

Financial Statements St John's Home

For the year ended 31 December 2020

Reference and administrative information

Charity registration number: 1155324

Address: Wellingborough Road
Weston Favell
NORTHAMPTON
NN3 3JF

Trustees: Mr R Pestell (Chairman)
Dr A Sutton (Vice-chairman)
Mr B Chapman
Mr J C Fazackerley
Mrs A Goodman MBE (deceased 15 February 2021)
Mr D Harding
Mrs M J Huffadine-Smith
The Reverend D G Kirby (resigned 9 January 2020)
Mr P H Mair
The Reverend M Smith

Senior Management Team:

Matron:	Mrs J Elliott
Operations Manager:	Mrs T Stacey
Deputy Matron:	Mrs S Brown

Bankers: Lloyds Bank plc
George Row
NORTHAMPTON
NN1 1DJ

Solicitors: Hewitsons LLP
Elgin House
Billing Road
NORTHAMPTON
NN1 5AU

Reference and administrative information

Investment managers:

Brewin Dolphin Limited
12 Smithfield Street
LONDON
EC1A 9BD

Auditor:

Hawsons
Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

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Report of the Trustees

The Trustees present their report together with financial statements for the year ended 31 December 2020.

Structure, governance and management

Structure

St John's Home is a Charitable Incorporated Organisation (CIO) which was incorporated on 14 January 2014 in the UK to continue the charitable activities formerly undertaken by the registered charity also known as St John's Home which was established in 1138 and subsequently granted a Royal Charter. The principal activity is the running of a residential care home. The former charity has no assets or liabilities and remains dormant.

Recruitment and appointment of Trustees

The governing document allows for a minimum of 5 and a maximum of 15 Trustees.

Training of Trustees

The Charity has produced an induction pack for new Trustees and arranges appropriate in-house or external training courses to meet other Trustees' needs.

Organisational structure

The Trustees meet regularly and are responsible for the strategic direction and policy of the Home. They specifically consider applications from prospective residents and matters concerning the wellbeing of residents and staff. The Matron, Deputy Matron and the Operations Manager also attend these meetings.

Responsibility for the day to day running of the Home rests with the Matron, the Operations Manager, and the Deputy Matron. The Trustees are responsible for setting their pay, which is reviewed annually.

Objectives and activities

The objects of the Charity are:

- i the provision of housing accommodation for beneficiaries
- ii such charitable purposes for the benefit of the residents of the Home as the Trustees decide, and
- iii the provision of extra-care accommodation and facilities for beneficiaries, with a preference for residents in the Home.

The principal activity of the Charity is running a residential care home in Northampton. The Home is in a building of character set in its own attractive grounds and provides a happy and caring environment for elderly people who are no longer able to live independently in their own homes. Because the land and buildings are owned outright and as the Home is a not-for-profit organisation the Trustees are able to keep fees to a relatively modest level whilst maintaining a very high standard of care. If residents are no longer able to pay their fees from their own resources, the Trustees aim to be able to maintain a place for them financed by such funding as is available from both public and the Home's own resources.

Report of the Trustees (continued)

Public benefit

The Trustees are cognisant of their obligation to provide public benefit. The Trustees regard all the residents as being worthy of charitable support by virtue of their age and varying degrees of infirmity. The Trustees therefore aim to keep fees for all residents as low as possible so that admission to the Home is not dependent on ability to pay. Fees are further subsidised by accepting residents who are funded by local authorities and by reverting to local authority funding for residents who find themselves no longer able to pay. In these circumstances top up fees are sometimes available from residents' families, but this is not always the case.

From initial admission residents may have many future years living in the Home and the Trustees are mindful of their aim where possible to provide a home for life regardless of future financial circumstances. Judgements are therefore made from time to time as to the level and nature of fee subsidies which can be offered. During the year fee subsidies of £78,684 (2019 - £86,297) were given. The average number of funded residents during the year was 7 (2019 - 7).

The provision of day care services has continued. In addition to meals, comfort and mental stimulation services, such as hairdressing and assisted bathing, are offered at a modest cost.

The Trustees confirm that they have referred to the guidance in the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Achievements and performance

The main aim is the on-going provision of quality care for our residents.

In 2020 the Home faced the major challenge of the Covid-19 pandemic which required a huge effort from management and staff to keep the residents as safe and as comfortable as possible.

Financial review

There was a surplus of net income of £36,994 (2019: surplus £46,310) for the year. This includes gains on investments of £54,009 (2019: gains of £112,914). In general, the Trustees plan to generate a reasonable level of surplus to give the Charity the ability to invest further in the facilities of the home as the increasing age profile of residents requires.

