

**W J YAPP BEQUEST - DERBYSHIRE HOUSE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

W J YAPP BEQUEST - DERBYSHIRE HOUSE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs G Raffle (Vice Chair) Mr J Hooley Dr T Kelly (Chair and Registered Provider) Mrs L Hallam Mrs S Elliott	
Executive Staff	Mrs S Smith Miss A Remzi	(Registered Manager) (Administrator)
Charity number	1167524	
Principal address	Derbyshire House Station Road East Leake Loughborough Leicester LE12 6LQ	
Auditor	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP	
Bankers	Lloyds Bank plc 12-16 Lower Parliament Street Nottingham NG1 3DA	
Investment advisors	Brewin Dolphin 1st Floor Waterfront House Waterfront Plaza 35 Station Street Nottingham NG23DQ	

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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W J YAPP BEQUEST - DERBYSHIRE HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

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 Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The object of the Charity is to provide residential accommodation for anyone over the age of 65 in need of physical, and/or emotional support. We are also able to support some people with mental health frailty providing this is not assessed as a primary need.

The aim is to encourage a life that is normal and individual where freedom to make choices and decisions about daily living is afforded and independence is encouraged, this is achieved by providing a residence without unnecessary rules and regulations and a regard for peoples needs so that each person can feel valued as individual human beings. We believe the home should be a place where companionship and positive social interactions flourish.

Achievements and performance

W J Yapp Bequest is a non-profit making Charitable Incorporated Organisation, operating Derbyshire House, a purpose-built residential care home. Derbyshire House is registered to provide single occupancy accommodation for up to 31 older people requiring physical, emotional and some mental health support and care to meet individuals' whole needs.

Details about the home and the facilities that it provides are available on the web-site www.derbyshirehouse.org.uk or, in current times, more recent up to date information from the registered manager registeredmanager@derbyshirehouse.org

Each year the home receives Quality Audits from the Local Authority, CQC and Infection Control. As well as inspections from the Environmental Health, Fire Officer and Health and Safety Executive.

We also pride ourselves on additional awards achieved through High Standards which include GSF (Gold Standards Framework), Cinnamon Trust, Investors in people and the DQM (Dementia Quality Mark).

Our up to date Quality Audits and Inspections are:

- CQC over all rating of Outstanding which is the highest standard awarded by this governing body. The outstanding areas were achieved in well-led and responsive sections and this was awarded in January 2019.
- Derbyshire house currently holds a 5-star rating with the Local Authority who carried out a Quality Audit in October 2019 and of the 23 sections of observation we received 22 excellent and 1 good rating
- Derbyshire house received a quality Audit from Infection Control on 14 Jan 2020 where recommendations were for minor areas
- Derbyshire house last inspection from environmental health saw the home with a 5-star rating 21 March 2018
- The Fire Officer Inspection took place 12th September 2018 where the home passed with high standards and little recommendation
- The Health and Safety inspection took place in August 2020 where we passed with high standards and little recommendations

W J YAPP BEQUEST - DERBYSHIRE HOUSE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

In addition to this the home has received the following awards:

Dementia Quality Mark (DQM) – for our approach to feelings-based care, interaction and support to people who have a dementia – we received a score of 25/25 outcomes

GSF (Gold Standards Framework) – for our approach to end of life care and support and helping people to live well until they die – we were awarded the Platinum status in August 2019

Investors in People – In March 2019 we received a Silver Award against the new and higher standards of Investors in people which recognises standards in people management and defines what it takes to lead, support and manage people as well as measuring how we champion the business within the local community and the benefits of working for the home using benchmarking and feedback

Cinnamon Trust – the home holds 5 stars for its approach and care of pets and animals and how we use animals as therapy for people. This is reviewed yearly and we have been shortlisted for the second year in a row for best home 2019

Derbyshire House maintained full occupancy levels and a healthy waiting list through the first part of the pandemic. The impact of the pandemic meant we could no longer offer the day care or respite facilities; however we remained financially viable. In January 2021 the home suffered an outbreak of coronavirus and lost 10 residents, and therefore had 10 rooms unoccupied. To date 4 rooms remain unoccupied and these rooms are on hold for potential permanent residents, and there is a healthy waiting list. There are also enquiries and bookings for respite as we have been able to resume respite care. We are hopeful that we will also be able to offer day care in the summer of 2022.

