

Charity Registration No. 1190162

Company Registration No. 12571844 (England and Wales)

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

LEGAL AND ADMINISTRATIVE INFORMATION

Cheshire Residential Homes Trust - A company limited by guarantee.

Trustees	Mrs A Brough	(Appointed 24 April 2020)
	Mrs S M Cook	(Appointed 24 April 2020)
	Mrs V Godfrey	(Appointed 24 April 2020)
	Mrs A J Marsh	(Appointed 24 April 2020)
	Mrs C L Reeves	(Appointed 24 April 2020)
	Mrs G Rushworth	(Appointed 24 April 2020)
	Mrs S Stallard	(Appointed 24 April 2020)
	Mrs J Tetlow	(Appointed 24 April 2020)

Charity number 1190162

Company number 12571844

Principal address

Sandiway Manor
Norley Road
Sandiway
Northwich
Cheshire
CW8 2JW

Registered office

Sandiway Manor
Norley Road
Sandiway
Northwich
Cheshire
CW8 2JW

Auditor

McLintocks (NW) Limited
2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Bankers

Natwest Bank plc
1 Hardman Boulevard
Manchester
M3 3AQ

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

LEGAL AND ADMINISTRATIVE INFORMATION

Cullimore Dutton
20 White Friars
Chester
Cheshire
CH1 1XS

Investment advisors

Castlefield Investments Limited
1 Portland Street
Manchester
M1 3LA

Linked Charities - The Cheshire Residential Homes Trust and The Jardine Trust

Trustee

Cheshire Residential Homes Trust (Appointed 3 August 2020)

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2021

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

Structure, governance and management

Cheshire Residential Homes Trust (the company) is a company limited by guarantee; it was incorporated on 24 April 2020. The trustees received formal approval from the Charity Commission on 29 June 2020 for a scheme whereby this new Charity replaced the individual trustees as the sole Trustee of The Cheshire Residential Homes Trust. The incorporated charity will be referred to as Cheshire Residential Homes Trust, with legal and financial responsibilities continuing to lie with the original unincorporated charity, The Cheshire Residential Homes Trust (the charity).

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

Mrs A Brough	(Appointed 24 April 2020)
Mrs S M Cook - (Chairman)	(Appointed 24 April 2020)
Mr C Davies	(Appointed 24 April 2020 and resigned 20 July 2021)
Ms M J Flint	(Appointed 24 April 2020 and resigned 20 August 2021)
Mrs V Godfrey	(Appointed 24 April 2020)
Mrs A J Marsh	(Appointed 24 April 2020)
Mrs C L Reeves	(Appointed 24 April 2020)
Mrs G Rushworth	(Appointed 24 April 2020)
Mrs P Speechly	(Appointed 24 April 2020 and resigned 28 July 2021)
Mrs S Stallard	(Appointed 24 April 2020)
Mrs J Tetlow	(Appointed 24 April 2020)
M Offer	(Appointed 24 April 2020 and resigned 24 April 2020)

The Cheshire Residential Homes Trust is a registered charity, number 1190162-1. Its governing instruments are the original Trust Deed dated 1 April 1947 and the Charity Commission Scheme dated 5 April 1957, as amended.

Prior to 7 September 2020 the registered number of the Charity was 218084; however, with effect from that date, the Charity Commission has linked the Charity with the incorporated charity Cheshire Residential Homes Trust, charity registration number 1190162. The Linking Direction is for reporting purposes only; it does not change the separate legal status of the charities, or the nature of restricted funds or endowment, and it does not constitute a merger.

The company, which has not traded during the period from 24 April 2020 (date of incorporation) to 31 March 2021, has no assets or liabilities. Accordingly the remainder of this report and the financial statements relates solely to the activities of the original unincorporated charity, The Cheshire Residential Homes Trust for its accounting period from 1 April 2020 to 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 documents, 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The purpose of the Charity is to provide residential care for elderly people living in Cheshire and Wirral and for the relatives of people who have lived in those areas for a number of years, and, for various reasons, find it impossible to stay in their own homes.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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

FOR THE PERIOD ENDED 31 MARCH 2021

The Board's main objectives are:

- to ensure that residents continue to receive a high standard of care in a safe environment that has a friendly and homely atmosphere;
- to ensure that the standard of accommodation and facilities are maintained for the benefit of residents;
- to provide staff development and training so as to enhance their experience of working for the Charity and to ensure that they are able to provide residents with a high standard of care;
- to provide respite care for the benefit of elderly people in the local communities of Sandiway, Heswall and Macclesfield.

In setting their objectives and planning activities the Trustees have given careful consideration to the Charity Commissions' general guidance on public benefit and, in particular, to its supplementary guidance on fee-charging; the Trustees have also had regard to their commitment to:

- attracting residents from all backgrounds irrespective of financial means;
- safeguarding and promoting the welfare of residents and staff;
- providing a working environment that is free from discrimination on the grounds of race, colour, ethnicity, gender, sexual orientation, religion or disability.