The increasing needs of the residents require increasing levels of staff to deal with their needs. In addition, the impact of the increases in the new living wage continues to increase pressure on costs.

Further increases in fees are also inevitable but these are kept to a minimum and we continue to offer subsidies in line with our public benefit responsibilities.

Report of the Trustees (continued)

Principal funding sources

The principal sources of funding have continued to be fees charged to residents and investment income.

Risk management

The Trustees have conducted a review of the major risks to which the Home is exposed. A risk register has been established and is updated at least annually. Major risks identified are:

- Failure to comply with CQC high level standards of care
- The inability to recruit and retain appropriate levels of staff
- Health and safety requirements
- Premises and infrastructure no longer fit for purpose

Where appropriate, systems or procedures have been established to mitigate the risks the Charity faces. Procedures are in place to ensure compliance with CQC standards and health and safety requirements for residents, staff and visitors. These procedures are regularly subjected to both internal and external review by way of external consultants, a Health & Safety Committee and regular visits by Trustees. Infrastructure and premises requirements are reviewed annually. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and regular review of income and expenditure by Trustees.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as the Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments.

Investment policy, objectives and performance

The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of the Charity. The Trustees rely on the investment managers in selecting the individual investments held but the results are monitored by the investment committee. The total return on endowment investments was 8.6% (2019: 17.3%) compared to a benchmark of 3.8% (2019: 16.1%). For current investments, the return was 7.5% (2019: 16.1%) compared with a benchmark of 4.4% (2019: 14.1%).

Reserves policy

The Trustees consider that there are two principal areas of financial risk. The first of these is the possibility of a loss of revenue or additional costs due a particularly severe epidemic or pandemic. The second is the possibility of major expenditure being incurred on unforeseen repairs to buildings or equipment.

The Trustees believe that it would be appropriate to hold reserves of £400,000 for these eventualities. The free reserves held at the end of the year amounted to £925,402. Reserves are monitored at Trustees' meeting on a regular basis. Much of the excess will be required to fund further improvements to the fabric and equipment in coming years. An analysis of reserves is given in Note 16 to the financial statements.

Report of the Trustees (continued)

Plans for future periods

The early part of 2021 saw a major Covid-19 outbreak in the Home with a great deal of resident and staff illness. Sadly, we lost a number of residents to Covid-19. The rest of 2021 is expected to be a period of slow recovery but the Trustees plan to continue the improvement of the internal facilities of the Home in due course, including the introduction of enhanced wifi connection in the building which will facilitate enhanced internal and external communications for both residents and staff.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of the resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles set out in the 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 ('Charities SORP (FRS 102)')
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011 and regulations made thereunder and the provisions of the trust deed. The Trustees 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.

ON BEHALF OF THE TRUSTEES



R Pestell
Chairman
12 July 2021



Report of the independent auditors Opinion to the Trustees of St John's Home

We have audited the financial statements of St John's Home (the charity) for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 December 2020, 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 Charities Act 2011.

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.



Report of the Independent Auditors Opinion to the Trustees of St John's Home (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.



Report of the Independent Auditors Opinion to the Trustees of St John's Home (continued)

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 regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The charity is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, management bias in key accounting estimates, revenue recognition and the overriding of controls in place by management to perpetrate fraud.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charity to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations, as well as ensuring that grants are being awarded exclusively for charitable purposes;
- Robustly challenging management's assessment of going concern;
- Challenging assumptions and judgements made by management in their significant accounting estimates;



Report of the Independent Auditors Opinion to the Trustees of St John's Home (continued)

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.
- Performing transaction testing to validate the completeness of income streams.
- Performing income cut-off testing in order to establish that income is being recorded in the correct accounting period.
- Verifying investment income back to source documentation to ensure the completeness of investment income. Agreeing the investment valuations at the Balance Sheet date to the underlying 3rd party valuation reports.

There are inherent limitations in the audit procedures described above and the more 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. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk. 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.

David Owens
Senior Statutory Auditor

For and on behalf of:
Hawsons Chartered Accountants
Statutory Auditors
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL
12 July 2021

Principal accounting policies

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

Basis of preparation

The financial statements have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a “true and fair” view. This departure has involved following 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 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011.

St John's Home meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

After due consideration of all relevant factors, including recent temporary restrictions imposed as a result of the COVID-19 pandemic, the trustees have a reasonable expectation that the Home has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing their report and the accounts.

