>4,620</u>

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	7,715	5,929
Accruals and deferred income	41,258	42,325
	<u>48,973</u>	<u>48,254</u>

13 Deferred income

	2021	2020
	£	£
Residents Fees Received In Advance	27,915	25,282
	<u>27,915</u>	<u>25,282</u>

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Restricted funds

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

	Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
LCC Infection Control fund	-	46,789	(31,095)	(15,694)	-
LCC Covid Support grant	-	7,183	(7,183)	-	-
LCC Testing fund	-	6,598	(937)	(5,661)	-
LCC Workforce capacity fund	-	5,337	(5,337)	-	-
	<u>-</u>	<u>65,907</u>	<u>(44,552)</u>	<u>(21,355)</u>	<u>-</u>

Restricted funds include the following grants which were received to support the care home throughout the COVID-19 pandemic:

LCC Infection Control fund - this was granted from May to March 2021 for the purpose of additional staffing costs, additional cleaning and for the purchase of equipment needed to manage the COVID-19 infection control requirements and support safe visiting. Of the £46,789 received £5,630 was spent on equipment which has been capitalised as fixed assets. The assets themselves are not restricted and therefore £5,630 has been transferred from restricted to unrestricted reserves. £10,064 was received to provide additional space to minimise social contact of staff. this was achieved through making available bedrooms which resulted in a loss of income. There were no associated expenditure and therefore £10,064 has been transferred from restricted to unrestricted reserves, All funds were used in the year.

LCC COVID Support grant - This was received to aid the care home with expenditure on Personal Protective Equipment during the pandemic. All funds were spent in the year.

LCC Testing fund - This was received for the purposes of training staff for Lateral Flow Device testing and the staff and testing area costs associated with this. £5,661 was received to provide additional space to minimise social contact of staff. this was achieved through making available bedrooms which resulted in a loss of income. There were no associated expenditure and therefore £5,661 has been transferred from restricted to unrestricted reserves, All funds were used in the year.

Workforce Capacity fund - This was received to aid them to deliver measure which meant additional staffing and to maintain safe care and support safe admission and discharge of residents. All funds were spent in the year.

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Unrestricted funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
General reserves	847,689	810,898	(711,135)	10,460	957,912
Designated reserves:					
Fixed asset fund at cost	427,662	-	(20,340)	10,895	418,217
	<u>1,275,351</u>	<u>810,898</u>	<u>(731,475)</u>	<u>21,355</u>	<u>1,376,129</u>

The general reserve is the free reserves of the charity after allowing for all designated funds.

The designated fixed asset fund is the value of the unrestricted funds represented by the fixed assets of the charity.

The resources expended represents the annual depreciation charge and the disposal of the fixed assets.

The transfer from the free reserves arises when funds are spent on fixed assets.

16 Analysis of net assets between funds

	General reserves £	Designated reserves £	Total £
Fund balances at 31 March 2021 are represented by:			
Intangible fixed assets	-	523	523
Tangible assets	-	417,694	417,694
Current assets	957,912	-	957,912
	<u>957,912</u>	<u>418,217</u>	<u>1,376,129</u>
	General reserves £	Designated reserves £	Total £
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	-	572	572
Tangible assets	-	427,090	427,090
Current assets	847,689	-	847,689
	<u>847,689</u>	<u>427,662</u>	<u>1,275,351</u>

PRESTON BETHANY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	44,879	47,587

18 Taxation

The charity is exempt from tax on its charitable activities.

19 Company limited by guarantee

The charity is a company limited by guarantee and has no share capital. The liability of members in the event of a winding up is limited to £10 per member.

20 Cash generated from operations	2021 £	2020 £
Surplus for the year	100,778	49,439
Adjustments for:		
Investment income recognised in statement of financial activities	(4,662)	(3,665)
Depreciation and impairment of tangible fixed assets	20,340	19,040
Movements in working capital:		
(Increase)/decrease in debtors	(347)	19,870
Increase in creditors	719	13,994
Cash generated from operations	116,828	98,678