The Charity owns three residential homes at:

Sandiway Manor	-	1 Norley Road, Sandiway, Northwich, Cheshire
Trepassey	-	Hillside Road, Heswall, Wirral, Merseyside
Upton Grange	-	214 Prestbury Road, Macclesfield, Cheshire

The Charity furthers its charitable purposes by providing comfortable surroundings for residents, irrespective of their financial means, where they can benefit from a safe and friendly environment and where their individual needs are met in full.

Each Home is set in its own grounds. Residents have separate rooms, with their own furniture if they wish, where they can entertain relatives and friends. In addition, each Home has a lounge and dining room and there are rooms for short-stay visitors and for any prospective resident who wishes to stay for a trial period.

Residents enjoy the privacy of their own rooms, where they can spend as much or as little time as they choose – apart from main meals which are usually taken with the other residents. Residents may go out at any time provided the Manager or her Deputy is informed. Residents may also participate in the full and varied activities offered by each Home.

Residents pay fees towards the cost of running the Homes, such fees being assessed on the basis of their financial means; the balance of running costs is met from donations and legacies and from top-up fee payments by Local Authorities. During the year an average of 18.5% (2020 - 16%) of permanent residents were funded by Local Authorities.

In addition, we aim to provide fee subsidies for some of our residents; during 2020-21 subsidies totalled £179,402 (2019-20 £86,822) representing approximately 6% (2019-20 3%) of gross fees.

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

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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

FOR THE PERIOD ENDED 31 MARCH 2021

Achievements and performance

Early in the pandemic effective and robust measures were put in place in each of our three Homes to reduce the possibility of infection and, thanks to the efforts and diligence of all of our staff and agency workers, we are able to report that there has been only one Covid-19 related death within our Homes.

The Charity is registered with the Care Quality Commission (CQC) for the provision of care for older people. CQC has a programme of unannounced visits for the purpose of inspection, the last inspections having been:

May 2018	Trepassey	overall outcome "Good"
November 2018	Sandiway Manor	overall outcome "Good"
January 2020	Upton Grange	overall outcome "Requires Improvement"

We have received confirmation, during 2021, that CQC (after consulting with Local Authorities and other agencies) do not believe that further inspections are necessary at Sandiway Manor or Trepassey at this time.

Of the five areas inspected by CQC, Upton Grange required improvement in two of those areas, namely "Is the service safe?" and "Is the service well led?". Improvements were required in auditing and in paperwork. The full report is available on the CQC website. Action plans to rectify these areas were immediately prepared and implemented and will be reviewed at the next CQC inspection. A new Registered Manager was appointed towards the end of 2020 and some key staff changes have taken place.

A new role of General Manager has been created through internal promotion, who will work closely with the Nominated Individual and CEO to ensure common standards and audit procedures are applied across the three Homes.

The Trustees remain confident that, at all three Homes, the needs of our residents are fully met by the high standard of care provided by our staff, and that staff are being well supported by management, as indicated in the results of residents' and staff surveys.

Financial review

The operating results for the year were pleasing with the Charity achieving an operating surplus for the year on unrestricted funds of £252,952 compared to £184,598 in 2020.

The surplus reflects the hard work that the new Senior Management team and all the employees at CRH Trust has put into ensuring the Homes could continue to operate successfully and safely during Covid-19 and all involved are very pleased with the high surplus for the year when faced with one of the toughest outbreaks of virus in many years that could have severely affected our staff and residents.

Trepassey made a vast improvement in its financial position during 2020-21 after the previous years loss of £68,910. The Home managed to improve its occupancy through the year and also received a block booking up to the 30 September 2020 from the Local Authority for placement of residents temporarily. The surplus for the year at Trepassey totalled £173,097.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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FOR THE PERIOD ENDED 31 MARCH 2021

Sandiway maintained a healthy surplus of £75,813 for the year (2020 - £115,515) and Upton Grange made a smaller surplus than previous years of £26,124 (2020 - £144,070) due to lower numbers of residents for the year and a slower uptake than normal of new residents joining us at Upton Grange due to Covid-19.

The schedule of works started in 2020-21 to address ongoing maintenance issues and improve all three buildings held by the Trust will continue over the next few financial years. The buildings were revalued in 2019 and will be revalued again in 5 years once the schedule of works is complete.

Reserves Policy

The Trustees have established a policy whereby unrestricted reserves not committed or invested in fixed assets or investments held by the Charity should be in the region of four months' expenditure, which equates to approximately £1,041,000. At this level the Trustees feel that they would be able to continue the current activities of the Charity if there were to be a significant fall in income as a result of the coronavirus pandemic or for any other reason. At 31 March 2021 the free reserves of the Charity were in the region of £1,006,952 significantly closing the gap to £34,048 (2020 - £287,000) between the funds held and those required.

It is expected during 2021-2022 the remaining funds required for the reserves will be met within the first 6 months and any remaining surplus can be focused back into investing in the Charity.

Investment Policy and Performance

The Trustees' investment powers are governed by the Trustees Act 2000.

The Trustees' long-term policy for the general portfolios is to maximise income while preserving the value of the investments. The Charity's general investments have continued to be managed in accordance with that policy. The day-to-day management of the general investment portfolios has been delegated to Castlefield Investments Limited who provide a discretionary investment management service.

