

The Railway Community Homes

England & Wales · Charity number 1142608

Details

Other names THE RAILWAY CONVALESCENT HOMES

Status Registered

Legal form Charitable company

Company number [07109869](#)

Registered 2011-06-27

Register [View on the Charity Commission register](#)

Contact

Address R C H
2 Church Street
Dawlish
EX7 9AU

Phone 01626863303

Email enquiries@rch.org.uk

Website www.rch.org.uk

Activities

Objects: 4. FOR THE RELIEF OF NEED WHETHER BY REASON OF AGE, ILL-HEALTH, DISABILITY, POVERTY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE INCLUDING BUT NOT LIMITED TO BY THE PROVISION OF: 4(1) ACCOMMODATION INCLUDING BUT NOT LIMITED TO THE PROVISION OF SOCIAL HOUSING IN THE FORM OF ALMSHOUSES AND OTHER INDEPENDENT LIVING ACCOMMODATION; AND 4(2) GRANTSTO PERSONS OF THE FOLLOWING CLASSES AND IN THE FOLLOWING ORDER OF PRIORITY:(A) PERSONS WHO ARE OR WHO HAVE BEEN EMPLOYEES OF CURRENT OR FORMER NATIONALISED OR FORMERLY NATIONALISED RAILWAY UNDERTAKINGS;(B) PERSONS WHO ARE EMPLOYEES OF ANY NATIONALISED OR FORMERLY NATIONALISED TRANSPORT UNDERTAKINGS IN THE UNITED KINGDOM AND ANY NATIONALISED OR FORMERLY NATIONALISED UNDERTAKINGS AUXILIARY OR SUBSIDIARY THERETO;(C) PERSONS WHO HAVE BEEN EMPLOYEES OF ANY NATIONALISED OR FORMERLY NATIONALISED TRANSPORT UNDERTAKINGS IN THE UNITED KINGDOM AND ANY NATIONALISED OR FORMERLY NATIONALISED UNDERTAKINGS AUXILIARY OR SUBSIDIARY THERETO;(D) PERSONS WHO ARE OR HAVE BEEN EMPLOYEES OF ANY PUBLIC OR FORMERLY PUBLIC TRANSPORT UNDERTAKINGS IN THE REPUBLIC OF IRELAND AND ANY PUBLIC OR FORMERLY PUBLIC UNDERTAKINGS AUXILIARY OR SUBSIDIARY THERETO WHICH OPERATE OR HAVE OPERATED IN CONJUNCTION WITH ANY NATIONALISED OR FORMERLY NATIONALISED TRANSPORT UNDERTAKINGS IN THE UNITED KINGDOM OR WITH ANY NATIONALISED OR FORMERLY NATIONALISED UNDERTAKINGS AUXILIARY OR SUBSIDIARY THERETO; AND(E) PERSONS WHO ARE THE SPOUSE OR OTHER DEPENDENTS OF THE ABOVEMENTIONED CLASSES.

Activities: Operation of convalescent care centre in Devon for use by employees or former employees of the railway.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing
- **Who:** People With Disabilities, The General Public/mankind

Geography

- Devon
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£315,845	£584,189	-	-
2023-12-31	£303,928	£430,177	-	-
2022-12-31	£303,203	£291,742	-	-
2021-12-31	£308,909	£269,197	-	-
2020-12-31	£480,057	£749,069	-	-

Trustees

Name	Role	Appointed
Stephen Brook	Chair	2024-06-26
Barbara Jill Davenport		2024-04-10
CHRISTOPHER DONOVAN		2024-04-10
COLIN MILLS		2024-04-10
David Robert Crome		2024-04-10
Graham Paul Isom		2024-04-10
John Collins		2024-04-10
Luke Elliot Farley		2024-04-10
Mary O'Neil		2026-02-01
PETER CHRISTOPHER MOAKES		2024-04-10
PHIL O'HARE		2024-04-10
Rachel Stoneham		2024-04-10

Linked charities

- THE RAILWAY COMMUNITY HOMES (1142608-1)

The Railway Community Homes

England & Wales - Charity number 1142608

Accounts

Charity registration number 1142608 (England and Wales)

Company registration number 07109869

THE RAILWAY CONVALESCENT HOMES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2024

THE RAILWAY CONVALESCENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Peter Moakes Mrs Barbara Davenport Mr Stephen Brook Mr William John Collins Mr David Crome Mr Christopher Donovan Mr Luke Farley Mr Graham Isom Mr Colin Mills Mr Philip O'hare Ms Rachel Stoneham
Secretary	Brian Conyard
Charity number (England and Wales)	1142608
Company number	07109869
Registered office	Bridge House 2 Church Street Dawlish Devon United Kingdom EX7 9AU
Auditor	BK Plus Limited Murrills House 48 East Street Fareham Hampshire PO16 9XS

THE RAILWAY CONVALESCENT HOMES

CONTENTS

	Page
Trustees report	1 - 6
Independent auditor's report	7 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 20

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 30 December 2024.

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 governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

Objectives and activities

The Charity was registered on 21 December 2009 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The Object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalided or are convalescent in the following order of priority:

- (a) Persons who are or who have been employees of current or former railway undertakings including British Railways Board and including any publicly owned railway undertakings;
- (b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and nationalised undertakings auxiliary or subsidiary thereof.
- (c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operates or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre in Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees have been liaising with the Charity Commissioners and the Charity's solicitors regarding the alteration of the Charity's objectives and alternative income streams. and a new scheme to govern the Charity came into effect on and from 2nd June 2025. Following the closure of the Charity's operational care facility, the Charity continues to be a going concern due to the income streams receivable and the level of assets held.

The Charity has previously measured its success based on guest numbers year on year. Currently the most significant income source for the Charity is from Investments and rent.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies. They are now liaising with the Charity Commissioners to ensure the charitable objectives can continue to be fulfilled.

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

Changes to Objects

A Special Resolution was passed by the Board on 12th September 2023 to change the Objects of the Charity. However, some minor amendments were subsequently made to the objects and a further draft scheme was prepared by the Charity Commission. This was agreed by the Board and became the subject of a further Special Resolution passed by the Board on 16th May 2025 which replaced that of 12th September 2023. The Charity Commission has now formally issued the new Scheme to take effect on and from 2nd June 2025. The Charity is now known as The Railway Community Homes.

The objects are now as follows:

For the relief of need of those beneficiaries by reason of age, ill-health, disability, poverty, financial hardship or other disadvantage including but not limited to by the provision of:

1 . Accommodation including but not limited to the provision of social housing in the form of almshouses and other independent living accommodation; and

2. Grants

The term "beneficiaries" above is defined as the following classes and in the following order of priority:

(a) persons who are or who have been employees of current or former nationalised or formerly nationalised railway undertakings; or

(b) persons who are employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto; or

(c) persons who have been employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised or formerly nationalised undertakings auxiliary or subsidiary thereto; or

(d) persons who are or have been employees of any public or formerly public transport undertakings in the Republic of Ireland and any public or formerly public undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised or formerly nationalised transport undertakings in the United Kingdom or with any nationalised or formerly nationalised undertakings auxiliary or subsidiary thereto: or

(e) persons who are the spouse or other dependents of the above mentioned classes.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above our policies and main activities undertaken for the public benefit.

Achievements and performance

Significant activities and achievements against objectives

See previous section.

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

Financial review

The Board reports a net outflow of funds of £268,344 (2023 outflow £126,247) before gains on investments. The Charity reports a gain on net movement of funds for the year of £336,469 (2023 gain £242,938) after losses/gains on investments. A significant part of this is due to the movements on investment value during the year.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At the 30 December 2024 the Charity held funds totalling £10,071,809 (2023 £9,735,340) of which the Charity had unrestricted funds of £74,148 (2023 £7,418,625) and Permanent Endowment Funds of £9,997,661 (2023 £2,316,713)

The Permanent Endowment Funds represent the value of the premises from which the Charity operates and the investment flats situated in the grounds. Additional funds were moved to the permanent endowment in the year in accordance with the Charity Commission instructions.

Structure, governance and management

The Charity is a company limited by guarantee.

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

Mr Peter Moakes
Mrs Barbara Davenport
Mr Stephen Brook
Mr William John Collins
Mr David Crome
Mr Christopher Donovan
Mr Luke Farley
Mr Graham Isom
Mr Colin Mills
Mr Philip O'hare
Ms Rachel Stoneham

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2024

Recruitment and appointment of trustees

Details of method of recruitment and appointment of trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The recruitment process for any newly appointed Trustee is to first meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new trustee will receive copies of the Charity's Governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to the first meeting to clarify any uncertainties,

The trustees have ultimate control over the Charity and its dormant subsidiary. A good support structure is in place within the Charity in the form of a business manager Annette Everett. There is a small team undertaking the general day to day running of the building and management of the business. The business manager and the staff have been in place for a number of years and have vast experience in their particular field of expertise. The staff live locally which also enables the Charity to provide employment in the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager attends board meetings and is therefore also involved in the strategic decisions made by the Trustees, the input of the business manager provides the Trustee with a grounded view of the financial position of the Charity and of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services. Staff undertaking the same job are paid equally

Statement of Trustees responsibilities

The Trustees, who are also the directors of The Railway Convalescent Homes for the purpose of company law, are responsible for preparing the Trustees 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 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 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; and
- prepare the financial statements 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 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.

Auditor

In accordance with the company's articles, a resolution proposing that BK Plus Limited be reappointed as auditor of the company will be put at a General Meeting.

Risk Management

The Trustees are aware of the major issues which the Charity faces and especially regarding the change in recent years following the cessation of the Dawlish centre and keep this under regular review.

THE RAILWAY CONVALESCENT HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 DECEMBER 2024*

Investment Portfolio

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total returns with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investment policy. As at 30 December 2024 the Charity's balance sheet showed investments totalling £9,180,947 (2023: £8,810,480) that produced income of £313,730 (2023: £300,148). The result is deemed satisfactory by the Trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as an investment property and provide rental income for the Charity.

The Trustees report was approved by the Board of Trustees.

Mr Stephen Brook
Trustee

18 June 2025

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES

Opinion

We have audited the financial statements of The Railway Convalescent Homes (the 'Charity') for the year ended 30 December 2024 which comprise the statement of financial activities, the balance sheet 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 30 December 2024 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 financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the 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 requires 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 RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES

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.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

(Senior Statutory Auditor)

For and on behalf of BK Plus Limited, Statutory Auditor
Chartered Accountants
Murrills House
48 East Street
Fareham
Hampshire
PO16 9XS
18 June 2025

BK Plus 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 RAILWAY CONVALESCENT HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 DECEMBER 2024

		Unrestricted Endowment		Total	Unrestricted Endowment		Total
		funds	funds		funds	funds	
	Notes	2024	2024	2024	2023	2023	2023
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	300	-	300	300	-	300
Charitable activities	4	1,815	-	1,815	2,380	-	2,380
Investments	5	313,730	-	313,730	300,148	-	300,148
Other income	6	-	-	-	1,100	-	1,100
Total income		315,845	-	315,845	303,928	-	303,928
Expenditure on:							
Charitable activities	7	584,189	-	584,189	430,175	-	430,175
Total expenditure		584,189	-	584,189	430,175	-	430,175
Net gains/(losses) on investments	11	604,813	-	604,813	369,185	-	369,185
Net income		336,469	-	336,469	242,938	-	242,938
Transfers between funds		(7,724,638)	7,724,638	-	-	-	-
Net movement in funds	8	(7,388,169)	7,724,638	336,469	242,938	-	242,938
Reconciliation of funds:							
Fund balances at 31 December 2023		7,418,627	2,316,713	9,735,340	7,175,689	2,316,713	9,492,402
Fund balances at 30 December 2024		30,458	10,041,351	10,071,809	7,418,627	2,316,713	9,735,340

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE RAILWAY CONVALESCENT HOMES

BALANCE SHEET

AS AT 30 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		682,291		702,504
Investment property	14		1,499,999		1,499,999
Investments	15		7,680,948		7,310,481
			<u>9,863,238</u>		<u>9,512,984</u>
Current assets					
Debtors	16	23,719		20,575	
Cash at bank and in hand		233,232		229,661	
		<u>256,951</u>		<u>250,236</u>	
Creditors: amounts falling due within one year	17	(48,380)		(27,880)	
Net current assets			208,571		222,356
Total assets less current liabilities			<u>10,071,809</u>		<u>9,735,340</u>
The funds of the Charity					
Endowment funds	19		10,041,351		2,316,713
Unrestricted funds	20		30,458		7,418,627
			<u>10,071,809</u>		<u>9,735,340</u>

The financial statements were approved by the Trustees on 18 June 2025

Mr Stephen Brook
Trustee

Mr William John Collins
Trustee

Company registration number 07109869 (England and Wales)

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2024

1 Accounting policies

Charity information

The Railway Convalescent Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is Bridge House, 2 Church Street, Dawlish, Devon, EX7 9AU, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Endowment funds are subject to specific conditions as issued by the Charity Commission.

1.4 Income

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.

1.5 Expenditure

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.

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.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2024

1 Accounting policies

(Continued)

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	2% Straight line
Fixtures and fittings	25% reducing balance
Computers	33% 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 the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 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).

1.10 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

1.12 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.