Whilst we have reduced staffing levels to the needs of the current number of residents, we are building the team back up to capacity as the home regains occupancy levels, which means that we will have competent staff members to deliver the expected standards of the home on hand. We plan to have full occupancy again by the end of February 2022.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Derbyshire House had a number of vacancies during the year due to the pandemic, however maintained a good level of occupancy, generating fee income of £1,216,285. Taking into account grants and donations received, operations income amounted to £1,229,467. Operating expenditure was £1,173,668, giving an operating surplus of £55,799. Total overall income of £1,293,406 includes investment and rental income. Total expenditure of £1,178,324 includes investment management costs. When gains on investments of £70,726 are taken into account, the overall net surplus for the year is £185,808.

The balance sheet shows a satisfactory position with total funds of £3.4m of which £2.09m relates to the freehold building of Derbyshire House.

Fees are set to cover operating and maintenance costs and take account of investment income. A reserve is maintained in order to cover against the risk of not meeting the Trustees' target occupancy rate. The residents are expected to meet the fees from their own funds or, if eligible for funding by the local authority, with a third party top up if required. Where circumstances are such that a prospective resident may not be able to fund their stay to a required rate the Trustees are able, in accordance with our charitable status, to help a limited number of residents each year. For the year under review, there was 100% occupancy up to the point of the outbreak in January 2021. 11 residents then passed away and re-admission commenced again in March 2021. The percentage of residents during the year that were part funded by the local authority was 29.25%.

The Trustees are given unlimited investment powers under the governing Document. The investments held by the charity are held by Brewin Dolphin on a discretionary management basis. The Trustees' policy on investments is to equate capital growth with the need for income. Allowing for the movement of funds realised the value of the investments under management has shown an increase over the year, essentially more than recovering from the sharp decrease in values in March 2020. The Trustees monitor the investment portfolio regularly.

The value of the investment property at Old Hall Gardens stands at £100,000 (2020: £100,000).

In the opinion of the Trustees the market value of the freehold property at 31st March 2021, exceeds the value at which it is stated in these accounts. The Trustees do not believe themselves adequately qualified to quantify this surplus nor do they consider the costs of a professional valuation are justified.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months expenditure, which equates to £300,000 to £600,000 in general funds. At this level, the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in income. The free reserves amount to £1,086,661 (unrestricted reserves less tangible fixed assets) and therefore meet the required level of reserves.

Risk management

The Trustees undertake ongoing review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to income are continually reviewed to ensure that occupancy levels are maintained and that local authority requirements are met. Internal risks are minimised by the implementation of procedures for authorisation of all transactions to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they still meet the needs of the charity. Since the start of the Covid19 pandemic, risk assessments have been amended as necessary according to prevailing current guidelines.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for the Future

The intention of the Trustees is to regain full occupancy of the home by February 2022, a healthy waiting list, general interest levels in the home and all the current high inspection ratings.

At present we have staff to fulfil the needs of the residents as per our dependency calculator and we are working on employing more staff to build back up our staff team.

Derbyshire House has always prided itself on providing residents with facilities and activities that benefit both the emotional and social needs of people as well as physical ability. Over the past year we have been unable to build upon all the plans we had due to the global pandemic. The funds that were originally set aside for the home improvements last year have been saved to use this financial year.

To maintain high standards, progress is being made towards improving achievements, which involves training, support and dedication. The Trustees feel this will maintain and hopefully improve the high standards we have so far achieved and enable us to continue to provide a quality standard of living for the people in our care.