The investment portfolios derive their income from the underlying investments held, typically company dividends, interest payments on bonds and rents from commercial properties. During 2019-20 we saw a significant fall in the investment portfolios due to the impending impact of Covid starting during the early part of 2020. Although we expected to continue to see continued falls in the investment profiles the investment field recovered well and overall the gains during 2020-21 were pleasing.

The Charity saw a realised investment gain of £2,385 (2020 £ -6807) and an unrealised gain of £123,171 (2020 £ -118,080).

Risk Management

A significant risk currently facing the Charity and the care sector in general is the impact of Covid-19. The high death rate sustained globally over the pandemic demonstrates the stark impact that Covid-19 has had both on care home residents and staff.

The legal requirement for all Residential Care Home staff to be double vaccinated by 11th November 2021 has created a potential crisis within the industry, worsening an already critical shortage of staff, but we are pleased to confirm that, in addition to 100% of our residents being double vaccinated, approximately 98% of our workforce has also been double vaccinated, thanks to the team spirit and supportive management style adopted in all of our Homes.

The wellbeing and mental health of our staff remains a high priority for us as responsible and caring employers. We have invested in the training of a senior employee as a Mental Health First Aider to provide support across our three Homes and review the needs and concerns of our colleagues at all levels, through anonymous staff surveys, the results of which are shared and discussed with the Trustees at their meetings.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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

FOR THE PERIOD ENDED 31 MARCH 2021

Throughout the pandemic steps have also been taken to ensure that our staff are adequately protected both through the provision of personal protective equipment (PPE) and by arrangements to reduce infection when travelling to and from work. Some members of staff did contract Covid-19 from outside the workplace and in each case they were required to self-isolate in accordance with Government guidelines.

Apart from Covid-19, another major risk faced by the Charity is the operational risk arising from ineffective management of the individual Homes, which could result in a significant failure to meet the service standards required by CQC for residential care homes. We have restructured our senior management team in order to ensure that there is a united, informed and effectively audited and reviewed approach to managing our business. In common with the rest of the Care Sector we face risks from shortage of staff, dependency on agency staff, gaps in Local Authority funding and competition from developing models of care.

Plans for the Future

We are continuing with our Brand Development Strategy, standardising as many aspects of our business as possible across the three Homes, without detracting from the unique character of each building.

We shall be putting a prioritised repairs and maintenance programme in place, utilising any trading surplus from the current financial year to upgrade the interior and exterior of our premises in order to make them more attractive and in keeping with the changing needs of our target market. The list of proposed works will be compiled by our Estates Manager and will be reviewed quarterly by our Senior Management Team, before being approved by our Trustees at quarterly Trustees meetings.

Common standards and disciplines have become established across all three Homes, with common job titles, pay bands and key competencies. Each category of staff has its own specific uniform so that they are readily identifiable from a distance and can also be identified from their photographs in the reception area at each Home.

We have adopted a policy of "Recruit, Train, Retain", which includes panel interviewing to a single standard with standardised, key competencies based interviews for each role. All staff will have a personal development plan, performance reviews and personal training programmes.

Whenever possible, we shall seek to promote internally to provide career progression and to develop people, in order to meet their career expectations and the changing needs of the business, within an industry that continues to be undervalued and under resourced. We are also seeking to take part in the Kickstart scheme, with the intention of placing two apprentices in each of our Homes.

Our aim will be to motivate, inspire, respect and recognise the achievements of our teams, encouraging creativity and innovation and supporting them through promoting mindfulness and wellbeing.

We have facilitated the training of a Mental Health Champion, who has an active involvement in all three of our Homes supporting a highly trained, motivated and loyal workforce who share our goal of providing Person Centred care, equality and respect for all, but who also continue to face the stresses and demands of a highly challenging workplace.

In order to establish our desired position within our local communities, we continue to work in association with other organisations and local businesses (such as Astra Zeneca, Barclays Bank, Active Cheshire and Grow Macclesfield) as well as local schools and churches, to provide facilities such as vegetable gardens and nature walks within our grounds for the benefit of our residents and their families, staff, local schoolchildren and the lonely and isolated within our community.

We are also fundraising actively to raise the money required to fund a minibus for the safe transportation of our residents as they return to regular interaction with the outside world. With support of our partners, such as the Hinton Trust, we are also raising funds to provide defibrillators outside each of our homes for the benefit of our residents and the local community.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

The ever growing demand for technology to provide high quality, effective tools in order to ensure that the highest level of care can be provided as well as internet connectivity for staff, residents and their families and other visitors, in addition to providing video consultations with doctors, staff training , remote meetings by Teams, telephone contact with home working /mobile staff and FaceTime contact with residents from all rooms, has been satisfied by investment in a fully hosted telephone system and enhanced internet connection. All office staff have been properly equipped for home / remote working and all mobile staff have now had their contracts amended to make them home based, in keeping with the changing , post pandemic working practices and preferences.