1.13 Retirement benefits

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

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 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	300	300

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

4 Income from charitable activities

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
	£	£
Contributions	1,815	2,380
	<u>1,815</u>	<u>2,380</u>

5 Income from investments

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
	£	£
Rental income	77,683	73,165
Other income	234,058	225,813
Interest receivable	1,989	1,170
	<u>313,730</u>	<u>300,148</u>

6 Other income

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
	£	£
Other income	-	1,100
	<u>-</u>	<u>1,100</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

7 Expenditure on charitable activities

	Direct costs	Direct costs
	2024	2023
	£	£
Direct costs		
Staff costs	226,826	151,825
Depreciation and impairment	20,213	21,517
Laundry and cleaning	201	28
Household goods	283	275
Training	84	355
Expenses waterside	32,752	71,214
General repairs	67,926	99,109
Staff welfare	115	416
Long service award	-	2,250
Water rates	472	737
General rates	3,164	3,572
Electricity	2,425	4,913
Gas	6,555	9,387
Travelling	357	150
Company Secretary	2,681	2,195
Trustees expenses	1,291	1,169
Postage and carriage	130	238
Other charitable expenditure	218,714	60,825
	<u>584,189</u>	<u>430,175</u>
Analysis by fund		
Unrestricted funds	<u>584,189</u>	<u>430,175</u>

8 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	6,500	5,733
Depreciation of owned tangible fixed assets	20,213	21,517
	<u>26,713</u>	<u>27,250</u>

9 Trustees

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

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	4	4
	<u>4</u>	<u>4</u>

Employment costs

	2024 £	2023 £
Wages and salaries	174,236	136,295
Social security costs	6,581	8,919
Other pension costs	46,009	6,611
	<u>226,826</u>	<u>151,825</u>

Rredundancy and termination payments totalling £92,103 were made in the reporting period. These were for the termination of contracts for longstanding employees due to the change in nature of the charity. Included in this amount were additional pension payments of £38,575. There was no liability at the year end date relating to these redundancies.

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

11 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	604,813	326,888
Sale of investment properties	-	42,297
	<u>604,813</u>	<u>369,185</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2024

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 31 December 2023	897,888	12,742	8,252	918,882
At 30 December 2024	897,888	12,742	8,252	918,882
Depreciation and impairment				
At 31 December 2023	205,353	4,187	6,838	216,378
Depreciation charged in the year	17,958	2,139	116	20,213
At 30 December 2024	223,311	6,326	6,954	236,591
Carrying amount				
At 30 December 2024	674,577	6,416	1,298	682,291
At 30 December 2023	692,535	8,556	1,413	702,504

14 Investment property

	2024 £
Fair value	
At 31 December 2023 and 30 December 2024	1,499,999

Investment property comprises Waterside Apartments. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 December 2024 by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The trustee's consider the costs of a formal valuation to outweigh the benefits to the charity.

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2023	7,310,481
Valuation changes	620,467
Disposals	(250,000)
At 30 December 2024	7,680,948
Carrying amount	
At 30 December 2024	7,680,948
At 30 December 2023	7,310,481

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

16 Debtors		
	2024	2023
Amounts falling due within one year:	£	£
Amounts owed by fellow group undertakings	2,829	3,007
Prepayments and accrued income	20,890	17,568
	<u>23,719</u>	<u>20,575</u>
	<u><u>23,719</u></u>	<u><u>20,575</u></u>
17 Creditors: amounts falling due within one year		
	2024	2023
	£	£
Other taxation and social security	3,853	4,643
Trade creditors	27,712	14,016
Accruals and deferred income	16,815	9,221
	<u>48,380</u>	<u>27,880</u>
	<u><u>48,380</u></u>	<u><u>27,880</u></u>
18 Retirement benefit schemes		
	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	46,009	6,611
	<u>46,009</u>	<u>6,611</u>
	<u><u>46,009</u></u>	<u><u>6,611</u></u>

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

19 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 31 December 2023 £	Transfers £	At 30 December 2024 £
Permanent endowments	2,316,713	7,724,638	10,041,351
	<u>2,316,713</u>	<u>7,724,638</u>	<u>10,041,351</u>
	<u><u>2,316,713</u></u>	<u><u>7,724,638</u></u>	<u><u>10,041,351</u></u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2024

19 Endowment funds (Continued)

Previous year:	At 31 December 2022 £	Transfers £	At 30 December 2023 £
Permanent endowments	2,316,713	-	2,316,713

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 31 December 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 30 December 2024 £
General funds	7,418,627	315,845	(584,189)	(7,724,638)	604,813	30,458
Previous year:	At 31 December 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 30 December 2023 £
General funds	7,175,689	303,928	(430,175)	-	369,185	7,418,627

21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 30 December 2024:			
Tangible assets	-	682,291	682,291
Investment properties	-	1,499,999	1,499,999
Investments	-	7,680,948	7,680,948
Current assets/(liabilities)	30,458	178,113	208,571
	30,458	10,041,351	10,071,809

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2024

21 Analysis of net assets between funds

(Continued)

	Unrestricted	Endowment	Total
	funds	funds	
	2023	2023	2023
	£	£	£
At 30 December 2023:			
Tangible assets	702,504	-	702,504
Investment properties	1,499,999	-	1,499,999
Investments	4,993,768	2,316,713	7,310,481
Current assets/(liabilities)	222,356	-	222,356
	<u>7,418,627</u>	<u>2,316,713</u>	<u>9,735,340</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

23 Constitutional Matters

On 12 September 2023 a Special Resolution was passed by the Board to change the Objects of the Charity, as stated in the Trustees Report.

At the request of the Charity Commission a review of the attribution of the cash investments between Unrestricted and Restricted (Permanent Endowment) is being undertaken.

24 Basis of Identification of Permanent Endowment Property

During discussions with the Charity Commission on changing the Charity's objects it was discovered the the Charity's former solicitors working on the incorporation in 2009-2011 may not have completed all of the necessary work.

If this is the case then the Board estimates that the Charity's legal costs in relation to trying to recover these additional costs on this on going matter are estimated to be at least £15,000.

The Railway Community Homes

England & Wales - Charity number 1142608

Accounts

Charity registration number 1142608

Company registration number 07109869 (England and Wales)

THE RAILWAY CONVALESCENT HOMES
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE RAILWAY CONVALESCENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

P Moakes
S Brook
C Mills
W Collins
P O'Hare
C Donovan
D Crome
B Davenport
G Isom
L Farley
R Stoneham

(Appointed 18 May 2023)

Secretary

A Conyard

Charity number

1142608

Company number

07109869

Registered office

Bridge House
2 Church Street
Dawlish
Devon
EX7 9AU

Auditor

Rupp & Fraser
Chartered Accountants
7 St Paul's Road
Newton Abbot
Devon
TQ12 2HP

THE RAILWAY CONVALESCENT HOMES

CONTENTS

	Page
Trustees' report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 20

THE RAILWAY CONVALESCENT HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 [governing document], 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)" (effective 1 January 2019).

THE RAILWAY CONVALESCENT HOMES

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

FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities

The Charity was registered on 21 December 2009 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The Object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalided or are convalescent in the following order of priority:

- (a) Persons who are or who have been employees of current or former railway undertakings including British Railways Board and including any publicly owned railway undertakings;
- (b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and nationalise undertakings auxiliary or subsidiary thereof.
- (c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operates or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre in Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees are now liaising with the Charity Commissioners and the Charity's solicitors regarding the alteration of the Charity's objectives and alternative income streams. Following the closure of the Charity's operational care facility, the Charity continues to be a going concern due to the income streams receivable and the level of assets held.

The Charity has previously measured its success based on guest numbers year on year. Currently the most significant income source for the Charity is from Investments and rent.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies. They are now liaising with the Charity Commissioners to ensure the charitable objectives can continue to be fulfilled.

THE RAILWAY CONVALESCENT HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Changes to Objects

A Special Resolution was passed by the Board on 12th September 2023 to change the Objects of the Charity. However, some minor amendments were subsequently made to the objects and a further draft scheme was prepared by the Charity Commission. Once agreed by the Board it will become the subject of a further Special Resolution which will replace that of 12th September 2023, following which the Charity Commission will formally issue the Charity's new scheme, expected in early 2025.

The objects should then be as follows:

For the relief of need of those beneficiaries by reason of age, ill-health, disability, poverty, financial hardship or other disadvantage including but not limited to by the provision of:

1. Accommodation including but not limited to the provision of social housing in the form of alms houses and other independent living accommodation; and
2. Grants to

Where the term beneficiaries above is defined in the following classes and order of priority as those:

- a) persons who are or who have been employees of current or former nationalised or formerly nationalised railway undertakings;
- b) persons who are employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised or formerly nationalised undertakings or auxiliary or subsidiary thereto;
- c) persons who have been employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised or formerly nationalised undertakings auxiliary or subsidiary thereto;
- d) persons who are or have been employees of any public or formerly public transport undertakings in the Republic of Ireland and any public or formerly public undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised or formerly nationalised transport undertakings in the United Kingdom or with any nationalised or formerly nationalised undertakings auxiliary or subsidiary there to: and
- e) persons who are the spouses or other dependents of the above mentioned classes.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above our policies and main activities undertaken for the public benefit.

Financial review

The Board reports a net outflow of funds of £126,249 (2022 inflow £11,461) before gains on investments. The Charity reports a gain on net movement of funds for the year of £242,936 (2022 loss £943,249) after losses/gains on investments. A significant part of this is due to the movements on investment value during the year.

THE RAILWAY CONVALESCENT HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At the 31 December 2023 the Charity held funds totalling £9,735,338 (2022 £9,492,402) of which the Charity had unrestricted funds of £7,418,625 (2022 £ 7,175,689) and Permanent Endowment Funds of £2,316,713 (2022 £2,316,713).

The Permanent Endowment Funds represent the value of the premises from which the Charity operates and the investment flats situated in the grounds.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are shown on page 1.

P Moakes

S Brook

C Mills

W Collins

P O'Hare

C Donovan

D Crome

B Davenport

G Isom

L Farley

C Selway

R Stoneham

(Resigned 21 March 2024)

(Appointed 18 May 2023)

THE RAILWAY CONVALESCENT HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Recruitment and appointment of trustees

Details of method of recruitment and appointment of trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The recruitment process for any newly appointed Trustee is to first meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new trustee will receive copies of the Charity's Governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to the first meeting to clarify any uncertainties.

The trustees have ultimate control over the Charity and its dormant subsidiary. A good support structure is in place within the Charity in the form of a business manager Annette Everett. There is a small team undertaking the general day to day running of the building and management of the business. The business manager and the staff have been in place for a number of years and have vast experience in their particular field of expertise. The staff live locally which also enables the Charity to provide employment in the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager attends board meetings and is therefore also involved in the strategic decisions made by the Trustees, the input of the business manager provides the Trustee with a grounded view of the financial position of the Charity and of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services. Staff undertaking the same job are paid equally and there is pay grading scale in operation.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Railway Convalescent Homes for the purpose of company law, are responsible for preparing the Trustees' 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 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 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 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 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.

Auditor

Rupp & Fraser will not be standing for re-election as they are ceasing to be Registered Auditors.

THE RAILWAY CONVALESCENT HOMES

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

FOR THE YEAR ENDED 31 DECEMBER 2023

Risk Management

The Trustees are aware of the major issues which the Charity faces and especially regarding the change in recent years following the cessation of the Dawlish centre and keep this under regular review.

Investment Portfolio

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total returns with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investment policy.

As at 31 December 2023 the Charity's balance sheet showed investments totalling £8,810,480 (2022: £8,483,498) that produced income of £300,148 (2022: £299,984). The result is deemed satisfactory by the Trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as an investment property and provide rental income for the Charity.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

C.C.Mills
Trustee

17 January 2025

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE RAILWAY CONVALESCENT HOMES

Opinion

We have audited the financial statements of The Railway Convalescent Homes (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet 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 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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, except to the extent otherwise explicitly stated in our report, 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.

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 financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE RAILWAY CONVALESCENT HOMES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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

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.

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.

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.

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE RAILWAY CONVALESCENT HOMES

Christopher Rupp FCA (Senior Statutory Auditor)
for and on behalf of Rupp & Fraser

17 January 2025

Chartered Accountants
Statutory Auditor

Chartered Accountants
7 St Paul's Road
Newton Abbot
Devon
TQ12 2HP

THE RAILWAY CONVALESCENT HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income and endowments from:			
Donations and legacies	3	300	213
Charitable activities	4	2,380	3,007
Investments	5	300,148	299,984
Other income	6	1,100	-
Total income		<u>303,928</u>	<u>303,204</u>
Expenditure on:			
Charitable activities	7	430,177	291,739
Total expenditure		<u>430,177</u>	<u>291,739</u>
Net gains/(losses) on investments	12	<u>369,185</u>	<u>(954,714)</u>
Net income/(expenditure) and movement in funds		242,936	(943,249)
Reconciliation of funds:			
Fund balances at 1 January 2023		<u>7,175,689</u>	<u>8,118,938</u>
Fund balances at 31 December 2023		<u>7,418,625</u>	<u>7,175,689</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE RAILWAY CONVALESCENT HOMES

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		702,504		712,584
Investment property	15		1,499,999		1,499,999
Investments	16		7,310,481		6,983,499
			<u>9,512,984</u>		<u>9,196,082</u>
Current assets					
Debtors	17	20,960		24,870	
Cash at bank and in hand		229,661		297,066	
		<u>250,621</u>		<u>321,936</u>	
Creditors: amounts falling due within one year					
Taxation and social security		4,643		2,806	
Other creditors	18	23,624		22,810	
		<u>28,267</u>		<u>25,616</u>	
Net current assets			<u>222,354</u>		<u>296,320</u>
Total assets less current liabilities			<u>9,735,338</u>		<u>9,492,402</u>
Net assets excluding pension liability			<u>9,735,338</u>		<u>9,492,402</u>
			<u><u>9,735,338</u></u>		<u><u>9,492,402</u></u>
The funds of the charity					
Unrestricted funds			7,418,625		7,175,689
Permanent endowment funds			2,316,713		2,316,713
			<u>9,735,338</u>		<u>9,492,402</u>

The financial statements were approved by the trustees on 17 January 2025

C.C.Mills
Trustee

W.J.Collins
Trustee

Company registration number 07109869 (England and Wales)

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Railway Convalescent Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is Bridge House, 2 Church Street, Dawlish, Devon, EX7 9AU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

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

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

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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.

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	2% straight line
Fixtures and fittings	25% reducing balance
Computers	33% 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 the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 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).

1.10 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.11 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 and bank loans 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.

1.12 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.