Structure, governance and management

The undertaking and assets of The WJ Yapp Bequest, an unincorporated charity number 232860, was transferred to this charity (Charitable Incorporated Organisation registered number 1167524) on 1 April 2017.

The W J Yapp Bequest is a registered Charity, No.1167524, being a Charitable Incorporated Organisation, registered as a Foundation on 7 June 2016. The Trust's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. There were no Trustees expenses and/or related party transactions as stated in note 7 of the accounts.

At present there are 5 Trustees, on appointment new Trustees will become familiar with the practical work of the charity after reading the Annual Report and will have received a copy of the governing document and the latest financial reports. They will also meet with the Registered Manager, Administrator and existing Trustees as well as being offered opportunities to talk to the staff.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mrs G Raffle (Vice Chair)

Mr J Hooley

Dr T Kelly (Chair and Registered Provider)

Mrs L Hallam

Mrs S Elliott

Additionally, they are invited to attend induction training which covers the following areas:

- The Policy and Practice Guide
- Training and Support
- Roles and Responsibilities
- Knowledge
- Communication
- Best Practice Guides

All Trustees are signposted to any other relevant training throughout the year.

The pay of the senior staff is reviewed annually and increased accordingly. In view of the nature of the charity, the Trustees may benchmark against pay levels in other Charitable, comparable residential homes of a similar size.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

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Dr T Kelly (Chair and Registered Provider)
Trustees
Dated:

W J YAPP BEQUEST - DERBYSHIRE HOUSE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees 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).

The law applicable to charities in England and Wales 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 of the charity 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 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF W J YAPP BEQUEST - DERBYSHIRE HOUSE

Opinion

We have audited the financial statements of W J Yapp Bequest - Derbyshire House (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 March 2021 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 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.

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.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF W J YAPP BEQUEST - DERBYSHIRE HOUSE

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, 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 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.

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.

- Ensuring that the Audit Team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, with specific susceptible areas (e.g. investment valuation) having been outlined at the planning stage.
- Enquiry of management and those charged with governance around actual and potential litigation and claims and fraudulent transactions.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF W J YAPP BEQUEST - DERBYSHIRE HOUSE

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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 auditors' 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.

Rogers Spencer

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**Chartered Accountants
Statutory Auditor**

Newstead House
Pelham Road
Nottingham
NG5 1AP

Rogers Spencer is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	3,665	9,517	13,182	18,184
Charitable activities		1,216,285	-	1,216,285	1,296,302
Rental income		5,705	-	5,705	5,282
Investments	4	14,101	-	14,101	22,096
Other income	5	44,133	-	44,133	-
Total income		1,283,889	9,517	1,293,406	1,341,864
<u>Expenditure on:</u>					
Raising funds: investment management fees		4,656	-	4,656	5,011
Charitable activities	6	1,167,810	5,858	1,173,668	1,214,645
Total resources expended		1,172,466	5,858	1,178,324	1,219,656
Net gains/(losses) on investments	10	70,726	-	70,726	(51,159)
Net income for the year/ Net movement in funds		182,149	3,659	185,808	71,049
Fund balances at 1 April 2020		3,173,117	24,666	3,197,783	3,126,734
Fund balances at 31 March 2021		3,355,266	28,325	3,383,591	3,197,783

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

All income and expenditure derive from continuing activities.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	1,968	16,216	18,184
Charitable activities		1,296,302	-	1,296,302
Rental income		5,282	-	5,282
Investments	4	22,096	-	22,096
Total income		1,325,648	16,216	1,341,864
<u>Expenditure on:</u>				
Raising funds: investment management fees		5,011	-	5,011
Charitable activities	6	1,208,650	5,995	1,214,645
Total resources expended		1,213,661	5,995	1,219,656
Net gains/(losses) on investments	10	(51,159)	-	(51,159)
Net income for the year/ Net movement in funds		60,828	10,221	71,049
Fund balances at 1 April 2019		3,112,289	14,445	3,126,734
Fund balances at 31 March 2020		3,173,117	24,666	3,197,783