We continue to establish the community in each of our Homes as an active, integral part of the greater local community whilst also displaying a recognisable brand image and we shall achieve this goal through inclusive and consultative leadership. We shall become involved in industry competitions, develop in house awards and seek regular feedback on progress from staff via job satisfaction surveys and from residents' families, through regular anonymous online surveys We will encourage early engagement by reaching out to the lonely and underprivileged in our community with a view to including them in our activities, familiarising them with our services and facilitating care progression in keeping with their individual needs. We continue to provide consistently excellent care through happy, motivated, appreciated and skilled staff. All the above improvements will ensure high standards of care and improved quality of life for our residents.

Structure, governance and management

Trustees

Under a Charity Commission Scheme dated 3 August 2020 the incorporated charity Cheshire Residential Homes Trust became the sole corporate trustee of The Cheshire Residential Homes Trust. Prior to 3 August 2020 individual Trustees were appointed by the Board of Trustees for a term of three years on the basis of nominations received.

Trustees induction and training

New Trustees appointed to the Board of the incorporated charity are inducted into the workings of the unincorporated charity and the incorporated charity at a meeting with the Chairman. A Trustee Information pack is provided on appointment. The pack contains copies of the Trust Deed, together with other documents including "A Guide to being a Trustee of Cheshire Residential Homes Trust" and the Charity Commission publication "The Essential Trustee – What you need to know".

Individual Trustees were expected to attend external training courses that were relevant to their needs.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Reference and Administrative Information

President: Sir William Bromley-Davenport (Retired 22 October 2019)

Mrs J Bromley-Davenport

Chief Executive Officer Mr R I MacGregor

Trustees

Under a Charity Commission Scheme dated 3 August 2020 the incorporated charity Cheshire Residential Homes Trust, charity number 1190162, was appointed as the sole Trustee of the Charity The Cheshire Residential Homes Trust. On the 24 April 2020 the serving Trustees, were appointed directors of the corporate trustee and subsequently retired from the charity on 3 August 2020.

The Trustees were served during the financial year and in the period between 1 April 2020 and 3 August 2020 were as follows:

Mrs A Brough

Mrs S M Cook (Chairman)

Mr C Davies Resigned 20/07/2021

Ms M J Flint Resigned 20/08/2021

Mrs V Godfrey

Mrs A J Marsh

Mrs C L Reeves

Mrs G Rushworth

Mrs P Speechly Resigned 28/07/2021

Mrs S Stallard

Mrs J Tetlow

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Organisational Management

The Trustees of the unincorporated charity met as a Board at least four times a year and, as trustees of the incorporated charity, they will continue to meet at that same frequency to consider the general policy of the Charity and the management and control issues for which they are legally responsible. The Trustees also approve the annual budgets for each Home in addition to the Annual Report and Financial Statements.

The Trustees are responsible for deciding the strategic aims of the Charity and for its overall administration and they are assisted by the Chief Executive Officer who is responsible for the Charity's operations and the day-to-day management of the three Homes. The Chief Executive is supported by the Home Managers, the Financial Controller and the Administration Manager, who is also the Nominated Individual for CQC purposes.

An Audit and Risk Management Committee is responsible for ensuring there is a framework of accountability in place within the Charity it is also responsible for examining and reviewing systems and methods of control, both financial and otherwise, including risk analysis and management; and for ensuring that the charity is complying with all aspects of law, relevant regulations and good practice. The Audit and Risk Management Committee, which meets at least twice a year, consists of three Trustees, the Chief Executive Officer, the Financial Controller and the Administration Manager.

Organisational Structure and Relationships

The Charity is a member of the National Care Association, which represents care providers in the UK. The Charity also benefits from close support from charities and friends associated with the three Homes. The financial and other support from those organisations and volunteers from within the local communities is greatly appreciated and gladly acknowledged.

Key Management Personnel

The Trustees consider the Board of Trustees and the Chief Executive Officer as being key management personnel responsible for directing and controlling the operations of the Charity. These individuals are supported by the Home Managers, the Financial Controller and the Administration Manager, who is also the Nominated Individual for CQC purposes.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and other transactions with Trustees are disclosed in Note 14 to the accounts.

The salaries of the Chief Executive Officer, the Home Managers, the Financial Controller and the Administration Manager are reviewed annually and usually rise in line with increases in average earnings.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Statement of Trustees' responsibilities

Charity trustees are responsible for preparing the trustees' annual report and 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 Charity's Trustees to prepare financial statements each year which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources of the Charity for that period

In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- 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 proper accounting records that disclose, with reasonable accuracy, the financial position of the Charity at any time, and to enable them as Trustees to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustees are also responsible for safeguarding the Charity's assets and taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

The Trustees are also responsible for the maintenance and integrity of the Charity and any financial information on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Auditor

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

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.

Mrs S M Cook

Dated: 26 November 2021

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHESHIRE RESIDENTIAL HOMES TRUST

Opinion

We have audited the financial statements of Cheshire Residential Homes Trust (the 'Charity') which includes the linked charities for the period 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the period 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, which includes the directors' report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHESHIRE RESIDENTIAL HOMES TRUST

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.