1.13 Retirement benefits

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

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	300	213

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Contributions	2,380	3,007

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	73,165	75,147
Other income	225,813	224,802
Interest receivable	1,170	35
	<u>300,148</u>	<u>299,984</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Sale of Lawn Mower	1,100	-

7 Expenditure on charitable activities

	2023 £	2022 £
Direct costs		
Staff costs	151,825	131,220
Depreciation and impairment	21,517	18,721
Laundry and cleaning	30	107
Household Goods	275	230
Training	355	270
Expenses Waterside	71,214	24,013
General Repairs	64,281	19,464
Staff Welfare	416	915
Long Service Award	2,250	1,000
Water Rates	737	722
General rates	3,572	4,608
Electricity	4,913	2,994
Gas	9,387	3,327
Travelling	150	118
Company Secretary	2,195	1,350
Trustees Expenses	1,169	496
Postage and Carriage	238	185
Other charitable expenditure	95,653	81,999
	<u>430,177</u>	<u>291,739</u>
Analysis by fund		
Unrestricted funds	<u>430,177</u>	<u>291,739</u>

8 Charitable Activities

The Objects of the Charity are set out in the Trustees' Report.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Net movement in funds	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	5,733	7,061
Depreciation of owned tangible fixed assets	21,517	18,721
	<u> </u>	<u> </u>

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	4	4
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	136,295	120,225
Social security costs	8,919	6,231
Other pension costs	6,611	4,764
	<u> </u>	<u> </u>
	151,825	131,220
	<u> </u>	<u> </u>

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

12 Gains and losses on investments

	Unrestricted	Unrestricted
	funds	funds
	2023	2022
	£	£
Gains/(losses) arising on:		
Revaluation of investments	326,888	(954,714)
Gain on Cash	42,297	-
	<u> </u>	<u> </u>
	369,185	(954,714)
	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2023	897,888	3,099	6,455	907,442
Additions	-	9,643	1,797	11,440
At 31 December 2023	897,888	12,742	8,252	918,882
Depreciation and impairment				
At 1 January 2023	187,395	1,335	6,131	194,861
Depreciation charged in the year	17,958	2,852	707	21,517
At 31 December 2023	205,353	4,187	6,838	216,378
Carrying amount				
At 31 December 2023	692,535	8,555	1,414	702,504
At 31 December 2022	710,493	1,764	324	712,581

The carrying value of land included in land and buildings comprises:

	2023 £	2022 £
Freehold	692,532	710,493

15 Investment property

	2023 £
Fair value	
At 1 January 2023 and 31 December 2023	1,499,999

Investment property comprises Waterside Apartments]. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2023 by the Trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The Trustees are of the opinion that it would be too costly to have a formal valuation.

	2023 £	2022 £
Freehold	692,535	710,493

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023 & 31 December 2023	4,773,254
Carrying amount	
At 31 December 2023	7,310,477
At 31 December 2022	6,983,502

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2	-
Amounts owed by fellow group undertakings	3,392	3,204
Prepayments and accrued income	17,566	21,960
	<u>20,960</u>	<u>25,164</u>

18 Other creditors falling due within one year

	2023 £	2022 £
Trade creditors	14,016	15,406
Amounts owed to group undertakings	385	-
Accruals and deferred income	9,223	7,404
	<u>23,624</u>	<u>22,810</u>

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,611	4,764

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	7,175,689	303,928	(430,177)	369,185	7,418,625
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	8,118,938	303,204	(291,739)	(954,714)	7,175,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Future Expenditure

The Trustees have been informed that there is potential expenditure required on maintenance and structure which has been estimated in the region of £35,000 for replacement of fire alarms and remedial works in various areas which could be in the region of £150,000. The Charity will have to sell some of its investment to fund this expenditure.

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

23 Constitutional Matters

On 12 September 2023 a Special Resolution was passed by the Board to change the Objects of the Charity, as stated in the Trustees Report.

At the request of the Charity Commission a review of the attribution of the cash investments between Unrestricted and Restricted (Permanent Endowment) is being undertaken.

24 Basis of Identification of Permanent Endowment Property

During discussions with the Charity Commission on changing the Charity's objects it was discovered the the Charity's former solicitors working on the incorporation in 2009-2011 may not have completed all of the necessary work.

If this is the case then the Board estimates that the Charity's legal costs in relation to trying to recover these additional costs on this on going matter are estimated to be at least £15,000.

The Railway Community Homes

England & Wales - Charity number 1142608

Accounts

Company Registration Number : 07109869 (England and Wales)
Registered Charity Number : 1142608

THE RAILWAY CONVALESCENT HOMES
(A Company Limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Casson Beckman
Chartered Accountants
Murrills House
48 East Street
Portchester
PO16 9XS

Reference SD/516691/SRW

THE RAILWAY CONVALESCENT HOMES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Reference and administrative information	1
Report of the Trustees	2 - 5
Report of the Independent Auditors	6 - 8
Consolidated Statement of Financial Activities	9
Consolidated Income and Expenditure Account	10
Balance Sheet - Group and Charity	11
Notes to the Financial Statements	12 - 17

THE RAILWAY CONVALESCENT HOMES**REFERENCE AND ADMINISTRATIVE INFORMATION****TRUSTEE MEMBERS AND DIRECTORS**

The Directors of the Charitable Company (The Charity) are its Trustees for the purpose of charity law. The Trustees and Officers serving during the period and since the year end were as follows :

P. C. Moakes
 S. J. Brook
 C. C. Mills
 A. D. Sugden (Resigned 16/03/22)
 W.J. Collins
 P. E. O'Hare
 C. Donovan
 D.R. Crome
 B. J. Davenport
 G.P. Isom
 L.E. Farley (Appointed 21/09/22)
 C R Selway (Appointed 21/09/22)

COMPANY SECRETARY	A. B. Conyard
REGISTERED CHARITY NUMBER	1142608
COMPANY REGISTRATION NUMBER	07109869
REGISTERED OFFICE	Bridge House 2 Church Street Dawlish Devon EX7 9AU
INDEPENDENT AUDITORS	Casson Beckman Murrills House 48 East Street Portchester PO16 9XS
LEGAL ADVISORS	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
BANKERS	Lloyds TSB PO Box 1000 Andover BX1 1LT
INVESTMENT MANAGERS	Sarasin & Partners LLP Juxon House 100 St Pauls Churchyard London EC4M 8BU M&G Investments PO Box 9039 Chelmsford CM99 2XF

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and the audited financial statements of the Charity and its subsidiary for the year ended 31 December 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the charity's Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charity's: Statement of Recommended Practice applicable to charity's preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Constitution, objects and policies

The Charity was registered on 27 June 2011 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalids or are convalescent in the following order of priority:

- (a) Persons who are or who have been employees of current or former railway undertakings including the British Railways Board and including any publicly owned railway undertakings;
- (b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre at Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid 19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees are now liaising with the Charity Commission and the Charity's solicitors regarding the alteration of the Charity's objectives and alternative income streams. Following the closure of the Charity's operational care facility, the Charity continues to be a going concern due to the other income streams receivable and the level of assets held.

The Charity had previously measured its success based on guest numbers year on year. Currently the most significant income source for the Charity is from investments.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies. They are now liaising with the Charity Commission to ensure the charitable objectives can continue to be fulfilled.

Organisational and decision-making structure

The Trustees (who are also the Directors for the purposes of company law) who have served during the year are set out on page 1. They are appointed by the Board of Trustees and serve in accordance with the scheme approved by the Charity Commission.

The Board of Trustees meets quarterly and in addition has biannual strategy meetings at which the board reviews the progress and plans the future strategy of the Charity.

There is a single standing committee, the joint management committee, which meets quarterly and reports to the Board of Trustees.

The committee covers Property, Finance, Personnel and General issues and is composed of at least three Trustees and specialist co-opted members. In addition there is a Marketing sub committee which reviews marketing arrangements and how the Charity positions itself with other rail Charities, the rail industry and the local community.

The Charity also has a wholly owned subsidiary company that takes responsibility for trading activities. It has a board of four directors, composed of Charity Trustees and persons from outside the Charity. The company's Board of Directors meets at least twice a year.

The Trustees are selected in accordance with their association to the railways and their skill set, and change at regular intervals. Those selected may also be Trustees of other Charities.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Organisational and decision-making structure (continued)

The induction process for any newly appointed Trustee is to firstly meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new Trustee will receive copies of the Charity's governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to their first meeting to clarify any uncertainties.

The trustees have ultimate control over the Charity and its subsidiary. A good support structure is in place within the Charity in the form of a business manager Annette Everett. There is a small team undertaking the general day to day running of the building and management of the business. The business manager and the staff have been in place for a considerable number of years and have vast experience in their particular field of expertise. The staff live within a 5 mile radius of the home, which also enables the Charity to provide benefit via employment to the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager does attend board meetings and is therefore also involved in the strategic decisions made by the trustees, the input of the business manager provides the trustees with a grounded view of the financial position of the charity and the requirements of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services. Staff undertaking the same job are paid equally and there is no pay grading scale in operation.

The organisation and structure of the various committees will now be reviewed and amended to ensure they are suitable to the Charity's new and future circumstances.

Public Benefit

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above in our constitution, object and policies the main activities undertaken to further the Charity's purposes for the public benefit.

Financial Review and Achievements and Performance

The board reports net incoming resources of £11,461 (2021: £39,712) before gains on investments. The Charity reports a loss on net movements in funds for the year of £943,254 (2021: Profit £950,249) after losses/gains on investments. A significant part of this is due to the movements on investment values in the year.

The principal funding of the Charity currently comes from investments.

Expenditure was carefully controlled during the year and has been significantly reduced since the closure of the facility, tight controls over expenditure continue.

Policy on Reserves

At the year end the Charity held funds totalling £9,492,753 (2021: £10,436,007). Of this the Charity had unrestricted funds of £7,176,040 (2021: £8,119,294) and Permanent endowment funds of £2,316,743 (2021: £2,316,743).

The permanent endowment represents the value of the premises which the Charity operates from and the investment flats also situated within the grounds. These must remain to ensure the future operation of this charity and therefore have been assigned as a permanent endowment in line with the Charity Commission requirements.

It is clear that the Charity does need reserves of at least the current level for a number of reasons:

- * It has a need for investment income as there is currently no trading income.
- * It needs reserves to provide for future capital investment at the facility.
- * To facilitate the restructure of the Charity.

In view of the Charity's current position its present investment income is essential to underwrite on-going charitable costs.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Risk management

The Trustees are aware of the major issues which face the Charity. In 2013 they prepared a comprehensive report which fully reviewed all the various risk factors facing the Charity, considered means by which these risks could be mitigated and considered the financial impact of each risk to the Charity. The risk schedule is reviewed at each trustee meeting and updated, the Trustees have taken constructive action to reduce all risk to an acceptable level.

The trustees had deemed the most significant risk to the charity to be a fall in occupancy numbers, however the unexpected and immediate cessation of the business was not predicted. The Trustees have now escalated plans for restructure that had previously been identified through the risk management process.

As the Charity is now undergoing a restructure, the Trustees will prepare a new risk report when new objectives and a new business model is implemented.

Investment Policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total return with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investing policy.

At 31 December 2022 the Charity's balance sheet showed that it had investments totalling £8,483,589 (2021: £9,308,329) that produced income of £299,983 (2021: £304,500). This result is deemed satisfactory by the trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as investment property and provide rental income to the Charity.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors for the purposes of company law) are responsible for preparing the Trustees' Report and 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 that give a true and fair view of the statement of affairs of the charitable company (and the group), and of the income and application of the resources, including the income and expenditure, of the charitable group for that year. In preparing the 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

THE RAILWAY CONVALESCENT HOMES**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****Statement of Trustees' responsibilities (continued)**

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which will enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company (and the group) and hence taking reasonable steps for the prevention and detection of fraud and other irregularities through, inter alia, audit and appropriate financial delegated authorities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

This report was approved by the Trustees on 5th July 2023 and signed on their behalfs by:



C. C. Mills
Trustee and Director

THE RAILWAY CONVALESCENT HOMES**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2022****Opinion**

We have audited the consolidated and charity financial statements of The Railway Convalescent Homes for the year ended 31 December 2022 which comprise of the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Charity Balance Sheet, and the related notes as set out on pages 9 to 17. 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).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities on page 4-5, the Trustees (who are also the Directors of The Railway Convalescent Homes 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Our 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 a Report of the Auditors 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.

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:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Company that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Opinion on financial statements

In our opinion the financial statements :

- * Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2022 and of the groups and the parent charitable company's Incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- * Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * Have been properly prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

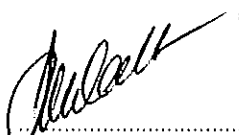
In our opinion the information in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements and in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- * The parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- * Certain disclosures of Trustees remuneration as specified by law are not made; or
- * We have not received all the information and explanations we require for our audit; or
- * The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.



.....
Stephen Walter (Senior Statutory Auditor)
for and on behalf of Casson Beckman

Chartered Accountants
Registered Auditors
Murrills House
48 East Street
Portchester
PO16 9XS

Date : 5/7/2023.....

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Continuing Group	Discontinued Group	Continuing Group	Group	Group	Charity	Charity
		Unrestricted funds year ended 31 December 2022	Unrestricted funds year ended 31 December 2022	Restricted funds year ended 31 December 2022	Total funds year ended 31 December 2022	Total funds year ended 31 December 2021	Total funds year ended 31 December 2022	Total funds year ended 31 December 2021
	Note	£	£	£	£	£	£	£
INCOME								
Donations and legacies	4	213	-	-	213	500	213	500
Income from charitable activities								
Contributions		-	3,007	-	3,007	3,909	3,007	3,909
Investment Income	6	299,983	-	-	299,983	304,500	299,983	304,500
Total Incoming resources		300,196	3,007	-	303,203	308,909	303,203	308,909
EXPENDITURE								
Cost of raising funds								
Trading expenses	5	-	-	-	-	1,309	-	1,309
		-	-	-	-	1,309	-	1,309
Net Incoming resources available for charitable application		300,196	3,007	-	303,203	307,600	303,203	307,600
Expenditure on charitable activities								
Support costs	7	273,784	-	17,958	291,742	267,888	291,742	267,888
Net Incoming/(outgoing) resources for the year before recognised gains and losses		26,412	3,007	(17,958)	11,461	39,712	11,461	39,712
Other recognised gains and losses								
Unrealised investment (losses)/gains	10	(834,802)	-	-	(834,802)	953,971	(834,802)	953,971
Unrealised cash losses		(129,975)	-	-	(129,975)	(55,764)	(129,975)	(55,764)
Realised investment gains		10,062	-	-	10,062	12,330	10,062	12,330
Net movement in funds		(928,303)	3,007	(17,958)	(943,254)	950,249	(943,254)	950,249
Reconciliation of funds								
Total funds brought forward	14	8,119,679	-	2,316,713	10,436,392	9,486,143	10,436,392	9,486,143
Transfer between funds	14	(17,958)	-	17,958	-	-	-	-
Fund balances carried forward at 31 December 2022	14	7,173,418	3,007	2,316,713	9,493,138	10,436,392	9,493,138	10,436,392

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES

CONSOLIDATED INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2022

	Year Ended 31 December 2022 £	Year Ended 31 December 2021 £
Income		
Contributions	3,007	3,909
Investment income	299,983	304,500
Voluntary income	213	500
Total Income	303,203	308,909
Expenditure		
Trading expenses	-	1,309
Expenditure on charitable activities	291,742	267,888
Total Expenditure	291,742	269,197
Surplus for the year before Other recognised gains and losses	11,461	39,712
Other Recognised gains and losses:		
Realised gains on disposal of investments	10,062	12,330
Surplus before and after tax	21,523	52,042

The Income and expenditure account is derived from the Statement of Financial Activities but excludes amounts for unrealised gains.