Income

All income is recognised once the Charity has entitlement to the income, it is probable that income will be received, and the amount of the income receivable can be measured reliably.

Fees

Fee income is the total amount receivable for services provided during the period.

Donations and legacies

All monetary donations are included in full in the Statement of Financial Activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. For legacies, entitlement is taken as the earlier of the date on which either the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income

Investment income is recognised when receivable. Dividends are recognised once the income has been declared and notification has been received of the dividend due.

Principal accounting policies (continued)

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Classification of expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the effort to raise voluntary contributions if applicable (raising funds)
- expenditure incurred directly for the furtherance of the Charity's objectives including support, governance, management and administration costs of the Charity.

All expenditure is shown gross, inclusive of unrecoverable VAT, and has been classified under headings that aggregate all costs related to the specific activity.

Contributions to pension funds

The pension costs charged in the year represent the amount of the contributions payable to the schemes in respect of the accounting period. The assets of the schemes are held separately from those of the Charity.

Outstanding future contractually due contributions to closed multi-employer schemes are included as provisions for liabilities in the balance sheet.

Property, plant and equipment and depreciation

Property, plant and equipment costing more than £500 are capitalised. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets (excluding freehold land) held for Charity use by equal annual instalments over their expected useful lives on a straight-line basis.

The periods generally applicable are:

Freehold buildings	50 years
Fixtures and fittings	3 - 20 years
Property improvements	3 - 20 years
Computer equipment	3 years

In previous accounting periods no depreciation was provided on freehold buildings. The trustees have now agreed that under accounting standards it is more appropriate to depreciate freehold buildings. The effect of the change in accounting policy is set out in note 17. Prior year figures have been restated.

Principal accounting policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Fund accounting

Endowment funds are funds which are held as capital. They represent investments, tangible fixed assets and net current assets.

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund. They are held in current assets.

Unrestricted funds are fees and other incoming resources received or generated for expenditure on the general objectives of the Charity and which have not been designated for other purposes.

Statement of Financial Activities

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Total (as restated) 2019 £
Income and endowments from:						
Donations and legacies		1,112	1,545	-	2,657	886
Charitable activities – fees from residents		1,614,086	-	-	1,614,086	1,592,470
Investments	1	8,754	-	12,573	21,327	26,189
Other - grants		90,774	-	-	90,774	-
Total income		1,714,726	1,545	12,573	1,728,844	1,619,545
Expenditure on:						
Raising funds		3,071	-	5,613	8,684	8,636
Charitable activities		1,735,690	1,485	-	1,737,175	1,677,513
Total expenditure	2	1,738,761	1,485	5,613	1,745,859	1,686,149
Net gains on investments		15,994	-	38,015	54,009	112,914
Net income		(8,041)	60	44,975	36,994	46,310
Transfers between funds		2,117	(728)	(1,389)	-	-
Net movement in funds	10	(5,924)	(668)	43,586	36,994	46,310
Reconciliation of funds						
Total funds brought forward		2,362,240	5,119	958,361	3,325,720	3,279,410
Total funds carried forward		2,356,316	4,451	1,001,947	3,362,714	3,325,720

All the above amounts are derived from continuing activities. The prior year amounts have been restated (see Note 17)

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Activities (continued)

Analysis of 2019 comparatives (as restated – see Note 17)

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Income and endowments from:					
Donations and legacies		503	383	-	886
Charitable activities – fees from residents		1,592,470	-	-	1,592,470
Investments	1	11,096	-	15,093	26,189
Other - grants		-	-	-	-
Total income		1,604,069	383	15,093	1,619,545
Expenditure on:					
Raising funds		3,062	-	5,574	8,636
Charitable activities		1,677,155	358	-	1,677,513
Total expenditure	2	1,680,217	358	5,574	1,686,149
Net gains on investments		37,496	-	75,418	112,914
Net income		(38,652)	25	84,937	46,310
Transfers between funds		5,655	(1,746)	(3,909)	-
Net movement in funds	10	(32,997)	(1,721)	81,028	46,310
Reconciliation of funds					
Total funds brought forward		2,395,237	6,840	877,333	3,279,410
Total funds carried forward		2,362,240	5,119	958,361	3,325,720