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

All income and expenditure derive from continuing activities.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	2,191,298		2,222,484	
Investment properties	12	100,000		100,000	
Investments	13	652,052		585,983	
		<u>2,943,350</u>		<u>2,908,467</u>	
Current assets					
Debtors	14	14,686		14,722	
Cash at bank and in hand		477,052		329,289	
		<u>491,738</u>		<u>344,011</u>	
Creditors: amounts falling due within one year	15	(51,497)		(54,695)	
Net current assets		<u>440,241</u>		<u>289,316</u>	
Total assets less current liabilities		<u>3,383,591</u>		<u>3,197,783</u>	
Income funds					
Restricted funds	16	28,325		24,666	
Unrestricted funds		3,355,266		3,173,117	
		<u>3,383,591</u>		<u>3,197,783</u>	

The financial statements were approved by the Trustees on

.....
Mrs G Raffle (Vice Chair)
Trustee

.....
Dr T Kelly (Chair and Registered Provider)
Trustee

W J YAPP BEQUEST - DERBYSHIRE HOUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	20		167,013		239,225
Investing activities					
Purchase of tangible fixed assets		(23,907)		(51,437)	
Purchase of investments		(138,859)		(128,350)	
Proceeds on disposal of investments		143,516		133,361	
Net cash used in investing activities			(19,250)		(46,426)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			147,763		192,799
Cash and cash equivalents at beginning of year			329,289		136,490
Cash and cash equivalents at end of year			477,052		329,289

W J YAPP BEQUEST - DERBYSHIRE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

W J Yapp Bequest is a Charitable Incorporated Organisation in the United Kingdom. The address of the principal office is given in the charity information on page 2 of these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The 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 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.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the promotional costs to the charity.
- Expenditure on charitable activities includes all costs undertaken to further the purposes of the charity and their associated support costs, including costs of governance.

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	1% and 10% straight line
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

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

1.7 Investment properties

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.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	3,665	9,517	13,182	1,968	16,216	18,184

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	13,974	21,441
Interest receivable	127	655
	14,101	22,096

5 Other income

	Unrestricted funds	Total
	2021 £	2020 £
Government grants received	44,133	-

During the year £20,686 in grants was received from Nottinghamshire County Council and Leicestershire County Council with respect to infection control grants, as well as £815 in additional Coronavirus payments during the year. In addition to this, £20,142 was received from HMRC under the Coronavirus Job Retention Scheme and £2,491 was received under the Coronavirus Statutory Sick Pay Rebate Scheme.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

6 Charitable activities

	2021 £	2020 £
Staff costs	795,945	812,903
Depreciation	55,093	55,509
Residents activities	6,451	12,184
Catering	53,445	65,936
Staff training and motor expenses	7,149	11,335
Resident fees contribution	9,156	10,348
Administration fees	1,874	2,296
Light and heat	29,061	24,927
Equipment hire and rental	21,002	21,136
Rates and water	8,947	10,143
Insurance	15,137	12,488
Repairs	32,675	38,311
Registration fee	8,049	7,687
Printing, postage and telephone	5,086	7,107
Garden maintenance	53	2,967
Bank charges and interest	60	30
Legal and professional	2,148	2,069
Household expenses and cleaning	46,457	42,534
Sundry expenses	11,924	9,955
	<u>1,109,712</u>	<u>1,149,865</u>
Share of governance costs (see note 7)	63,956	64,780
	<u>1,173,668</u>	<u>1,214,645</u>
Analysis by fund		
Unrestricted funds	1,167,810	1,208,650
Restricted funds	5,858	5,995
	<u>1,173,668</u>	<u>1,214,645</u>

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

7 Governance costs

	2021 £	2020 £
Staff costs	53,856	51,905
Audit fees	8,240	5,370
Legal and professional	1,860	7,505
	<u>63,956</u>	<u>64,780</u>
Analysed between Charitable activities	<u>63,956</u>	<u>64,780</u>

Governance costs includes payments to the auditors of £6,120 (2020- £5,370) for audit fees.