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.

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the Charity.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the Charity complies with relevant laws, regulations and any cases actual or potential litigation or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF CHESHIRE RESIDENTIAL HOMES TRUST**

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite this the audit has being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

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 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 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.

**Michael Caputo FCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited**

26 November 2021

**Chartered Accountants
Statutory Auditor**

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	3,766	-	-	3,766	3,465
Charitable activities	4	3,204,370	-	-	3,204,370	2,880,135
Investments	5	15,383	-	-	15,383	24,163
Other income	6	189,468	-	-	189,468	-
Total income		3,412,987	-	-	3,412,987	2,907,763
<u>Expenditure on:</u>						
Raising funds	7	3,869	-	-	3,869	3,863
Charitable activities	8	3,156,166	-	-	3,156,166	2,719,302
Total resources expended		3,160,035	-	-	3,160,035	2,723,165
Operating surplus		252,952	-	-	252,952	184,598
Net gains/(losses) on investments	12	125,556	-	-	125,556	(72,639)
Net incoming resources		378,508	-	-	378,508	111,959
<u>Other recognised gains and losses</u>						
Revaluation of tangible fixed assets	13	-	-	-	-	(6,611,526)
Net movement in funds		378,508	-	-	378,508	(6,499,567)
Fund balances at 1 April 2020		1,652,880	1,932	5,689,000	7,343,812	13,843,379
Fund balances at 31 March 2021		2,031,388	1,932	5,689,000	7,722,320	7,343,812

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

All income and expenditure derive from continuing activities.

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

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	3,465	-	-	3,465
Charitable activities	4	2,880,135	-	-	2,880,135
Investments	5	21,435	2,728	-	24,163
Total income		2,905,035	2,728	-	2,907,763
<u>Expenditure on:</u>					
Raising funds	7	3,863	-	-	3,863
Charitable activities	8	2,705,426	13,876	-	2,719,302
Total resources expended		2,709,289	13,876	-	2,723,165
Operating surplus		195,746	(11,148)	-	184,598
Net gains/(losses) on investments	12	(72,639)	-	-	(72,639)
Gross transfers between funds		104,922	(1,145,769)	1,040,847	-
Net incoming resources		228,029	(1,156,917)	1,040,847	111,959
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets	13	-	-	(6,611,526)	(6,611,526)
Net movement in funds		228,029	(1,156,917)	(5,570,679)	(6,499,567)
Fund balances at 1 April 2019		1,424,851	1,158,849	11,259,679	13,843,379
Fund balances at 31 March 2020		1,652,880	1,932	5,689,000	7,343,812

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

All income and expenditure derive from continuing activities.

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

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	6,030,329		6,037,678	
Investments	15	660,838		527,046	
		<u>6,691,167</u>		<u>6,564,724</u>	
Current assets					
Debtors	16	329,151		322,166	
Investments	17	272,089		322,497	
Cash at bank and in hand		927,786		658,382	
		<u>1,529,026</u>		<u>1,303,045</u>	
Creditors: amounts falling due within one year	18	(497,873)		(523,957)	
Net current assets		<u>1,031,153</u>		<u>779,088</u>	
Total assets less current liabilities		<u><u>7,722,320</u></u>		<u><u>7,343,812</u></u>	
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		5,689,000		12,300,526	
Revaluation reserve		-		(6,611,526)	
	19	<u>5,689,000</u>		<u>5,689,000</u>	
Income funds					
Restricted funds	20	1,932		1,932	
<u>Unrestricted funds</u>					
Designated funds	21	22,641		22,641	
General unrestricted funds		2,008,747		1,630,239	
		<u>2,031,388</u>		<u>1,652,880</u>	
		<u><u>7,722,320</u></u>		<u><u>7,343,812</u></u>	

The financial statements were approved by the Trustees on 26 November 2021

Mrs S M Cook

Company Registration No. 12571844

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		227,755		107,431
Investing activities					
Purchase of tangible fixed assets		(15,906)		(1,181,876)	
Purchase of investments		(156,503)		(69,415)	
Proceeds on disposal of investments		148,267		75,987	
Investment income received		15,383		24,163	
Net cash used in investing activities			(8,759)		(1,151,141)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			218,996		(1,043,710)
Cash and cash equivalents at beginning of period			980,879		2,024,589
Cash and cash equivalents at end of period			1,199,875		980,879
Relating to:					
Cash at bank and in hand			927,786		658,382
Short term deposits included in current asset investments			272,089		322,497

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Cheshire Residential Homes Trust is a Charity registered with the Charity Commission in England & Wales (1190162). The principle address is Sandiway Manor, Norley road, Sandiway, Northwich, CW8 2JW.

1.1 Accounting convention

The financial statements have been prepared in accordance 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 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 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 income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the Charity's charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a specific fund for a specific purpose.

Restricted funds are funds that are to be used in accordance with the specific restrictions imposed by the donor.