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	£	2020 £	£	2019 (as restated) £
Fixed assets					
Property, plant and equipment	5		1,772,996		1,843,078
Investments	6		641,820		595,398
			<u>2,414,816</u>		<u>2,438,476</u>
Current assets					
Investments	6	342,032		330,939	
Debtors	7	15,668		20,202	
Cash at bank and in hand		732,146		650,903	
		<u>1,089,846</u>		<u>1,002,044</u>	
Creditors: amounts falling due within one year	8	<u>141,948</u>		<u>114,800</u>	
Net current assets			<u>947,898</u>		<u>887,244</u>
Total net assets			<u><u>3,362,714</u></u>		<u><u>3,325,720</u></u>
Funds					
Endowment fund	9		1,001,947		958,361
Restricted funds	10		4,451		5,119
Unrestricted income fund			2,356,316		2,362,240
			<u><u>3,362,714</u></u>		<u><u>3,325,720</u></u>

The prior year amounts have been restated – see Note 17.

The financial statements were approved by the Board of Trustees on 12 July 2021.

Richard Issteg

R Pestell
Trustee

J. C. Fazackerley

J C Fazackerley
Trustee

Cash flow statement

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash generated from operating activities	11	<u>93,978</u>	<u>20,740</u>
Cash flow from investing activities:			
Dividends, interest and rent from investments		12,643	17,553
Purchase of property, plant and equipment		(21,873)	(40,691)
Proceeds from sale of investments		103,522	290,421
Purchase of investments		<u>(107,027)</u>	<u>(303,212)</u>
Net cash utilised by investing activities		<u>(12,735)</u>	<u>(35,929)</u>
Change in cash and cash equivalents in period		<u>81,243</u>	<u>(15,189)</u>
Cash and cash equivalents at beginning of period		650,903	666,092
Cash and cash equivalents and end of period	12	<u><u>732,146</u></u>	<u><u>650,903</u></u>

Notes to the financial statements

1. Investment income

Investment income comprises income from:	2020	2019
	£	£
Listed investments	20,497	24,829
Bank and other deposits	830	1,360
	<u>21,327</u>	<u>26,189</u>

2. Analysis of total expenditure

	Investment income	Residential care	Support costs	Gover- nance	Total 2020	Total 2019 (as restated)
	£	£	£	£	£	£
Salaries	-	1,257,577	15,987	7,994	1,281,558	1,227,287
Depreciation less surplus on disposal	-	91,955	-	-	91,955	102,375
Maintenance and repairs	-	54,500	-	-	54,500	67,593
Food	-	80,765	-	-	80,765	83,273
Heat and light	-	53,113	-	-	53,113	53,663
Professional fees	8,684	21,517	-	8,760	38,961	38,321
Cleaning materials	-	24,156	-	-	24,156	22,096
Rates and water	-	25,269	-	-	25,269	22,008
Insurance	-	13,957	-	1,551	15,508	12,250
Other	-	77,127	1,965	982	80,074	57,283
Total	<u>8,684</u>	<u>1,699,936</u>	<u>17,952</u>	<u>19,287</u>	<u>1,745,859</u>	<u>1,686,149</u>
2019	<u>8,636</u>	<u>1,642,291</u>	<u>17,744</u>	<u>17,478</u>	<u>1,686,149</u>	

Included in professional fees are audit fees of £8,760 (2019: £7,380).

The lease expense for 2020 was £21,072 (2019: £20,873).

Notes to the financial statements (continued)

3. Commitment to replace endowment fund capital

The Charity has a commitment to replace endowment capital as follows:

	2020 £	2019 £
Capital to be replaced at 1 January 2020	548,017	559,201
Less: Repayment during the year	(11,184)	(11,184)
Balance to be replaced at 31 December 2020	<u>536,883</u>	<u>548,017</u>

The total to be replaced comprises amounts expended out of capital under three schemes approved by the Charity Commission for St John's Home (unincorporated charity) dated 9 June 1992, 26 September 1997 and 23 October 2006.

These schemes respectively were for the refurbishment of bedrooms and kitchens, the construction of two bungalows and the construction of the Courtyard extension.

The total to be replaced is repayable over 60 years from December 2009.

4. Staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2020 £	2019 £
Wages, salaries and medical insurance	1,163,849	1,118,264
Social security costs	75,179	70,587
Pension scheme	42,530	38,436
	<u>1,281,558</u>	<u>1,227,287</u>

The average number of employees of the Charity during the year was 69 (2019 - 73).

No employees had employee benefits in excess of £60,000 per annum in the current or preceding year.

The key management personnel of the Charity comprise the Trustees, the Matron, the Operations Manager and the Deputy Matron. The total employee benefits of the key management personnel of the Charity were £127,248 (2019: £125,241).