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2022

	Note	<u>Group</u> 2022 £	<u>Charity</u> 2022 £	<u>Group</u> 2021 £	<u>Charity</u> 2021 £
FIXED ASSETS					
Tangible assets	9	712,578	712,578	731,301	731,301
Investments	10	8,483,589	8,483,589	9,308,329	9,308,329
TOTAL FIXED ASSETS		9,196,167	9,196,167	10,039,630	10,039,630
CURRENT ASSETS					
Debtors	11	21,960	25,180	20,422	23,626
Cash at bank and in hand	12	300,627	297,022	401,821	398,237
TOTAL CURRENT ASSETS		322,587	322,202	422,243	421,863
LIABILITIES					
Creditors falling due within one year	13	(25,816)	(25,816)	(25,096)	(25,486)
NET CURRENT ASSETS		296,971	296,586	397,147	398,377
TOTAL ASSETS LESS CURRENT LIABILITIES		9,493,138	9,492,753	10,436,777	10,436,007
THE FUNDS OF THE CHARITY:					
Unrestricted income funds	14	7,176,040	7,176,040	8,119,679	8,119,294
Non-charitable trading funds	14	385	-	385	-
Permanent endowment funds	14	2,316,713	2,316,713	2,316,713	2,316,713
TOTAL CHARITY FUNDS		9,493,138	9,492,753	10,436,777	10,436,007

The Trustees have prepared group accounts in accordance with section 398 of the Charities Act 2006 and section 138 of Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 12 to 17 form part of these accounts.

Approved on 5th July 2023 by the board of Trustees and signed on its behalf by:

C. C. Mills
C. C. Mills

Trustee and Director

W.J. Collins
W.J. Collins
Trustee and Director

Company Registration No. 07109869

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), and the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, with the exception of investments and investment properties which are included at market value. They include the results of the Charity's operations which are described in the Trustees' Report, all of which are continuing.

The charity meets the definition of a public benefit entity under FRS102.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

1.1 GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the Charity and its wholly owned subsidiary RCH Limited on a line by line basis.

1.2 INCOME

All income is recognised once the Charity has entitlement to the income, it is certain that the income will be received and the monetary value of income can be measured with sufficient reliability.

1.3 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is classified under the following activity headings:

Costs of raising funds

Costs of raising funds comprise the costs of commercial trading from its subsidiary company and their associated support costs.

Expenditure on charitable activities

Cost of charitable activities include costs directly associated with running the charity including support costs.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include all costs relating to compliance with regulations and good practice. These costs include costs related to statutory audit, legal fees and Trustee meeting expenses together with other governance costs. The basis on which support costs have been allocated are set out in note 7.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

1.4 TANGIBLE FIXED ASSETS (other than investments)

All expenditure on the acquisition or installation of tangible fixed assets is capitalised where the expenditure exceeds £500.

Depreciation is provided on all fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The annual depreciation rates and bases used are as follows :

Freehold buildings	2% straight line basis
Computer equipment	33% reducing balance basis
Garden Equipment	25% reducing balance basis

1.5 FIXED ASSET INVESTMENTS

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investments are held on the Charity's behalf, as part of a central pool managed by Sarasin & Partners LLP and M&G Investments. The investments are held primarily to provide an investment return for the Charity.

Fixed asset investments include investment property held at valuation; these are held primarily to provide an investment return for the Charity.

1.6 PENSION COSTS

The Charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 REALISED AND UNREALISED GAINS AND LOSSES

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value. Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value or purchase date if later.

1.8 FUNDS STRUCTURE

Restricted funds comprise of a permanent endowment fund as stipulated by the Charity Commission and are funds which cannot be sold or used without approval of the Charity Commission. The only charges to the fund are the depreciation associated with the property involved, any expenditure incurred is transferred from the unrestricted fund.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in the furtherance of the charitable objectives. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

1.9 BASIC FINANCIAL INSTRUMENTS

Basic financial Instruments 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 financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

2 NET MOVEMENT IN FUNDS FOR THE YEAR

Net movement in funds for the year is after charging:	2022	2021
	£	£
Depreciation	<u>18,723</u>	<u>19,401</u>

3 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on Page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

4 DONATIONS AND LEGACIES	2022	2021
	£	£
Donations	<u>213</u>	<u>500</u>

5 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The Charity has a wholly owned trading subsidiary, RCH Limited which is registered in England and Wales, Company number 2897315. RCH Limited is currently dormant due to the closure of the Charity's operational facility.

Summary Profit and Loss Account	2022	2021
	£	£
Administrative expenses	-	(1,309)
Net profit	-	(1,309)
Amount gifted to The Railway Convalescent Homes	-	1,309
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	3,584	3,584
Creditors: Amounts falling due within one year	(3,199)	(3,199)
Aggregate share capital and reserves	<u>385</u>	<u>385</u>

Please refer to the Trustees Report and Notes 1 and 21, the closure of the Convalescent Home has also meant that the trading company has ceased trading for the foreseeable future.

6 INVESTMENT INCOME	2022	2021
	£	£
Income from managed investments	224,837	227,463
Rents from investment properties	75,146	77,037
	<u>299,983</u>	<u>304,500</u>

The investment property is shown in note 10.

7 SUPPORT COSTS	Continuing Restricted Funds	Continuing Charitable Expenditure	2022 £	2021 £
Wages	-	130,218	130,218	115,559
Pension contributions	-	5,796	5,796	4,986
Rates	-	5,329	5,329	24,865
Insurance	-	19,404	19,404	14,152
Light and heat	-	6,321	6,321	7,689
Property maintenance	-	61,744	61,744	38,854
Telephone	-	2,894	2,894	3,195
Computer expenses	-	2,049	2,049	2,046
Printing, stationery and postage	-	3,726	3,725	4,087
Travelling and accommodation	-	118	118	67
Staff uniforms	-	260	260	276
Audit and accountancy	-	7,061	7,081	6,540
Professional fees	-	28,300	28,300	26,962
Depreciation	17,958	765	18,723	19,401
Loss on disposal of assets	-	(200)	(200)	(771)
	<u>17,958</u>	<u>273,784</u>	<u>291,742</u>	<u>267,886</u>

These costs have been apportioned on a usage basis.

The auditors remuneration relates to audit and accountancy services for the year.

8 ANALYSIS OF STAFF COSTS AND NUMBERS

	2022	2021
	£	£
Wages	123,987	108,571
Social security costs	6,231	6,988
Pension costs	5,796	4,986
	<u>136,014</u>	<u>120,545</u>

No employee earned more than £60,000 per annum.

The average weekly number of persons employed by the Charity during the year was 4 (2021 : 4).

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

9 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY AND GROUP

	Freehold land and buildings £	Computer equipment £	Garden Equipment	2022 Total £	2021 Total £
Cost					
At 1 January 2022	897,888	6,455	3,099	907,442	904,343
Additions	-	-	-	-	3,099
At 31 December 2022	<u>897,888</u>	<u>6,455</u>	<u>3,099</u>	<u>907,442</u>	<u>907,442</u>
Accumulated depreciation					
At 1 January 2022	169,441	5,955	745	176,141	156,740
Charge for year	17,958	176	589	18,723	19,401
At 31 December 2022	<u>187,399</u>	<u>6,131</u>	<u>1,334</u>	<u>194,864</u>	<u>176,141</u>
Net book value					
At 31 December 2022	<u>710,489</u>	<u>324</u>	<u>1,765</u>	<u>712,578</u>	<u>731,301</u>

10 FIXED ASSET INVESTMENTS FOR CHARITY AND GROUP

	Listed Investments £	Investment property £	2022 Total £	2021 Total £
Market value at 1 January 2022	7,808,329	1,500,000	9,308,329	8,342,028
Additions	10,062	-	10,062	12,330
Net investment gains - Unrealised	(834,802)	-	(834,802)	953,971
Market value at 31 December 2022	<u>6,983,589</u>	<u>1,500,000</u>	<u>8,483,589</u>	<u>9,308,329</u>
Historical cost at 31 December 2022	<u>4,773,254</u>	<u>1,169,182</u>	<u>5,942,436</u>	<u>5,932,374</u>
Listed investments at market value comprised:				
UK fixed interest securities			1,030,281	941,162
Overseas fixed interest securities			67,180	71,142
Equities			4,682,364	5,688,006
UK property investments			301,959	305,360
Other investments			901,805	802,659
Investments listed on a recognised stock exchange			<u>6,983,589</u>	<u>7,808,329</u>
Investment managers' cash account			151,399	281,374
			<u>7,134,988</u>	<u>8,089,703</u>

The investment holdings at 31 December 2022 did not include any individual assets with a value above 5% of the portfolio value.

The investment property was valued by the trustees at 31 December 2022, the basis of the valuation was current market value. The valuation is based on property prices for similar properties in the area.

The Charity holds 2 shares of £1 each in its wholly owned trading subsidiary company RCH Limited, company number 02897315, which is incorporated in the United Kingdom and shares its registered office with the Charity. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 7.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

11 DEBTORS	<u>Group</u> 2022	<u>Charity</u> 2022	<u>Group</u> 2021	<u>Charity</u> 2021
Prepayments	21,960	21,960	20,422	20,422
Amounts due from trading subsidiary	-	3,220	-	3,204
	<u>21,960</u>	<u>25,180</u>	<u>20,422</u>	<u>23,626</u>

12 CASH AT BANK AND IN HAND	<u>Group</u> 2022 £	<u>Charity</u> 2022 £	<u>Group</u> 2021 £	<u>Charity</u> 2021 £
Bank current and deposit accounts	149,085	145,480	120,348	116,784
Petty cash	100	100	100	100
Investment cash	151,443	151,443	281,374	281,374
	<u>300,627</u>	<u>297,022</u>	<u>401,821</u>	<u>398,237</u>

13 CREDITORS	<u>Group</u> 2022 £	<u>Charity</u> 2022 £	<u>Group</u> 2021 £	<u>Charity</u> 2021 £
Operating creditors	15,406	15,406	14,618	14,618
Taxation and social security costs	2,806	2,806	2,744	2,744
Other creditors	1,033	1,033	959	1,349
Accruals and deferred income	6,371	6,371	6,775	6,775
	<u>25,616</u>	<u>25,616</u>	<u>25,096</u>	<u>25,486</u>

14 NET MOVEMENT IN CHARITABLE FUNDS	Analysis of unrestricted fund movements						
	Balance as at 01.01.2022 £	Incoming resources £	Resources expended £	Investment gains/ (losses) £	Transfer to restricted fund	Balance as at 31.12.2022 £	Balance as at 31.12.2021
General purpose Fund	8,119,294	303,203	(273,784)	(954,715)	(17,958)	7,176,040	8,119,294
Non-charitable trading funds	385	-	-	-	-	385	385
	<u>8,119,679</u>	<u>303,203</u>	<u>(273,784)</u>	<u>(954,715)</u>	<u>(17,958)</u>	<u>7,176,425</u>	<u>8,119,679</u>

	Balance as at 01.01.2022 £	Incoming resources £	Resources expended £	Investment gains/ (losses) £	Transfer from un-restricted fund £	Balance as at 31.12.2022 £	Balance as at 31.12.2021 £
Permanent endowment	2,316,713	-	(17,958)	-	17,958	2,316,713	2,316,713

15 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS	Unrestricted Funds	Restricted Funds	Total Funds £	Balance as at 31.12.2021 £
Tangible fixed assets	2,089	710,489	712,578	731,301
Fixed asset investments	6,983,589	1,500,000	8,483,589	9,308,329
Cash at bank and in hand	300,627	-	300,627	401,821
Other net current liabilities	(3,656)	-	(3,656)	(4,674)
	<u>7,282,649</u>	<u>2,210,489</u>	<u>9,493,138</u>	<u>10,436,777</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 OPERATING LEASES

The company has no commitments under non-cancellable operating leases.

The company is entitled to rental income under non-cancellable operating leases due within 1 year of £34,800. There are no leases beyond this period.

17 TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to the Trustees during the year. The Trustees were paid expenses for attending meetings and activities directly related to their duties as Trustees. In the year Trustees were paid total expenses of £496 (2021 £120), for travel, subsistence and room hire.

18 TAXATION

The company is a registered Charity and therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. Therefore, no provision is considered necessary for taxation.

19 RELATED PARTY TRANSACTIONS

Included within these consolidated financial statements are the results of the charitable company's wholly owned subsidiary RCH Limited (registered in England and Wales).

20 AUDITORS' ETHICAL STANDARDS

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

21 SUBSEQUENT EVENTS

As stated in the trustees report, due to COVID 19 the convalescent home has closed permanently. The Trustees no longer deem the business model to be effective and they are liaising with the Charity Commission over the future of the Charity.