Endowed funds are funds used for a specific purpose or purposes of the Charity. The Trustees have been advised by Brabners LLP, solicitors, that they consider the freehold and buildings to be permanent endowment, being functional land and buildings to be held in perpetuity by the Charity. Accordingly, in these Financial Statements the freehold land and buildings have been treated as permanent endowment.

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.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. Donations subject to specific wishes of the donors are carried to relevant restricted funds. Donations receivable for the general purposes of the Charity are credited to unrestricted funds.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event of the legacy gift being in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition would be subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset being transferred to the Charity.

Interest on investments and on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Dividends from listed companies are recognised once the dividend has been declared and notification has been received of the dividend due.

1.5 Expenditure

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

All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings. VAT is included with the item of expense to which it relates.

Support costs have been allocated between governance and other support costs. Governance costs comprise all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include related statutory audit fees together with apportionments of overhead and support costs.

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	not depreciated
Plant and equipment	at varying rates on cost and reducing balance
Motor vehicles	25% reducing balance

No provision is made for depreciation in respect of freehold properties. This policy has been adopted because the value of these assets is maintained by the Charity's continued programme of property maintenance and improvements; consequently, any element of depreciation would, in the opinion of the Trustees, be immaterial. Furthermore, the Trustees carry out an annual impairment review.

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.

The Homes (freehold land and buildings) are usually revalued every five years with any surplus or loss arising on revaluation being accounted for in the year of valuation as an unrealised gain or loss. A valuation was made in 2009 consequently a revaluation of the Homes was due at 31 March 2014. However, by virtue of the fact that work had begun on a multi-million pound development scheme for extending and remodelling Trepassey Residential Home, the Trustees decided to defer a revaluation of the Homes until the development of Trepassey Residential Home had been completed and then revert to five yearly intervals. The work in extending and remodelling Trepassey was completed in August 2019 as a result the freehold land and buildings have been professionally valued at 31 March 2020 and remains unchanged at 31 March 2021.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 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, using the closing quoted market price. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and other investments.

1.8 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).

1.9 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.

1.10 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.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 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.

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	3,766	3,465

4 Charitable activities

	Sandiway Manor	Trepassey	Upton Grange	Total	Sandiway Manor	Trepassey	Upton Grange	Total
	2021	2021	2021	2021	2020	2020	2020	2020
	£	£	£	£	£	£	£	£
Residential care	1,075,160	1,346,744	782,466	3,204,370	1,074,729	804,725	1,000,681	2,880,135

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Income from listed investments	15,264	20,772	1,337	22,109
Interest receivable	119	663	1,391	2,054
	<u>15,383</u>	<u>21,435</u>	<u>2,728</u>	<u>24,163</u>

6 Other income

	Unrestricted funds	Total
	2021 £	2020 £
Coronavirus grants	188,632	-
Sundry income	836	-
	<u>189,468</u>	<u>-</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Investment management	3,869	3,863
	<u>3,869</u>	<u>3,863</u>

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

8 Charitable activities

	Sandiway Manor 2021 £	Trepassey 2021 £	Upton Grange 2021 £	Trustees 2021 £	Total 2021 £	Total 2020 £
Staff costs	677,684	802,478	554,204	-	2,034,366	1,744,917
Depreciation and impairment	3,528	12,240	4,140	3,348	23,256	24,303
Agency fees	89,560	87,781	14,471	-	191,812	135,813
Catering and housekeeping	84,718	78,543	64,305	-	227,566	176,640
Rates and insurance	14,360	23,598	7,508	30,765	76,231	84,706
Heat and light	28,083	52,940	22,681	-	103,704	97,333
Maintenance	23,440	24,174	23,063	-	70,677	111,372
Legal and professional fees	1,800	-	1,288	-	3,088	1,990
ICT leasing and support	10,111	12,506	11,127	28,636	62,380	29,634
Bad and doubtful debts	-	-	-	-	-	1,125
Other expenditure	46,286	62,628	35,727	-	144,641	140,987
	<u>979,570</u>	<u>1,156,888</u>	<u>738,514</u>	<u>62,749</u>	<u>2,937,721</u>	<u>2,548,820</u>
Share of support costs (see note 9)	-	-	-	163,799	163,799	147,394
Share of governance costs (see note 9)	-	-	-	54,646	54,646	23,088
	<u>979,570</u>	<u>1,156,888</u>	<u>738,514</u>	<u>281,194</u>	<u>3,156,166</u>	<u>2,719,302</u>
Analysis by fund						
Unrestricted funds	979,570	1,156,888	738,514	281,194	3,156,166	2,705,426
Restricted funds	-	-	-	-	-	13,876
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

8 Charitable activities

(Continued)