The Charity Trustees were not paid or received any other benefits from employment with the Charity in the year (2018: £nil) neither were they reimbursed expenses during the year (2019: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2019: £nil).

Pension costs are allocated wholly to unrestricted funds.

Notes to the financial statements (continued)

5. Property, plant and equipment

	Total £	Freehold land and buildings £	Freehold property improvements £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 January 2020	3,330,999	1,551,943	1,240,313	524,898	13,845
Additions	21,873	-	6,172	14,974	727
Disposals	(3,397)	-	-	(2,404)	(993)
At 31 December 2020	<u>3,349,475</u>	<u>1,551,943</u>	<u>1,246,485</u>	<u>537,468</u>	<u>13,579</u>
Depreciation					
At 1 January 2020*	1,487,921	100,000	942,126	434,696	11,099
Disposals	(3,397)	-	-	(2,404)	(993)
Provided in the year	91,955	25,000	35,928	29,912	1,115
At 31 December 2020	<u>1,576,479</u>	<u>125,000</u>	<u>978,054</u>	<u>462,204</u>	<u>11,221</u>
Cost					
At 1 January 2019	3,290,920	1,551,943	1,224,464	500,668	13,845
Additions	40,691	-	13,849	24,842	-
Disposals	(612)	-	-	(612)	-
At 31 December 2019	<u>3,330,999</u>	<u>1,551,943</u>	<u>1,240,313</u>	<u>524,898</u>	<u>13,845</u>
Depreciation					
At 1 January 2019*	1,386,158	75,000	897,024	404,327	9,807
Disposals	(612)	-	-	(612)	-
Provided in the year	102,375	25,000	45,102	30,981	1,292
At 31 December 2019	<u>1,487,921</u>	<u>100,000</u>	<u>942,126</u>	<u>434,696</u>	<u>11,099</u>
Net book amount at:					
31 December 2020	<u>1,772,996</u>	<u>1,426,943</u>	<u>268,431</u>	<u>75,264</u>	<u>2,358</u>
31 December 2019*	<u>1,843,078</u>	<u>1,451,943</u>	<u>298,187</u>	<u>90,202</u>	<u>2,746</u>
31 December 2018*	<u>1,904,762</u>	<u>1,476,943</u>	<u>327,440</u>	<u>96,341</u>	<u>4,038</u>

All the above assets are used for direct charitable purposes.

*The amounts for depreciation and net book amount have been restated in respect of the prior year adjustment as detailed in Note 17.

Notes to the financial statements (continued)

6. Investments

Fixed asset investments

	Listed investments	
	2020	2019
	Total	Total
	£	£
Cost or valuation		
At 1 January 2020	595,398	503,284
Additions at cost	85,912	193,439
Surplus/(deficit) on revaluation	56,369	64,944
Disposals	(95,859)	(166,269)
At 31 December 2020	<u>641,820</u>	<u>595,398</u>

All listed investments are stated at their mid-market value as at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at the following amounts:

	£
At 31 December 2020	<u>496,976</u>
At 31 December 2019	<u>492,002</u>
At 31 December 2018	<u>456,571</u>

An analysis of the location of investments is as follows:

	2020	2019
	£	£
UK	219,036	323,308
Non-UK	422,784	272,090
	<u>641,820</u>	<u>595,398</u>

The Trustees consider that there are no individually significant holdings.

Notes to the financial statements (continued)

Investments (continued)**Current asset investments**

	2020	2019
	£	£
Cost or valuation		
At 1 January 2020	330,939	297,348
Additions	21,116	109,773
Surplus/(deficit) on revaluation	18,982	35,028
Disposals	(29,005)	(111,210)
At 31 December 2020	<u>342,032</u>	<u>330,939</u>

All listed investments are stated at their mid-market value as at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at the following amounts:

	£
Historical cost values	
At 31 December 2020	<u>290,094</u>
At 31 December 2019	<u>292,710</u>
At 31 December 2018	<u>293,940</u>

An analysis of the location of investments is as follows:

	2020	2019
	£	£
UK	133,010	205,692
Non-UK	209,022	125,247
	<u>342,032</u>	<u>330,939</u>

7. Debtors

	2020	2019
	£	£
Fees outstanding	187	3,957
Other debtors and accrued income	7,836	6,167
Prepayments	7,645	10,078
	<u>15,668</u>	<u>20,202</u>

Notes to the financial statements (continued)

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors and accruals	121,119	97,059
Taxation and social security	20,829	17,741
	<u>141,948</u>	<u>114,800</u>

9. Endowment fund

The purpose of the Endowment Fund is to provide income for the charitable activities of the Home. The transfer represents investment income transferred to general funds of £12,573 (2019: £15,093) net of the amount transferred from general funds to replace endowment fund capital of £11,184 (2019: £11,184) (see Note 3).