The Railway Community Homes

England & Wales - Charity number 1142608

Accounts

Company Registration Number : 07109869 (England and Wales)
Registered Charity Number : 1142608

THE RAILWAY CONVALESCENT HOMES
(A Company Limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

Casson Beckman
Chartered Accountants
Murrills House
48 East Street
Portchester
PO16 9XS

Reference SD/516691/SRW

THE RAILWAY CONVALESCENT HOMES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Reference and administrative information	1
Report of the Trustees	2 - 5
Report of the Independent Auditors	6 - 8
Consolidated Statement of Financial Activities	9
Consolidated Income and Expenditure Account	10
Balance Sheet - Group and Charity	11
Notes to the Financial Statements	12 - 18

THE RAILWAY CONVALESCENT HOMES

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEE MEMBERS AND DIRECTORS

The Directors of the Charitable Company (The Charity) are its Trustees for the purpose of charity law. The Trustees and Officers serving during the period and since the year end were as follows :

P. C. Moakes
 J. F. L. Reeves (Resigned 31/12/21)
 S. J. Brook
 C. C. Mills
 A. D. Sugden (Resigned 16/03/22)
 W.J. Collins
 P. E. O'Hare
 C. Donovan
 D.R. Crome
 B. J. Davenport
 G.P. Isom

COMPANY SECRETARY A. B. Conyard

REGISTERED CHARITY NUMBER 1142608

COMPANY REGISTRATION NUMBER 07109869

REGISTERED OFFICE Bridge House
 2 Church Street
 Dawlish
 Devon
 EX7 9AU

INDEPENDENT AUDITORS Casson Beckman
 Murrills House
 48 East Street
 Portchester
 PO16 9XS

LEGAL ADVISORS Hunters
 9 New Square
 Lincoln's Inn
 London
 WC2A 3QN

BANKERS Lloyds TSB
 PO Box 1000
 Andover
 BX1 1LT

INVESTMENT MANAGERS Sarasin & Partners LLP
 Juxon House
 100 St Pauls Churchyard
 London
 EC4M 8BU

M&G Investments
 PO Box 9039
 Chelmsford
 CM99 2XF

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the audited financial statements of the Charity and its subsidiary for the year ended 31 December 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

Constitution, objects and policies

The Charity was registered on 27 June 2011 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalids or are convalescent in the following order of priority:

- (a) Persons who are or who have been employees of current or former railway undertakings including the British Railways Board and including any publicly owned railway undertakings;
- (b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre at Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid 19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees are now liaising with the Charity Commission and the Charity's solicitors regarding the alteration of the Charities objectives and alternative income streams. Although the main trade has ceased during the year, the Charity continues to be a going concern due to the other income streams receivable, the other ongoing operations undertaken by the charity and the level of assets held.

The Charity had previously measured its success based on guest numbers year on year. Currently the most significant income source for the Charity is from investments.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies. They are now liaising with the Charity Commission to ensure the charitable objectives can continue to be fulfilled.

Organisational and decision-making structure

The Trustees (who are also the Directors for the purposes of company law) who have served during the year are set out on page 1. They are appointed by the Board of Trustees and serve in accordance with the scheme approved by the Charity Commission.

The Board of Trustees meets quarterly and in addition has biannual strategy meetings at which the board reviews the progress and plans the future strategy of the Charity.

There is a single standing committee, the joint management committee, which meets quarterly and reports to the Board of Trustees.

The committee covers Property, Finance, Personnel and General Issues and is composed of at least three Trustees and specialist co-opted members. In addition there is a Marketing sub committee which reviews marketing arrangements and how the Charity positions itself with other rail charities, the rail industry and the local community.

The Charity also has a wholly owned subsidiary company that takes responsibility for trading activities. It has a board of four directors, composed of Charity Trustees and persons from outside the Charity. The company's Board of Directors meets at least twice a year.

The Trustees are selected in accordance with their association to the railways and their skill set, and change at regular intervals. Those selected may also be Trustees of other charities.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Organisational and decision-making structure (continued)

The induction process for any newly appointed Trustee is to firstly meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new Trustee will receive copies of the Charity's governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to their first meeting to clarify any uncertainties.

The trustees have ultimate control over the Charity and its subsidiary. A good support structure is in place within the Charity in the form of a business manager Annette Everett. There is a small team undertaking the general day to day running of the building and management of the business. The business manager and the staff have been in place for a considerable number of years and have vast experience in their particular field of expertise. The staff live within a 5 mile radius of the home, which also enables the Charity to provide benefit via employment to the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager does attend board meetings and is therefore also involved in the strategic decisions made by the trustees, the input of the business manager provides the trustees with a grounded view of the financial position of the charity and the requirements of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services. Staff undertaking the same job are paid equally and there is no pay grading scale in operation.

The organisation and structure of the various committees will now be reviewed and amended to ensure they are suitable to the Charity's new and future circumstances.

Public Benefit

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above in our constitution, object and policies the main activities undertaken to further the Charity's purposes for the public benefit.

Financial Review and Achievements and Performance

The board reports net incoming resources of £39,712 (2020 net outgoing resources: £269,012) before gains on investments. The Charity reports a profit on net movements in funds for the year of £950,249 (2020: Loss £58,604) after gains on investments. A significant part of this is due to the movements on investment values in the year, including revaluation of the investment property.

The principal funding of the Charity currently comes from investments.

Expenditure was carefully controlled during the year, expenditure has been significantly reduced due to the closure of the facility, but tight controls over expenditure continue.

Policy on Reserves

At the year end the Charity held funds totalling £10,436,007 (2020: £9,485,758). Of this the Charity had unrestricted funds of £8,119,294 (2020: £7,499,863) and Permanent endowment funds of £2,316,743 (2020: £1,985,895).

The permanent endowment represents the value of the premises which the Charity operates from and the investment flats also situated within the grounds. These must remain to ensure the future operation of this charity and therefore have been assigned as a permanent endowment in line with the Charity Commission requirements.

It is clear that the Charity does need reserves of at least the current level for a number of reasons:

- * It has a need for investment income as there is currently no trading income.
- * It needs reserves to provide for future capital investment at the facility.
- * To facilitate the restructure of the Charity.

In view of the Charity's current position its present investment income is essential to underwrite on-going charitable costs.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Risk management

The Trustees are aware of the major issues which face the Charity. In 2013 they prepared a comprehensive report which fully reviewed all the various risk factors facing the Charity, considered means by which these risks could be mitigated and considered the financial impact of each risk to the Charity. The risk schedule is reviewed at each trustee meeting and updated, the Trustees have taken constructive action to reduce all risk to an acceptable level.

The trustees had deemed the most significant risk to the charity to be a fall in occupancy numbers, however the unexpected and immediate cessation of the business was not predicted. The Trustees have now escalated plans for restructure that had previously been identified through the risk management process.

As the Charity is now undergoing a restructure, the Trustees will prepare a new risk report when new objectives and a new business model is implemented.

Investment Policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total return with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investing policy.

At 31 December 2021 the Charity's balance sheet showed that it had investments totalling £9,308,329 (2020: £8,342,028) that produced income of £304,500 (2020: £393,221). This result is deemed satisfactory by the trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as investment property and provide rental income to the Charity.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors for the purposes of company law) are responsible for preparing the Trustees' Report and 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 that give a true and fair view of the statement of affairs of the charitable company (and the group), and of the income and application of the resources, including the income and expenditure, of the charitable group for that year. In preparing the 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Statement of Trustees' responsibilities (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which will enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company (and the group) and hence taking reasonable steps for the prevention and detection of fraud and other irregularities through, inter alia, audit and appropriate financial delegated authorities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

This report was approved by the Trustees on 15 June 2022 and signed on their behalves by:



C. Mills
Trustee and Director

THE RAILWAY CONVALESCENT HOMES**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2021****Opinion**

We have audited the consolidated and charity financial statements of The Railway Convalescent Homes for the year ended 31 December 2021 which comprise of the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Charity Balance Sheet, and the related notes as set out on pages 8 to 17. 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).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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.

Material uncertainty relating to going concern

We draw your attention to the trustees report and notes 1 and 23, which indicate that the effects of the Covid-19 pandemic have forced the closure of the main trading operation and created uncertainty about the level of future revenue and whether the current charitable objectives can be fulfilled. This indicates that a material uncertainty exists which may cast significant doubt on the Charities ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities on page 4-5, the Trustees (who are also the Directors of The Railway Convalescent Homes 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Our 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 a Report of the Auditors 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.

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:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Company that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Opinion on financial statements

In our opinion the financial statements :

- * Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the groups and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- * Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * Have been properly prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

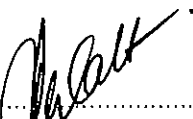
In our opinion the information in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements and in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- * The parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- * Certain disclosures of Trustees remuneration as specified by law are not made; or
- * We have not received all the information and explanations we require for our audit; or
- * The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.


.....
Stephen Walter (Senior Statutory Auditor)
for and on behalf of Casson Beckman

Chartered Accountants
Registered Auditors
Murrills House
48 East Street
Portchester
PO16 9XS

Date : 15/6/2022

THE RAILWAY CONVALESCENT HOMES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

		Continuing Group Unrestricted funds year ended 31 December 2021 £	Discontinued Group Unrestricted funds year ended 31 December 2021 £	Continuing Group Restricted funds year ended 31 December 2021 £	Discontinued Group Restricted funds year ended 31 December 2021 £	Group Total funds year ended 31 December 2021 £	Group Total funds year ended 31 December 2020 £	Charity Total funds year ended 31 December 2021 £	Charity Total funds year ended 31 December 2020 £
INCOME									
Donations and legacies	4	-	500	-	-	500	2,488	500	2,488
Income from charitable activities									
Contributions		-	3,909	-	-	3,909	8,537	3,909	8,537
Operating income	5	-	-	-	-	-	22,782	-	22,782
Other income	6	-	-	-	-	-	2,660	-	2,660
Income from other trading activities									
Trading Income	7	-	-	-	-	-	50,369	-	50,369
Investment income	8	304,500	-	-	-	304,500	393,221	304,500	393,221
Total Incoming resources		304,500	4,409	-	-	308,909	480,057	308,909	480,057
EXPENDITURE									
Cost of raising funds									
Trading expenses	7	-	1,309	-	-	1,309	3,156	1,309	3,156
Publicity		-	-	-	-	-	1,951	-	1,951
		-	1,309	-	-	1,309	5,107	1,309	5,107
Net Incoming resources available for charitable application		304,500	3,100	-	-	307,600	474,950	307,600	474,950
Expenditure on charitable activities									
Support costs	9	249,930	-	17,958	-	267,888	743,982	267,888	743,962
Net incoming/(outgoing) resources for the year before recognised gains and losses		54,570	3,100	(17,958)	-	39,712	(269,012)	39,712	(269,012)
Other recognised gains and losses									
Unrealised investment gains	12	623,153	-	330,818	-	953,971	84,805	953,971	84,805
Unrealised cash gains		(55,764)	-	-	-	(55,764)	58,051	(55,764)	58,051
Unrealised revaluation losses	12	-	-	-	-	-	-	-	-
Realised investment gains		12,330	-	-	-	12,330	67,552	12,330	67,552
Net movement in funds		634,289	3,100	312,860	-	950,249	(58,604)	950,249	(58,604)
Reconciliation of funds									
Total funds brought forward	16	7,500,248	-	1,985,895	-	9,486,143	9,545,132	9,486,143	9,544,747
Transfer between funds	16	(17,958)	-	17,958	-	-	-	-	-
Fund balances carried forward at 31 December 2021	16	8,116,579	3,100	2,316,713	-	10,436,392	9,486,528	10,436,392	9,486,143

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES

CONSOLIDATED INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2021

	Year Ended 31 December 2021 £	Year Ended 31 December 2020 £
Income		
Contributions	3,909	8,537
Operating income	-	22,782
Trading income	-	50,369
Other income	-	2,660
Investment Income	304,500	393,221
Voluntary income	500	2,488
Total Income	308,909	480,057
Expenditure		
Trading expenses	1,309	3,156
Publicity	-	1,951
Expenditure on charitable activities	267,888	743,962
Total Expenditure	269,197	749,069
Surplus/(Deficit) for the year before Other recognised gains and losses	39,712	(269,012)
Other Recognised gains and losses:		
Realised gains on disposal of investments	12,330	67,552
Surplus/(Deficit) before and after tax	52,042	(201,460)

The income and expenditure account is derived from the Statement of Financial Activities but excludes amounts for unrealised gains.

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES


CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2021

	Note	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	11	731,301	731,301	747,603	747,603
Investments	12	9,308,329	9,308,329	8,342,028	8,342,028
TOTAL FIXED ASSETS		10,039,630	10,039,630	9,089,631	9,089,631
CURRENT ASSETS					
Debtors	13	20,422	23,626	21,958	25,130
Cash at bank and in hand	14	401,821	398,237	396,673	393,088
TOTAL CURRENT ASSETS		422,243	421,863	418,631	418,218
LIABILITIES					
Creditors falling due within one year	15	(25,096)	(25,486)	(21,734)	(22,091)
NET CURRENT ASSETS		397,147	396,377	396,897	396,127
TOTAL ASSETS LESS CURRENT LIABILITIES		10,436,777	10,436,007	9,486,528	9,485,758
THE FUNDS OF THE CHARITY:					
Unrestricted income funds	16	8,119,679	8,119,294	7,500,248	7,499,863
Non-charitable trading funds	16	385	-	385	-
Permanent endowment funds	16	2,316,713	2,316,713	1,985,895	1,985,895
TOTAL CHARITY FUNDS		10,436,777	10,436,007	9,486,528	9,485,758


The Trustees have prepared group accounts in accordance with section 398 of the Charities Act 2006 and section 138 of Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 12 to 18 form part of these accounts.

Approved on 15 June 2022 by the board of Trustees and signed on its behalf by:


C.Mills

Trustee and Director


W.J. Collins
Trustee and Director

Company Registration No. 07109869

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), and the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, with the exception of investments and investment properties which are included at market value. They include the results of the Charity's operations which are described in the Trustees' Report, all of which are continuing.

The charity meets the definition of a public benefit entity under FRS102.

There are material uncertainties around going concern as the facility closed in the previous year, these indicate that the going concern basis may not be appropriate. The main trading activity has ceased permanently due to the Covid-19 pandemic. However the Charity does have other sources of income in the form of investments, which will be used to support the Charity financially while the Trustees explore other charitable avenues in consultation with the Charity Commission and the Charity's solicitors. Therefore despite the uncertainty the financial statements have been prepared on a going concern basis.