For the period ended 31 March 2020

	Sandiway Manor £	Trepassey £	Upton Grange £	Trustees £	Total 2020 £
Staff costs	620,433	573,311	551,173	-	1,744,917
Depreciation and impairment	3,528	12,228	4,136	4,411	24,303
Agency fees	55,802	22,440	57,571	-	135,813
Catering and housekeeping	67,686	56,089	52,865	-	176,640
Rates and insurance	17,184	21,946	6,728	38,848	84,706
Heat and light	32,206	44,226	20,901	-	97,333
Maintenance	35,324	30,539	45,509	-	111,372
Legal and professional fees	860	-	1,130	-	1,990
ICT leasing and support	6,164	5,644	5,578	12,248	29,634
Bad and doubtful debts	-	1,125	-	-	1,125
Other expenditure	41,360	41,025	39,120	19,482	140,987
	<u>880,547</u>	<u>808,573</u>	<u>784,711</u>	<u>74,989</u>	<u>2,548,820</u>
Share of support costs (see note 9)	-	-	-	147,394	147,394
Share of governance costs (see note 9)	-	-	-	23,088	23,088
	<u>880,547</u>	<u>808,573</u>	<u>784,711</u>	<u>245,471</u>	<u>2,719,302</u>
Analysis by fund					
Unrestricted funds	880,547	794,697	784,711	245,471	2,705,426
Restricted funds	-	13,876	-	-	13,876
	<u>880,547</u>	<u>808,573</u>	<u>784,711</u>	<u>245,471</u>	<u>2,719,302</u>

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	124,648	48,362	173,010	132,080	19,342	151,422
Other costs	7,491	-	7,491	1,968	-	1,968
Legal and professional fees	31,660	-	31,660	13,346	-	13,346
Audit fees	-	5,104	5,104	-	2,850	2,850
Trustees indemnity insurance	-	1,180	1,180	-	896	896
	<u>163,799</u>	<u>54,646</u>	<u>218,445</u>	<u>147,394</u>	<u>23,088</u>	<u>170,482</u>
Analysed between Charitable activities	<u>163,799</u>	<u>54,646</u>	<u>218,445</u>	<u>147,394</u>	<u>23,088</u>	<u>170,482</u>

Governance costs includes payments to the auditors of £3,000 (2020- £2,850) for audit fees and £2,104 (2020: £nil) for non-audit fees.

10 Trustees

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

11 Employees

The average monthly number of employees during the period was:

	2021	2020
	Number	Number
Provision of care and ancillary services	117	89
Management and administration	6	5
Total	<u>123</u>	<u>94</u>
Employment costs	2021	2020
	£	£
Wages and salaries	2,023,491	1,726,692
Social security costs	138,196	129,291
Other pension costs	45,689	40,356
	<u>2,207,376</u>	<u>1,896,339</u>

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

11 Employees

(Continued)

The Trustees all give freely their time and expertise without any form of remuneration or other benefits in kind (2020 £nil).

The Charity's key management personnel now comprise the Trustees and the Chief Executive Officer. The Chief Executive Officer is supported by the Home Managers and the Administration Manager, who is also the Nominated Individual for CQC purposes. The total employment benefits of the Chief Executive Officer, including employer pension contributions, was £49,699 (2020 - £41,099).

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

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Gain/(loss) on sale of investments	125,556	(72,639)

13 Revaluation of fixed assets

	Total	Endowment funds general
	2021	2020
	£	£
Loss on revaluation of tangible fixed assets	-	(6,611,526)

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

14 Tangible fixed assets

	Freehold land and buildings	Plant and Motor vehicles equipment		Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	5,689,000	408,152	11,628	6,108,780
Additions	-	15,906	-	15,906
At 31 March 2021	5,689,000	424,058	11,628	6,124,686
Depreciation and impairment				
At 1 April 2020	-	62,055	9,046	71,101
Depreciation charged in the period	-	22,608	648	23,256
At 31 March 2021	-	84,663	9,694	94,357
Carrying amount				
At 31 March 2021	5,689,000	339,395	1,934	6,030,329
At 31 March 2020	5,689,000	346,096	2,582	6,037,678

The freehold land and buildings Sandiway Manor, Trepassey and Upton Grange were valued at 31 March 2020 by Allied Surveyors, Chester, on an open market value basis in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors. At 31 March 2020 the freehold land and buildings were valued at £5,689,000. At 31 March 2020 the historical cost of the properties was £10,824,895. The valuations at 31 March 2020 reflect improvements made to the properties over a period of time, but they do not take into account the cost of such improvements or the unique nature of the buildings, in particular the building at Trepassey which, in recent years, has been extensively extended and remodelled. Instead, the valuations are based upon the likely value of the properties assuming that the Homes are fully trading operational entities, but within the private sector, rather than the voluntary sector.

The Trustees consider that the value of the freehold properties as at 31 March 2021 have not changed materially since 31st March 2020.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	527,046
Additions	156,503
Valuation changes	125,556
Disposals	(148,267)
	<hr/>
At 31 March 2021	660,838
	<hr/>
Carrying amount	
At 31 March 2021	660,838
	<hr/>
At 31 March 2020	527,046
	<hr/>

	2021 £	2020 £
Investments at fair value comprise:		
COIF Charities Investment Fund	71,699	59,426
UK and overseas equities and specialist funds	482,926	377,937
Fixed interest securities	106,213	89,683
	<hr/>	<hr/>
	660,838	527,046
	<hr/>	<hr/>

All investments are carried at their fair value. Investments in equities, specialist and multi-asset funds and fixed interest securities are all quoted in public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at bid price. The basis of fair value for quoted investments is equivalent to market value, using the bid price. Asset sales and purchases are recognised at the date of trade at their transaction value.