10. Restricted funds

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Gardening Club	446	-	-	-	446
Table Linen	25	-	-	-	25
Staff Benefit	4,152	80	(1,199)	-	3,033
Residents' Benefit	496	1,051	(286)	(364)	897
Garden Furniture	-	364	-	(364)	-
Other	-	50	-	-	50
	<u>5,119</u>	<u>1,545</u>	<u>(1,485)</u>	<u>(728)</u>	<u>4,451</u>

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
Gardening Club	646	-	(200)	-	446
Table Linen	25	-	-	-	25
Friends	1,750	-	(70)	(1,680)	-
Hoist	66	-	-	(66)	-
Staff Benefit	4,067	85	-	-	4,152
Residents Benefit	286	298	(88)	-	496
	<u>6,840</u>	<u>383</u>	<u>(358)</u>	<u>(1,746)</u>	<u>5,119</u>

The funds above are restricted by the donors for specific uses. The transfers arise upon specific expenditure on property, plant and equipment.

Notes to the financial statements (continued)

11. Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019 (as restated)
	£	£
Net movement in funds	36,994	46,310
Depreciation	91,955	102,375
Gains on investments	(54,009)	(112,914)
Dividends, interest and rent from investments	(12,643)	(17,553)
Decrease (increase) in debtors	4,534	(85)
Increase (decrease) in creditors	27,147	2,607
Net cash provided from operating activities	<u>93,978</u>	<u>20,740</u>

12. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	555,268	474,255
Notice deposits	176,878	176,648
Total cash and cash equivalents	<u>732,146</u>	<u>650,903</u>

13. Capital commitments

There were no capital commitments as at 31 December 2020 (2019-£nil).

14. Pensions

The Charity operates defined contribution pension schemes for the benefit of the employees. The assets of the schemes are administered by Trustees in funds independent from those of the Charity.

15. Leasing commitments

Total future minimum lease payments under non-cancellable operating leases were as follows:

	2020	2019
	Other	Other
	£	£
Within one year	18,479	20,597
One to five years	37,313	41,340
Later than five years	18,649	4,434
	<u>74,441</u>	<u>66,371</u>

Notes to the financial statements (continued)

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
2020				
Property, plant and equipment	1,430,914	-	342,082	1,772,996
Investments	-	-	641,820	641,820
Current asset investments	342,032	-	-	342,032
Other current assets	725,318	4,451	18,045	747,814
Current liabilities	(141,948)	-	-	(141,948)
	<u>2,356,316</u>	<u>4,451</u>	<u>1,001,947</u>	<u>3,362,714</u>
Total unrealised gains at 31 December 2020	<u>51,938</u>	<u>-</u>	<u>144,844</u>	<u>196,782</u>
2019 (as restated)				
Property, plant and equipment	1,500,996	-	342,082	1,843,078
Investments	-	-	595,398	595,398
Current asset investments	330,939	-	-	330,939
Other current assets	645,105	5,119	20,881	671,105
Current liabilities	(114,800)	-	-	(114,800)
	<u>2,362,240</u>	<u>5,119</u>	<u>958,361</u>	<u>3,325,720</u>
Total unrealised gains at 31 December 2019	<u>38,229</u>	<u>-</u>	<u>103,396</u>	<u>141,625</u>

As disclosed in note 3, there is a commitment to transfer amounts totalling £536,883 (2019: £548,017) from Unrestricted to Endowment Funds.

Notes to the financial statements (continued)

17. Prior year adjustment

In previous accounting periods no depreciation was provided on freehold buildings. The trustees have now agreed that under accounting standards it is more appropriate to depreciate freehold buildings.

	31 December 2019 £	1 January 2019 £
Reconciliation of fund balances		
As previously stated	3,425,720	3,354,410
Additional accumulated depreciation	(100,000)	(75,000)
As restated	<u>3,325,720</u>	<u>3,279,410</u>
	Year end 31 December 2019 £	
Reconciliation of net movement in funds		
As previously stated	71,310	
Additional depreciation in the year	(25,000)	
As restated	<u>46,310</u>	

Had the accounting policy not been changed, the net movement in funds for the year ended 31 December 2020 would have been £61,994.