Please refer to the Trustees Report for information on the closure of the Convalescent Home.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

1.1 GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the Charity and its wholly owned subsidiary RCH Limited on a line by line basis.

1.2 INCOME

All income is recognised once the Charity has entitlement to the income, it is certain that the income will be received and the monetary value of income can be measured with sufficient reliability. Income relating to accommodation is deferred until the time of stay.

1.3 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is classified under the following activity headings:

Costs of raising funds

Costs of raising funds comprise the costs of commercial trading from its subsidiary company and their associated support costs.

Expenditure on charitable activities

Cost of charitable activities include costs directly associated with running the convalescent care home, providing care to the residents and other activities undertaken to further the purposes of their charity, including their support costs.

Other expenditure

Other expenditure represents those items not falling into any other heading.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include all costs relating to compliance with regulations and good practice. These costs include costs related to statutory audit, legal fees and Trustee meeting expenses together with other governance costs. The basis on which support costs have been allocated are set out in note 9.

Irrecoverable VAT

The irrecoverable element of VAT is shown as a separate expense within expenditure on charitable activities.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

1.3 EXPENDITURE (Continued)

Operating leases

The Charity had a number of operating leases to which the title of the equipment remained with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.4 TANGIBLE FIXED ASSETS (other than Investments)

All expenditure on the acquisition or installation of tangible fixed assets is capitalised where the expenditure exceeds £500.

Depreciation is provided on all fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The annual depreciation rates and bases used are as follows :

Freehold buildings	2% straight line basis
Computer equipment	33% reducing balance basis

1.5 FIXED ASSET INVESTMENTS

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investments are held on the Charity's behalf, as part of a central pool managed by Sarasin & Partners LLP and M&G Investments. The investments are held primarily to provide an investment return for the Charity.

Fixed asset investments include investment property held at valuation; these are held primarily to provide an investment return for the Charity.

1.6 PENSION COSTS

The Charity pays pensions, on a voluntary basis, to former employees who do not have their own pension funded by the contributory scheme. The Charity also operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 REALISED AND UNREALISED GAINS AND LOSSES

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value. Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value or purchase date if later.

1.8 FUNDS STRUCTURE

Restricted funds comprise of a permanent endowment fund as stipulated by the Charity Commission and are funds which cannot be sold or used without approval of the Charity Commission. The only charges to the fund are the depreciation associated with the property involved, any expenditure incurred is transferred from the unrestricted fund.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in the furtherance of the charitable objectives. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

1.9 BASIC FINANCIAL INSTRUMENTS

Basic financial instruments 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 financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

2 NET MOVEMENT IN FUNDS FOR THE YEAR

Net movement in funds for the year is after charging:	2021	2020
	£	£
Depreciation	<u>19,401</u>	<u>18,776</u>

3 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on Page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

4 DONATIONS AND LEGACIES	2021 £	2020 £
Donations	500	2,488
Legacies	-	-
	<u>500</u>	<u>2,488</u>
5 OPERATING INCOME	2021 £	2020 £
Convalescent care	-	22,782
	<u>-</u>	<u>22,782</u>
6 OTHER INCOME	2021 £	2020 £
Bar income	-	2,660
	<u>-</u>	<u>2,660</u>
7 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES		

The Charity has a wholly owned trading subsidiary, RCH Limited which is registered in England and Wales, Company number 2897315. RCH Limited takes on surplus facilities from the Railway Convalescent Homes centres to provide recuperative breaks. The subsidiary donates its taxable profits to the Charity under the Gift Aid scheme. A summary of the trading results is shown below.

Summary Profit and Loss Account	2021 £	2020 £
Turnover	-	50,369
Less:		
Administrative expenses	(1,309)	(3,156)
Net profit	(1,309)	47,213
Amount gifted to The Railway Convalescent Homes	1,309	(16,763)
Inter-group trading:		
Facilities purchased from The Railway Convalescent Homes	-	(30,450)
Retained in subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	38,222	38,222
Creditors: Amounts falling due within one year	(37,837)	(37,837)
Aggregate share capital and reserves	<u>385</u>	<u>385</u>

Please refer to the Trustees Report and Notes 1 and 23, the closure of the Convalescent Home has also meant that the trading company has ceased trading for the foreseeable future.

8 INVESTMENT INCOME	2021 £	2020 £
Income from managed investments	227,463	314,574
Rents from investment properties	77,037	78,619
Bank deposit interest	-	28
	<u>304,500</u>	<u>393,221</u>

The investment property is shown in note 12.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

9 SUPPORT COSTS

	Continuing Restricted Funds	Continuing Charitable Expenditure	2021 £	2020 £
Wages	-	115,559	115,559	428,668
Pension contributions	-	4,986	4,986	13,946
Food and Bar	-	-	-	17,476
Laundry and cleaning	-	-	-	703
Rates	-	24,865	24,865	8,814
Insurance	-	14,152	14,152	27,815
Light and heat	-	7,669	7,669	17,439
Entertainment for guests	-	-	-	1,480
Property maintenance	-	38,854	38,854	56,938
Telephone	-	3,195	3,195	2,740
Computer expenses	-	2,046	2,046	8,229
Printing, stationery and postage	-	4,087	4,087	7,210
Travelling and accommodation	-	67	67	1,683
Staff uniforms	-	276	276	392
Training	-	-	-	-
Audit and accountancy	-	6,540	6,540	8,138
Professional fees	-	26,962	26,962	7,624
Bank charges	-	-	-	1,173
Irrecoverable VAT	-	-	-	9,734
Depreciation	17,958	1,443	19,401	18,776
Loss on disposal of assets	-	(771)	(771)	104,984
	<u>17,958</u>	<u>249,930</u>	<u>267,888</u>	<u>743,962</u>

These costs have been apportioned on a usage basis.

The auditors remuneration relates to audit and accountancy services for the year.

10 ANALYSIS OF STAFF COSTS AND NUMBERS

	2021 £	2020 £
Wages	90,755	403,865
Social security costs	24,804	24,804
Pension costs	4,986	13,945
	<u>120,545</u>	<u>442,614</u>

No employee earned more than £60,000 per annum.

The average weekly number of persons employed by the Charity during the year was 4 (2020 : 45).

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY AND GROUP

	Freehold land and buildings £	Computer equipment £	Garden Equipment	2021 Total £	2020 Total £
Cost					
At 1 January 2021	897,888	6,455	-	904,343	1,133,559
Additions	-	-	3,099	3,099	-
Disposals	-	-	-	-	(229,216)
At 31 December 2021	<u>897,888</u>	<u>6,455</u>	<u>3,099</u>	<u>904,343</u>	<u>904,343</u>
Accumulated depreciation					
At 1 January 2021	151,483	5,257	-	156,740	238,365
Charge for year	17,958	698	745	19,401	18,776
Disposals	-	-	-	-	(100,401)
At 31 December 2021	<u>169,441</u>	<u>5,955</u>	<u>745</u>	<u>176,141</u>	<u>156,740</u>
Net book value					
At 31 December 2021	<u>728,447</u>	<u>500</u>	<u>2,354</u>	<u>731,301</u>	<u>747,603</u>

12 FIXED ASSET INVESTMENTS FOR CHARITY AND GROUP

	Listed investments £	Investment property £	2021 Total £	2020 Total £
Market value at 1 January 2021	7,172,846	1,169,182	8,342,028	8,322,120
Additions	12,330	-	12,330	-
Disposals	-	-	-	(132,449)
Net investment gains - Realised	-	-	-	67,552
Net investment gains - Unrealised	623,153	330,818	953,971	84,805
Market value at 31 December 2021	<u>7,808,329</u>	<u>1,500,000</u>	<u>9,308,329</u>	<u>8,342,028</u>
Historical cost at 31 December 2021	<u>4,763,192</u>	<u>1,169,182</u>	<u>5,932,374</u>	<u>5,920,044</u>
Listed Investments at market value comprised:				
UK fixed interest securities			941,162	1,163,938
Overseas fixed interest securities			71,142	62,748
UK equity shares			1,701,623	1,511,046
Overseas equity shares			3,986,383	3,658,703
UK property investments			305,360	176,583
Other investments			802,659	599,828
Investments listed on a recognised stock exchange			7,808,329	7,172,846
Investment managers' capital account			281,374	337,138
			<u>8,089,703</u>	<u>7,509,984</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

12 FIXED ASSET INVESTMENTS FOR CHARITY AND GROUP (CONTINUED)

Analysis of market value of investments between those held within and outside the United Kingdom:

	2021	2020
	Total	Total
	£	£
UK Listed Investments	3,750,804	3,451,395
Overseas Investments	4,057,525	3,721,451
Total Investments	<u>7,808,329</u>	<u>7,172,846</u>
Cash held by investment managers	281,374	337,138
	<u>8,089,703</u>	<u>7,509,984</u>

The investment holdings at 31 December 2021 did not include any individual assets with a value above 5% of the portfolio value.

The investment property was valued by the trustees at 31 December 2021, the basis of the valuation was current market value. The valuation is based on property prices for similar properties in the area.

The Charity holds 2 shares of £1 each in its wholly owned trading subsidiary company RCH Limited, company number 02897315, which is incorporated in the United Kingdom and shares its registered office with the Charity. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 7.

13 DEBTORS

	<u>Group</u>	<u>Charity</u>	<u>Group</u>	<u>Charity</u>
	2021	2021	2020	2020
Trade Debtors	-	-	1,656	1,656
Prepayments	20,422	20,422	20,302	20,302
Amounts due from trading subsidiary	-	3,204	-	3,172
	<u>20,422</u>	<u>23,626</u>	<u>21,958</u>	<u>25,130</u>

14 CASH AT BANK AND IN HAND

	<u>Group</u>	<u>Charity</u>	<u>Group</u>	<u>Charity</u>
	2021	2021	2020	2020
	£	£	£	£
Bank current and deposit accounts	120,348	116,764	59,435	55,850
Petty cash	100	100	100	100
Investment cash	281,374	281,374	337,138	337,138
	<u>401,821</u>	<u>398,237</u>	<u>396,673</u>	<u>393,088</u>

15 CREDITORS

	<u>Group</u>	<u>Charity</u>	<u>Group</u>	<u>Charity</u>
	2021	2021	2020	2020
	£	£	£	£
Operating creditors	14,618	14,618	3,507	3,507
Taxation and social security costs	2,744	2,744	10,358	10,715
Other creditors	959	1,349	1,094	1,094
Accruals and deferred income	6,775	6,775	6,775	6,775
	<u>25,096</u>	<u>25,486</u>	<u>21,734</u>	<u>22,091</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

16 NET MOVEMENT IN CHARITABLE FUNDS

Analysis of unrestricted fund movements

	Balance as at 01.01.2021	Incoming resources	Resources expended	Investment gains/ (losses)	Transfer to restricted fund	Balance as at 31.12.2021	Balance as at 31.12.2020
	£	£	£	£		£	
General purpose Fund	7,499,863	308,909	(251,239)	579,719	(17,958)	8,119,294	7,499,863
Non- charitable trading funds	385	-	-	-	-	385	385
	<u>7,500,248</u>	<u>308,909</u>	<u>(251,239)</u>	<u>579,719</u>	<u>(17,958)</u>	<u>8,119,679</u>	<u>7,500,248</u>

Analysis of restricted fund movements

	Balance as at 01.01.2021	Incoming resources	Resources expended	Investment gains/ (losses)	Transfer from un-restricted fund	Balance as at 31.12.2021	Balance as at 31.12.2020
	£	£	£	£	£	£	£
Permanent endowment	<u>1,985,895</u>	-	<u>(17,958)</u>	<u>330,818</u>	<u>17,958</u>	<u>2,316,713</u>	<u>1,985,895</u>

17 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds £	Balance as at 31.12.2020 £
Tangible fixed assets	2,854	728,447	731,301	747,603
Fixed asset investments	7,808,329	1,500,000	9,308,329	8,342,028
Cash at bank and in hand	401,821	-	401,821	396,673
Other net current liabilities	(4,674)	-	(4,674)	224
	<u>8,208,330</u>	<u>2,228,447</u>	<u>10,436,777</u>	<u>9,486,528</u>

18 OPERATING LEASES

The company has no commitments due under non-cancellable operating leases.

The company is entitled to rental income under non-cancellable operating leases due within 1 year of £39,696. There are no leases beyond this period.

19 TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to the Trustees during the year. The Trustees were paid expenses for attending meetings and activities directly related to their duties as Trustees. In the year Trustees were paid total expenses of £Nil (2020 £120), for travel, subsistence and room hire.

20 TAXATION

The company is a registered Charity and therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. Therefore, no provision is considered necessary for taxation.

21 RELATED PARTY TRANSACTIONS

Included within these consolidated financial statements are the results of the charitable company's wholly owned subsidiary RCH Limited (registered in England and Wales).

22 AUDITORS' ETHICAL STANDARDS

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

23 SUBSEQUENT EVENTS

As stated in the trustees report, due to COVID 19 the convalescent home has closed permanently. The Trustees no longer deem the business model to be effective and they are liaising with the Charity Commission over the future of the Charity.