8 Trustees

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

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Care service	38	41
Management and administration	2	2
	<u>40</u>	<u>43</u>

Employment costs

	2021 £	2020 £
Wages and salaries	794,044	783,400
Agency staff costs	43,266	70,061
Other pension costs	12,491	11,347
	<u>849,801</u>	<u>864,808</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

Aggregate compensation	<u>96,351</u>	<u>92,861</u>
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There were no employees whose annual remuneration was £60,000 or more.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Gain/(loss) on sale of investments	70,726	(51,159)

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2020	2,336,126	271,319	45,961	2,653,406
Additions	-	23,907	-	23,907
At 31 March 2021	2,336,126	295,226	45,961	2,677,313
Depreciation and impairment				
At 1 April 2020	213,684	177,021	40,217	430,922
Depreciation charged in the year	30,003	23,654	1,436	55,093
At 31 March 2021	243,687	200,675	41,653	486,015
Carrying amount				
At 31 March 2021	2,092,439	94,551	4,308	2,191,298
At 31 March 2020	2,122,442	94,298	5,744	2,222,484

12 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	100,000

Investment property relates to one property at Walnut Gardens, Loughborough. The fair value of the investment property has been arrived at on the basis of the sale price of similar properties on the same road.

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	585,983
Additions	138,859
Valuation changes	70,726
Disposals	(143,516)
	<hr/>
At 31 March 2021	652,052
	<hr/>
Carrying amount	
At 31 March 2021	652,052
	<hr/> <hr/>
At 31 March 2020	585,983
	<hr/> <hr/>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	9,628	10,141
Prepayments and accrued income	5,058	4,581
	<hr/>	<hr/>
	14,686	14,722
	<hr/> <hr/>	<hr/> <hr/>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	12,745
Trade creditors	12,135	29,691
Accruals and deferred income	39,362	12,259
	<hr/>	<hr/>
	51,497	54,695
	<hr/> <hr/>	<hr/> <hr/>

W J YAPP BEQUEST - DERBYSHIRE HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Capital grant	14,170	16,216	(5,995)	24,391	9,517	(5,858)	28,050
Social grant	275	-	-	275	-	-	275
	<u>14,445</u>	<u>16,216</u>	<u>(5,995)</u>	<u>24,666</u>	<u>9,517</u>	<u>(5,858)</u>	<u>28,325</u>

17 Analysis of net assets between funds

	Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Restricted funds 2020	Total 2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	2,168,605	22,693	2,191,298	2,199,230	23,254	2,222,484
Investment properties	100,000	-	100,000	100,000	-	100,000
Investments	652,052	-	652,052	585,983	-	585,983
Current assets/ (liabilities)	434,609	5,632	440,241	287,903	1,413	289,316
	<u>3,355,266</u>	<u>28,325</u>	<u>3,383,591</u>	<u>3,173,116</u>	<u>24,667</u>	<u>3,197,783</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	39,591	-
Between two and five years	3,103	56,723
	<u>42,694</u>	<u>56,723</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

W J YAPP BEQUEST - DERBYSHIRE HOUSE

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

20	Cash generated from operations	2021 £	2020 £
	Surplus for the year	185,808	71,049
	Adjustments for:		
	Fair value gains and losses on investments	(70,726)	51,159
	Depreciation and impairment of tangible fixed assets	55,093	55,509
	Movements in working capital:		
	Decrease in debtors	36	24,874
	(Decrease)/increase in creditors	(3,198)	36,634
	Cash generated from operations	<u>167,013</u>	<u>239,225</u>