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

Historic cost of investments is £495,454 (2020: £475,600).

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	65,505	52,604
Other debtors	259,232	267,622
Prepayments and accrued income	4,414	1,940
	<hr/>	<hr/>
	329,151	322,166
	<hr/>	<hr/>

**CHESHIRE RESIDENTIAL HOMES TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

16 Debtors

(Continued)

Other debtors include £223,466 (2020 - £223,466) due from The Jardine Charitable Trust Fund, in respect of a transfer in relation to compensation payable to Trepassey for the consequential loss arising as a result of the unavailability of a number of bedrooms in preparation for and during work in extending and remodelling that Home.

17 Current asset investments

	2021	2020
	£	£
Short term deposits	272,089	322,497
	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	-	6,864
Trade creditors	37,142	48,390
Other creditors	370,717	381,177
Accruals and deferred income	90,014	87,526
	<u> </u>	<u> </u>
	<u>497,873</u>	<u>523,957</u>

Other creditors includes Trepassey – compensation for loss of income representing £223,466 (2020: £223,466) an amount payable to Trepassey by The Jardine Charitable Trust Fund, in respect of a transfer in relation to compensation for the consequential loss arising as a result of the unavailability of a number of bedrooms in preparation for and during work in extending and remodelling the Home.

**CHESHIRE RESIDENTIAL HOMES TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

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.

	Movement in funds					Movement in funds					Balance at 31 March 2021
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Freehold land and buildings	11,259,679	-	-	1,040,847	(6,611,526)	5,689,000	-	-	-	-	5,689,000
	<u>11,259,679</u>	<u>-</u>	<u>-</u>	<u>1,040,847</u>	<u>(6,611,526)</u>	<u>5,689,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,689,000</u>
	<u>11,259,679</u>	<u>-</u>	<u>-</u>	<u>1,040,847</u>	<u>(6,611,526)</u>	<u>5,689,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,689,000</u>

The Permanent Endowment Fund represents the value of the freehold land and buildings, which are considered to be functional assets to be held by the Charity in perpetuity.

**CHESHIRE RESIDENTIAL HOMES TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

20 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	
	Income	Balance at 1 April 2020	Income	Balance at 31 March 2021
	£	£	£	£
Lady Becke Fund	-	1,932	-	1,932
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Lady Becke Fund relates to monies donated in memory of the late Lady Becke to provide nursing care to residents of the Homes, should the need arise. The Jardine Charitable Trust Fund, which was created under the Will of Mr D J Jardine Deceased, was specifically for the purpose of improving and/or developing the facilities of Trepassy Care Home, Heswall, Wirral, being one of the three Homes owned by the Charity.

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds	
	Balance at 1 April 2019	Incoming resources	Balance at 1 April 2020	Incoming resources
	£	£	£	£
Maintenance reserve	22,641	-	22,641	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	22,641	-	22,641	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The maintenance fund represents funds set aside to meet the cost of future repairs to buildings at the three Homes. There were no movements during the year.

**CHESHIRE RESIDENTIAL HOMES TRUST
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FOR THE PERIOD ENDED 31 MARCH 2021

22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Tangible assets	341,329	-	5,689,000	6,030,329	348,678	-	5,689,000	6,037,678
Investments	660,838	-	-	660,838	527,046	-	-	527,046
Current assets/(liabilities)	1,029,221	1,932	-	1,031,153	777,156	1,932	-	779,088
	<u>2,031,388</u>	<u>1,932</u>	<u>5,689,000</u>	<u>7,722,320</u>	<u>1,652,880</u>	<u>1,932</u>	<u>5,689,000</u>	<u>7,343,812</u>

**CHESHIRE RESIDENTIAL HOMES TRUST
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23 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	15,331	8,690
Between two and five years	10,553	44,152
	<u>25,884</u>	<u>52,842</u>

24 Capital commitments

At 31 March 2021 the Charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	36,150	-
	<u>36,150</u>	<u>-</u>

25 Related party transactions

The Trustees all give freely their time and expertise without any form of remuneration or other benefits in cash or in kind.

Trustees' travelling and out-of-pocket expenses reimbursed during 2021 amounted to £Nil (2020 – Nil).

During the year the Trustees made a payment of £525 (2020 - £525) to Mrs C L Reeves, a member of the Board of Trustees, in respect of secretarial services; this payment was made on normal commercial terms.

26 Cash generated from operations

	2021 £	2020 £
Net incoming resources	378,508	111,959
Adjustments for:		
Investment income recognised in statement of financial activities	(15,383)	(24,163)
(Gain)/loss on disposal of investments	(125,556)	72,639
Depreciation and impairment of tangible fixed assets	23,256	24,303
Movements in working capital:		
(Increase) in debtors	(6,985)	(14,260)
(Decrease) in creditors	(26,085)	(63,047)
Cash generated from operations	<u>227,755</u>	<u>107,431</u>