The Railway Community Homes

England & Wales - Charity number 1142608

Accounts

Company Registration Number : 07109869 (England and Wales)
Registered Charity Number : 1142608

THE RAILWAY CONVALESCENT HOMES
(A Company Limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

Casson Beckman
Chartered Accountants
Murrills House
48 East Street
Portchester
PO16 9XS

Reference SD/516691/SRW

THE RAILWAY CONVALESCENT HOMES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Reference and administrative information	1
Report of the Trustees	2 - 5
Report of the Independent Auditors	6 - 7
Consolidated Statement of Financial Activities	8
Consolidated Income and Expenditure Account	9
Balance Sheet - Group and Charity	10
Notes to the Financial Statements	11 - 17

THE RAILWAY CONVALESCENT HOMES

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEE MEMBERS AND DIRECTORS

The Directors of the Charitable Company (The Charity) are its Trustees for the purpose of charity law. The Trustees and Officers serving during the period and since the year end were as follows :

L. Horwood (Deceased 20/03/20)
 P. C. Moakes
 J. F. L. Reeves
 S. J. Brook
 C. C. Mills
 A. D. Sugden
 W.J. Collins
 P. E. O'Hare
 C. Donovan
 D.R. Crome
 B. J. Davenport
 G.P. Isom (Appointed 16/12/20)

COMPANY SECRETARY	A. B. Conyard
REGISTERED CHARITY NUMBER	1142608
COMPANY REGISTRATION NUMBER	07109869
REGISTERED OFFICE	Bridge House 2 Church Street Dawlish Devon EX7 9AU
INDEPENDENT AUDITORS	Casson Beckman Murrills House 48 East Street Portchester PO16 9XS
LEGAL ADVISORS	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
BANKERS	Lloyds TSB PO Box 1000 Andover BX1 1LT
INVESTMENT MANAGERS	Sarasin & Partners LLP Juxon House 100 St Pauls Churchyard London EC4M 8BU
	M&G Investments PO Box 9039 Chelmsford CM99 2XF

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the audited financial statements of the Charity and its subsidiary for the year ended 31 December 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

Constitution, objects and policies

The Charity was registered on 27 June 2011 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalids or are convalescent in the following order of priority:

- (a) Persons who are or who have been employees of current or former railway undertakings including the British Railways Board and including any publicly owned railway undertakings;
- (b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;
- (e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre at Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid 19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees are now liaising with the Charity Commission and the Charity's solicitors regarding the alteration of the Charities objectives and alternative income streams. Although the main trade has ceased during the year, the Charity continues to be a going concern due to the other income streams receivable, the other ongoing operations undertaken by the charity and the level of assets held.

The Charity had previously measured its success based on guest numbers year on year. During the year 246 (2019 : 1422) guests were cared for by the Charity.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies.

Organisational and decision-making structure

The Trustees (who are also the Directors for the purposes of company law) who have served during the year are set out on page 1. They are appointed by the Board of Trustees and serve in accordance with the scheme approved by the Charity Commission.

The Board of Trustees meets quarterly and in addition has biannual strategy meetings at which the board reviews the progress and plans the future strategy of the Charity.

There is a single standing committee, the joint management committee, which meets quarterly and reports to the Board of Trustees.

The committee covers Property, Finance, Personnel and General issues and is composed of at least three Trustees and specialist co-opted members. In addition there is a Marketing sub committee which reviews marketing arrangements and how the Charity positions itself with other rail charities, the rail industry and the local community.

The Charity also has a wholly owned subsidiary company that takes responsibility for trading activities. It has a board of six directors, composed of Charity Trustees and persons from outside the Charity. The company's Board of Directors meets at least twice a year.

The Trustees are selected in accordance with their association to the railways and their skill set, and change at regular intervals. Those selected may also be Trustees of other charities.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Organisational and decision-making structure (continued)

The induction process for any newly appointed Trustee is to firstly meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new Trustee will receive copies of the Charity's governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to their first meeting to clarify any uncertainties.

The trustees have ultimate control over the Charity and its subsidiary. A good support structure is in place within the home in the form of a business manager Annette Everett. Staff numbers have been significantly cut during the year and there is now a small team undertaking the general day to day running of the building and management of the business. The business manager and the remaining staff have been in place for a considerable number of years and have vast experience in their particular field of expertise. The remaining staff live within a 5 mile radius of the home, which also enables the Charity to provide benefit via employment to the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager does attend board meetings and is therefore also involved in the strategic decisions made by the trustees, the input of the business manager provides the trustees with a grounded view of the financial position of the charity and the requirements of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services. Staff undertaking the same job are paid equally and there is no pay grading scale in operation.

The organisation and structure of the various committees will now be reviewed and amended to ensure they are suitable to the Charity's new and future circumstances.

Public Benefit

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above in our constitution, object and policies the main activities undertaken to further the Charity's purposes for the public benefit.

Financial Review and Achievements and Performance

The board reports net outgoing resources of £269,012 (2019: £31,065) before gains on investments. The Charity reports a loss on net movements in funds for the year of £58,604 (2019: Gain £939,988) after gains on investments. A significant part of this is due to the movements on investment values in the year.

The principal funding of the Charity currently comes from investments. Prior to Covid 19 this came from the discounted rates paid by guests during their stay, the operating income amounted to £22,782 in the year (2019: £426,125). The fees charged were suitably discounted to ensure the guests received adequate care in a suitable environment without paying care home rates. The Charity supported the guests by supplying the facilities and the guests reap the financial rewards of this, therefore fulfilling the Charity's objectives.

A further source of income was provided by the Charity's trading subsidiary, the income from this in the year was £50,369 (2019: £94,095). The trading subsidiary enabled the Charity to offer rooms to the general public when the home was not fully occupied. The rates of these stays were higher than the rates charged to those meeting the Charity's standard criteria, the objective of the subsidiary was to provide additional funding to the Charity to support the running of the facilities and the care of those requiring convalescence. The subsidiary is no longer in operation due to the closure of the facility, although the company remains while the restructure of the charity is undertaken.

Expenditure was carefully controlled during the year, however there were additional unexpected costs due to the closure of the facility, in particular redundancy payments, the charity did receive furlough payments which reduced the financial burden of wages during the year. Expenditure will be significantly reduced in the future due to the closure of the facility, but tight controls over expenditure will continue.

THE RAILWAY CONVALESCENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Policy on Reserves

At the year end the Charity held funds totalling £9,485,758 (2019: £9,544,362). Of this the Charity had unrestricted funds of £7,499,863 (2019: £7,558,467) and Permanent endowment funds of £1,985,895 (2019: £1,985,895).

The permanent endowment represents the value of the premises which the Charity operates from and the investment flats also situated within the grounds. These must remain to ensure the future operation of this charity and therefore have been assigned as a permanent endowment in line with the Charity Commission requirements.

It is clear that the Charity does need reserves of at least the current level for a number of reasons:

- * It has a need for investment income as there is currently no trading income.
- * It needs reserves to provide for future capital investment at the facility.
- * To facilitate the restructure of the Charity.

In view of the Charity's current position its present investment income is essential to underwrite on-going charitable costs.

Risk management

The Trustees are aware of the major issues which face the Charity. In 2013 they prepared a comprehensive report which fully reviewed all the various risk factors facing the Charity, considered means by which these risks could be mitigated and considered the financial impact of each risk to the Charity. The risk schedule is reviewed at each trustee meeting and updated, the Trustees have taken constructive action to reduce all risk to an acceptable level.

The trustees had deemed the most significant risk to the charity to be a fall in occupancy numbers, however the unexpected and immediate cessation of the business was not predicted. The Trustees have now escalated plans for restructure that had previously been identified through the risk management process.

As the Charity is now undergoing a restructure, the Trustees will prepare a new risk report when new objectives and a new business model is implemented.

Investment Policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total return with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investing policy.

At 31 December 2020 the Charity's balance sheet showed that it had investments totalling £8,342,028 (2019: £8,322,120) that produced income of £393,221 (2019: £381,758). This result is deemed satisfactory by the trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as investment property and provide rental income to the Charity.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE RAILWAY CONVALESCENT HOMES**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)****Statement of Trustees' responsibilities (continued)**

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the statement of affairs of the charitable company (and the group), and of the income and application of the resources, including the income and expenditure, of the charitable group for that year. In preparing the 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

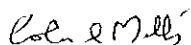
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which will enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company (and the group) and hence taking reasonable steps for the prevention and detection of fraud and other irregularities through, inter alia, audit and appropriate financial delegated authorities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

This report was approved by the Trustees on 22nd Sept 2021 and signed on their behalfs by:



C. Mills
Trustee and Director

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the consolidated and charity financial statements of The Railway Convalescent Homes for the year ended 31 December 2020 which comprise of the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Charity Balance Sheet, and the related notes as set out on pages 8 to 17. 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).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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.

Material uncertainty relating to going concern

We draw your attention to the trustees report and notes 1 and 23, which indicate that the effects of the Covid-19 pandemic have forced the closure of the main trading operation and created uncertainty about the level of future revenue and whether the current charitable objectives can be fulfilled. This indicates that a material uncertainty exists which may cast significant doubt on the Charities ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities on page 4-5, the Trustees (who are also the Directors of The Railway Convalescent Homes 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

THE RAILWAY CONVALESCENT HOMES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE RAILWAY CONVALESCENT HOMES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Our 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 a Report of the Auditors 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.

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

Opinion on financial statements

In our opinion the financial statements :

- * Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the groups and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- * Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * Have been properly prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements and in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- * The parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- * Certain disclosures of Trustees remuneration as specified by law are not made; or
- * We have not received all the information and explanations we require for our audit; or
- * The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.



Stephen Walter (Senior Statutory Auditor)
for and on behalf of Casson Beckman

Chartered Accountants
Registered Auditors
Murrills House
48 East Street
Portchester
PO16 9XS

Date : 22 September 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		Continuing Group	Discontinued Group	Continuing Group	Discontinued Group	Group	Group	Charity	Charity
		Unrestricted funds year ended 31 December 2020	Unrestricted funds year ended 31 December 2020	Restricted funds year ended 31 December 2020	Restricted funds year ended 31 December 2020	Total funds year ended 31 December 2020	Total funds year ended 31 December 2019	Total funds year ended 31 December 2020	Total funds year ended 31 December 2019
	Note	£	£	£	£	£	£	£	£
INCOME									
Donations and legacies	4	-	2,488	-	-	2,488	38,011	2,488	38,011
Income from charitable activities									
Contributions		-	8,537	-	-	8,537	15,607	8,537	15,607
Operating income	5	-	22,782	-	-	22,782	426,125	22,782	426,125
Other income	6	-	2,660	-	-	2,660	13,244	2,660	13,244
Income from other trading activities									
Trading income	7	-	50,369	-	-	50,369	94,095	50,369	94,095
Investment income	8	393,221	-	-	-	393,221	381,758	393,221	381,758
Total Incoming resources		393,221	86,836	-	-	480,057	988,840	480,057	968,840
EXPENDITURE									
Cost of raising funds									
Trading expenses	7	-	3,156	-	-	3,156	7,228	3,156	7,228
Publicity		-	1,951	-	-	1,951	13,791	1,951	13,791
		-	5,107	-	-	5,107	21,019	5,107	21,019
Net Incoming resources available for charitable application		393,221	81,729	-	-	474,950	947,821	474,950	947,821
Expenditure on charitable activities									
Support costs	9	286,414	459,590	17,958	-	743,962	978,886	743,962	978,886
Net Incoming/(outgoing) resources for the year before recognised gains and losses		126,807	(377,861)	(17,958)	-	(269,012)	(31,065)	(269,012)	(31,065)
Other recognised gains and losses									
Unrealised investment gains	12	84,805	-	-	-	84,805	867,842	84,805	867,842
Unrealised cash gains		58,051	-	-	-	58,051	59,652	58,051	59,652
Unrealised revaluation losses	12	-	-	-	-	-	-	-	-
Realised investment gains		67,552	-	-	-	67,552	43,559	67,552	43,559
Net movement in funds		337,215	(377,861)	(17,958)	-	(58,604)	939,988	(58,604)	939,988
Reconciliation of funds									
Total funds brought forward	16	7,558,852	-	1,985,895	-	9,544,747	8,604,759	9,544,382	8,604,374
Transfer between funds	16	(17,958)	(17,958)	17,958	17,958	-	-	-	-
Fund balances carried forward at 31 December 2020	16	7,878,109	(395,819)	1,985,895	17,958	9,488,143	9,544,747	9,485,758	9,544,362

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES

CONSOLIDATED INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020

	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Income		
Contributions	8,537	15,607
Operating Income	22,782	426,125
Trading Income	50,369	94,095
Other Income	2,660	13,244
Investment Income	393,221	381,758
Voluntary Income	2,488	38,011
Total Income	480,057	968,840
Expenditure		
Trading expenses	3,156	7,228
Publicity	1,951	13,791
Expenditure on charitable activities	743,962	978,886
Total Expenditure	749,069	999,905
Deficit for the year before Other recognised gains and losses	(269,012)	(31,065)
Other Recognised gains and losses:		
Realised gains on disposal of investments	59,231	43,559
Deficit/Surplus before and after tax	(209,781)	12,494

The income and expenditure account is derived from the Statement of Financial Activities but excludes amounts for unrealised gains.

The notes to the financial statements provide information on movements in the Group and Charity's funds during the year.

THE RAILWAY CONVALESCENT HOMES

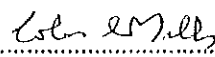
CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2020

	Note	<u>Group</u> 2020 £	<u>Charity</u> 2020 £	<u>Group</u> 2019 £	<u>Charity</u> 2019 £
FIXED ASSETS					
Tangible assets	11	747,603	747,603	895,194	895,194
Investments	12	8,342,028	8,342,028	8,322,120	8,322,120
TOTAL FIXED ASSETS		9,089,631	9,089,631	9,217,314	9,217,314
CURRENT ASSETS					
Debtors	13	21,958	25,130	31,601	31,601
Cash at bank and in hand	14	396,673	393,088	381,469	379,223
TOTAL CURRENT ASSETS		418,631	418,218	413,070	410,824
LIABILITIES					
Creditors falling due within one year	15	(21,734)	(22,091)	(85,252)	(83,776)
NET CURRENT ASSETS		396,897	396,127	327,818	327,048
TOTAL ASSETS LESS CURRENT LIABILITIES		9,486,528	9,485,758	9,545,132	9,544,362
THE FUNDS OF THE CHARITY:					
Unrestricted income funds	16	7,500,248	7,499,863	7,558,852	7,558,467
Non-charitable trading funds	16	385	-	385	-
Permanent endowment funds	16	1,985,895	1,985,895	1,985,895	1,985,895
TOTAL CHARITY FUNDS		9,486,528	9,485,758	9,545,132	9,544,362

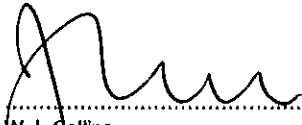
The Trustees have prepared group accounts in accordance with section 398 of the Charities Act 2006 and section 138 of Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 11 to 17 form part of these accounts.

Approved on 22.08.2021 by the board of Trustees and signed on its behalf by:


.....
C.Mills

Trustee and Director


.....
W.J. Collins
Trustee and Director

Company Registration No. 07109869

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), and the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, with the exception of investments and investment properties which are included at market value. They include the results of the Charity's operations which are described in the Trustees' Report, all of which are continuing.

The charity meets the definition of a public benefit entity under FRS102.

There are material uncertainties around going concern as the facility has closed in the year, these indicate that the going concern basis may not be appropriate. The main trading activity ceased permanently in the year due to the Covid-19 pandemic. However the Charity does have other sources of income in the form of investments, which will be used to support the Charity financially while the Trustees explore other charitable avenues in consultation with the Charity Commission and the Charity's solicitors. Therefore despite the uncertainty the financial statements have been prepared on a going concern basis.

Please refer to the Trustees Report for information on the closure of the Convalescent Home.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

1.1 GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the Charity and its wholly owned subsidiary RCH Limited on a line by line basis.

1.2 INCOME

All income is recognised once the Charity has entitlement to the income, it is certain that the income will be received and the monetary value of income can be measured with sufficient reliability. Income relating to accommodation is deferred until the time of stay.

1.3 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is classified under the following activity headings:

Costs of raising funds

Costs of raising funds comprise the costs of commercial trading from its subsidiary company and their associated support costs.

Expenditure on charitable activities

Cost of charitable activities include costs directly associated with running the convalescent care home, providing care to the residents and other activities undertaken to further the purposes of their charity, including their support costs.

Other expenditure

Other expenditure represents those items not falling into any other heading.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include all costs relating to compliance with regulations and good practice. These costs include costs related to statutory audit, legal fees and Trustee meeting expenses together with other governance costs. The basis on which support costs have been allocated are set out in note 9.

Irrecoverable VAT

The irrecoverable element of VAT is shown as a separate expense within expenditure on charitable activities.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

1.3 EXPENDITURE (Continued)

Operating leases

The Charity had a number of operating leases to which the title of the equipment remained with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.4 TANGIBLE FIXED ASSETS (other than Investments)

All expenditure on the acquisition or installation of tangible fixed assets is capitalised where the expenditure exceeds £500.

Depreciation is provided on all fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The annual depreciation rates and bases used are as follows :

Freehold buildings	2% straight line basis
Furniture, fixtures and fittings	10% reducing balance basis
Motor vehicles	25% reducing balance basis
Computer equipment	33% reducing balance basis

1.5 FIXED ASSET INVESTMENTS

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investments are held on the Charity's behalf, as part of a central pool managed by Sarasin & Partners LLP and M&G Investments. The investments are held primarily to provide an investment return for the Charity.

Fixed asset investments include investment property held at valuation; these are held primarily to provide an investment return for the Charity.

1.6 PENSION COSTS

The Charity pays pensions, on a voluntary basis, to former employees who do not have their own pension funded by the contributory scheme. The Charity also operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 REALISED AND UNREALISED GAINS AND LOSSES

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value. Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value or purchase date if later.

1.8 FUNDS STRUCTURE

Restricted funds comprise of a permanent endowment fund as stipulated by the Charity Commission and are funds which cannot be sold or used without approval of the Charity Commission. The only charges to the fund are the depreciation associated with the property involved, any expenditure incurred is transferred from the unrestricted fund.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in the furtherance of the charitable objectives. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

1.9 BASIC FINANCIAL INSTRUMENTS

Basic financial instruments 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 financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

2 NET MOVEMENT IN FUNDS FOR THE YEAR

Net movement in funds for the year is after charging:	2020	2019
	£	£
Depreciation	<u>18,776</u>	<u>34,668</u>

3 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on Page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 DONATIONS AND LEGACIES	2020 £	2019 £
Donations	2,488	2,725
Legacies	-	35,286
	<u>2,488</u>	<u>38,011</u>

5 OPERATING INCOME	2020 £	2019 £
Convalescent care	<u>22,782</u>	<u>426,125</u>

6 OTHER INCOME	2020 £	2019 £
Bar income	<u>2,660</u>	<u>13,244</u>

7 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The Charity has a wholly owned trading subsidiary, RCH Limited which is registered in England and Wales, Company number 2897315. RCH Limited takes on surplus facilities from the Railway Convalescent Homes centres to provide recuperative breaks. The subsidiary donates its taxable profits to the Charity under the Gift Aid scheme. A summary of the trading results is shown below.

Summary Profit and Loss Account	2020 £	2019 £
Turnover	50,369	94,095
Less:		
Administrative expenses	(3,156)	(7,228)
Net profit	<u>47,213</u>	<u>86,867</u>
Amount gifted to The Railway Convalescent Homes	(16,763)	(31,067)
Inter-group trading:		
Facilities purchased from The Railway Convalescent Homes	(30,450)	(55,800)
Retained in subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	38,222	38,222
Creditors: Amounts falling due within one year	(37,837)	(37,837)
Aggregate share capital and reserves	<u>385</u>	<u>385</u>

Please refer to the Trustees Report and Notes 1 and 23, the closure of the Convalescent Home has also meant that the trading company has ceased trading for the foreseeable future.

8 INVESTMENT INCOME	2020 £	2019 £
Income from managed investments	314,574	304,873
Rents from investment properties	78,619	76,875
Bank deposit interest	28	10
	<u>393,221</u>	<u>381,758</u>

The investment property is shown in note 12.

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

9 SUPPORT COSTS	Continuing	Discontinued	Continuing	Discontinued	2020	2019
	Restricted	Restricted	Charitable	Charitable		
	Funds	Funds	Expenditure	Expenditure	£	£
Wages	-	-	121,595	307,073	428,668	549,180
Pension contributions	-	-	5,245	8,701	13,946	20,164
Food and Bar	-	-	-	17,476	17,476	89,874
Laundry and cleaning	-	-	-	703	703	3,441
Rates	-	-	8,814	-	8,814	25,134
Insurance	-	-	27,815	-	27,815	22,905
Light and heat	-	-	17,439	-	17,439	29,669
Entertainment for guests	-	-	-	1,480	1,480	8,885
Property maintenance	-	-	56,938	-	56,938	101,624
Telephone	-	-	2,740	-	2,740	2,942
Computer expenses	-	-	-	8,229	8,229	9,645
Printing, stationery and postage	-	-	7,210	-	7,210	8,343
Travelling and accommodation	-	-	1,683	-	1,683	4,553
Staff uniforms	-	-	-	392	392	1,208
Training	-	-	-	-	-	4,743
Audit and accountancy	-	-	8,138	-	8,138	6,583
Professional fees	-	-	7,624	-	7,624	3,350
Bank charges	-	-	1,173	-	1,173	3,630
Irrecoverable VAT	-	-	-	9,734	9,734	30,279
Depreciation	-	17,958	-	818	18,776	34,668
Loss on disposal of assets	-	-	-	104,984	104,984	18,036
	-	17,958	266,414	459,590	743,962	978,856

These costs have been apportioned on a usage basis.

The auditors remuneration relates to audit and accountancy services for the year.

10 ANALYSIS OF STAFF COSTS AND NUMBERS

	2020	2019
	£	£
Wages	96,791	523,961
Social security costs	24,804	25,219
Pension costs	5,245	20,164
	<u>126,840</u>	<u>569,344</u>

No employee earned more than £60,000 per annum.

The average weekly number of persons employed by the Charity during the year was 45 (2019: 45).

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY AND GROUP

	Freehold land and buildings £	Furniture, fixtures and fittings £	Computer equipment £	Motor vehicles £	2020 Total £	2019 Total £
Cost						
At 1 January 2020	897,888	196,636	8,325	30,710	1,133,559	1,105,517
Additions	-	-	-	-	-	68,377
Disposals	-	(196,636)	(1,870)	(30,710)	(229,216)	(40,335)
At 31 December 2020	897,888	-	6,455	-	904,343	1,133,559
Accumulated depreciation						
At 1 January 2020	133,525	74,141	6,309	24,390	238,365	225,996
Charge for year	17,958	-	818	-	18,776	34,668
Disposals	-	(74,141)	(1,870)	(24,390)	(100,401)	(22,299)
At 31 December 2020	151,483	-	5,257	-	156,740	238,365
Net book value						
At 31 December 2020	746,405	-	1,198	-	747,603	895,194

12 FIXED ASSET INVESTMENTS FOR CHARITY AND GROUP

	Listed Investments £	Investment property £	2020 Total £	2019 Total £
Market value at 1 January 2020	7,152,838	1,169,182	8,322,120	7,494,745
Disposals	(132,449)	-	(132,449)	(84,026)
Net investment gains - Realised	67,552	-	67,552	43,559
Net investment gains/(losses) - Unrealised	84,805	-	84,805	867,842
Market value at 31 December 2020	7,172,846	1,169,182	8,342,028	8,322,120
Historical cost at 31 December 2020	4,750,862	1,169,182	5,920,044	6,128,234
Listed investments at market value comprised:				
UK fixed interest securities			1,163,938	1,137,964
Overseas fixed interest securities			62,748	75,919
UK equity shares			1,511,046	1,646,392
Overseas equity shares			3,658,703	3,364,239
UK property investments			176,583	580,599
Other investments			599,828	347,915
investments listed on a recognised stock exchange			7,172,846	7,153,028
investment managers' capital account			337,138	270,766
			7,509,984	7,423,794

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 FIXED ASSET INVESTMENTS FOR CHARITY AND GROUP (CONTINUED)

Analysis of market value of Investments between those held within and outside the United Kingdom:

	2020	2019
	Total	Total
	£	£
UK Listed Investments	3,451,395	3,712,870
Overseas Investments	3,721,451	3,440,158
	<u>7,172,846</u>	<u>7,153,028</u>
Total Investments		
Cash held by investment managers	337,138	270,766
	<u>7,509,984</u>	<u>7,423,794</u>

The investment holdings at 31 December 2020 did not include any individual assets with a value above 5% of the portfolio value.

The investment property was valued by the trustees at 31 December 2020, the basis of the valuation was current market value. A professional valuation has not been obtained in the year as the Trustees consider that the costs outweigh the benefits of this.

The Charity holds 2 shares of £1 each in its wholly owned trading subsidiary company RCH Limited, company number 02897315, which is incorporated in the United Kingdom and shares its registered office with the Charity. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 7.

13 DEBTORS	<u>Group</u> 2020	<u>Charity</u> 2020	<u>Group</u> 2019	<u>Charity</u> 2019
Trade Debtors	1,656	1,656	4,952	4,952
Prepayments	20,302	20,302	26,484	26,484
Amounts due from trading subsidiary	-	3,172	-	-
Other debtors	-	-	165	165
	<u>21,958</u>	<u>25,130</u>	<u>31,601</u>	<u>31,601</u>

14 CASH AT BANK AND IN HAND	<u>Group</u> 2020	<u>Charity</u> 2020	<u>Group</u> 2019	<u>Charity</u> 2019
	£	£	£	£
Bank current and deposit accounts	59,436	55,851	110,303	108,057
Petty cash	100	100	400	400
Investment cash	337,138	337,138	270,766	270,766
	<u>396,673</u>	<u>393,088</u>	<u>381,469</u>	<u>379,223</u>

15 CREDITORS	<u>Group</u> 2020	<u>Charity</u> 2020	<u>Group</u> 2019	<u>Charity</u> 2019
	£	£	£	£
Operating creditors	3,507	3,507	11,281	11,281
Taxation and social security costs	10,358	10,715	13,923	8,782
Amounts due to trading subsidiary	-	-	-	25,992
Other creditors	1,094	1,094	2,321	2,321
Accruals and deferred income	6,775	6,775	57,727	35,400
	<u>21,734</u>	<u>22,091</u>	<u>85,252</u>	<u>83,776</u>

THE RAILWAY CONVALESCENT HOMES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

16 NET MOVEMENT IN CHARITABLE FUNDS

Analysis of unrestricted fund movements

	Balance as at 01.01.2020	Incoming resources	Resources expended	Investment gains/ (losses)	Transfer to restricted fund	Balance as at 31.12.2020	Balance as at 31.12.2019
	£	£	£	£		£	
General purpose Fund	7,558,467	480,057	(731,111)	210,408	(17,958)	7,499,863	7,558,467
Non-charitable trading funds	385	-	-	-	-	385	385
	<u>7,558,852</u>	<u>480,057</u>	<u>(731,111)</u>	<u>210,408</u>	<u>(17,958)</u>	<u>7,500,248</u>	<u>7,558,852</u>

Analysis of restricted fund movements

	Balance as at 01.01.2020	Incoming resources	Resources expended	Investment gains/ (losses)	Transfer from un-restricted fund	Balance as at 31.12.2020	Balance as at 31.12.2019
	£	£	£	£	£	£	£
Permanent endowment	<u>1,985,895</u>	-	(17,958)	-	17,958	<u>1,985,895</u>	<u>1,985,895</u>

17 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds £	Balance as at 31.12.2019 £
Tangible fixed assets	1,198	746,405	747,603	895,194
Fixed asset Investments	7,172,846	1,169,182	8,342,028	8,322,120
Cash at bank and In hand	396,673	-	396,673	381,469
Other net current liabilities	224	-	224	(53,651)
	<u>7,570,941</u>	<u>1,915,587</u>	<u>9,486,528</u>	<u>9,545,132</u>

18 OPERATING LEASES

The company has no commitments due under non-cancellable operating leases.

The company is entitled to rental income under non-cancellable operating leases due within 1 year of £39,310. There are no leases beyond this period.

19 TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to the Trustees during the year. The Trustees were paid expenses for attending meetings and activities directly related to their duties as Trustees. In the year Trustees were paid total expenses of £120 (2019 £1,067), for travel, subsistence and room hire. These expenses were paid to a total of 11 Trustees (2019: 11).

20 TAXATION

The company is a registered Charity and therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. Therefore, no provision is considered necessary for taxation.

21 RELATED PARTY TRANSACTIONS

Included within these consolidated financial statements are the results of the charitable company's wholly owned subsidiary RCH Limited (registered in England and Wales).

22 AUDITORS' ETHICAL STANDARDS

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

23 SUBSEQUENT EVENTS

As stated in the trustees report, due to COVID 19 the Trustees have made the decision to close the convalescent home permanently. The home was officially closed on 31 October 2020, but the last paying guests were received in March 2020. The Trustees no longer deem the business model to be effective and they will be liaising with the Charity Commission over the future of the Charity.