

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 YEAR ENDED 31 MARCH 2022**

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

LEGAL AND ADMINISTRATIVE INFORMATION

Cheshire Residential Homes Trust - A company limited by guarantee.

| | | |
|--------------------------|--|-----------------------------|
| Trustees | Mrs S M Cook Mr B Dutton Mrs V Godfrey Mrs A J Marsh Mrs C L Reeves Mrs G Rushworth Mrs J Tetlow Mrs S Stallard | (Appointed 1 February 2022) |
| Charity number | 1190162 | |
| Company number | 12571844 | |
| Principal address | Sandiway Manor Norley Road Sandiway Northwich Cheshire CW8 2JW | |
| Auditor | Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP | |
| Bankers | Natwest Bank plc 1 Hardman Boulevard Manchester M3 3AQ | |
| Solicitors | Brabners LLP Horton House Exchange Flags Liverpool Merseyside L2 3YL Cullimore Dutton 20 White Friars Chester Cheshire CH1 1XS | |

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES LEGAL AND ADMINISTRATIVE INFORMATION

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

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES CONTENTS

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CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

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 memorandum and articles, 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).

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.

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.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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

FOR THE YEAR ENDED 31 MARCH 2022

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% (2021 – 18.5%) of permanent residents were funded by Local Authorities.

In addition, we aim to provide fee subsidies for some of our residents; during 2021-22 subsidies totalled £199,272 (2020-21 £179,402) representing approximately 6% (2020-21 6%) of gross fees.

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

Achievements and performance

During the year there has been significant growth of the employees' skills and promotions into new departments for many employees.

The General Manager, previously Home Manager, will become Nominated Individual in order to introduce common standards of care and monitor them consistently in all three homes.

As line manager for the three registered managers the General Manager will also be able to ensure that standards are enforced and reviewed regularly. She will also carry out care audits in all 3 homes and will be assisted by the Administration and Quality Manager who will do standards audits in each home to ensure that all areas are managed and maintained to a brand standard.

The findings will be reviewed quarterly at senior management team meetings and action plans will be formulated and shared with the Trustees.

Financial review

The operating results for the year were pleasing with the Charity achieving an operating surplus for the year on unrestricted funds of £512,329 compared to £252,952 in 2021. The surplus continued to reflect the exceptional work all employees and Trustees of the Charity had put into ensuring the Homes remained viable during the 2nd year of the Covid 19 pandemic.

Trepassey had high occupancy throughout the year which contributed to its ongoing success. Being a new and modern facility helps Trepassey continue to achieve the highest surplus of the 3 homes. Sandiway and Upton Grange also maintained a healthy surplus with having a higher occupancy than the previous year.

During the year the Trust was supported by each Local Authority with grants towards direct help and provisions to continue to fight the ongoing battle with Covid-19. This helped cover extensive costs in regards to Infection Control and ongoing regular lateral flow testing of staff members and residents to ensure everyone within the homes was protected as much as possible.

The Trust remains committed to its extensive maintenance programme that started in 2021 and continues throughout 2022 and beyond, to ensure facilities provided to residents are fit for purpose and high quality.

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 £1,144,500. 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 2022 the free reserves of the Charity were £1,545,325 (2021 - £1,029,221) and therefore exceeded the required level of £1,144,500 (2021 – £1,041,000).

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

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

FOR THE YEAR ENDED 31 MARCH 2022

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 the first 3 quarters of 2021-22 the trust gained on the investment portfolio significantly after the initial dip in the value of investments at the start of the pandemic. Unfortunately during the final quarter of the financial year, the majority of the investment gains were negated by a fall across all investment funds due to the ongoing situation affecting Ukraine and globally.

The Trust saw a realised investment gain of £1,688 (2021 - £2,385) and an unrealised gain of £6,353 (2021 - £123,171)

Risk Management

The ongoing risk of Covid 19 was at the forefront of the care delivered to all residents throughout the year. All employees and management continued to ensure infection control and safe working practices were followed to maintain a safe environment for all residents within each home. All employees and residents within the Trust had been double vaccinated to help reduce the impact of Covid on our employees and residents.

The wellbeing and mental health of our staff remains a high priority for us as responsible and caring employers.

We provide an anonymous counselling service for all of our staff and their families that covers a comprehensive range of issues including mental health, debt management and many others.

Ongoing industry wide shortages for recruitment of employees within care is continuing to be managed by the senior management team and an extensive package of benefits had been created throughout the year to enable the Trust to successfully continue to recruit good quality care employees.

The new re-structured management team alongside the Trustees continue to work exceptionally hard to ensure any risks facing the Trust are minimised and dealt with adequately.

Plans for the future

The success of the Trust over the past number of years and the continuing hard work to ensure surpluses continue to be made each year to aid the ongoing future of the Trust, has enabled the management and trustees to put in an extensive business plan over the next 5 years to ensure all properties are refurbished and made fit for purpose for a future cohort of residents.

Defibrillators have been installed outside the entrance to each Home and are available to the local community as well as for the benefit of our residents.

An extensive maintenance and refurbishment programme that has been agreed will look to refresh and refurbish all public areas at Sandiway and Upton Grange, ensuring a luxury and high standard of living for the residents at those homes, in line with the previous extensive refurbishment at Trepassey.

A review of our kitchen facilities is underway to ensure we have a good standard of appliances to enable high standards of food provided to all residents. Development plans were put in place for extending and providing well-lit car parking areas for the safety and convenience of visitors and staff.

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Structure and Governing Document

Cheshire Residential Homes Trust (the company) is a company limited by guarantee; it was incorporated on 24 April 2021. The company is registered with the Charity Commission under reference 1190162.

On 29 June 2020 the Charity Commission granted approval for a Scheme whereby the company replaced the individual trustees as the sole Trustee of the unincorporated charity The Cheshire Residential Homes Trust. The incorporated charity is referred to as Cheshire Residential Homes with legal and financial responsibilities continuing to lie with the original unincorporated charity The Cheshire Residential Homes Trust.

The unincorporated charity The Cheshire Residential Homes Trust is a registered charity. 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 unincorporated charity The Cheshire Residential Homes Trust was 218084; however, with effect from that date the Charity Commission linked it with the incorporated charity Cheshire Residential Homes Trust and its registration number changed to 1190162-1. The Linking Direction was for reporting purposes only; it did not change the separate legal status of the unincorporated and incorporated charities or the nature of restricted funds or endowments, and it does not constitute a merger.

The company has not traded during the period from 24 April 2020 (date of incorporation) to date and it has no assets or liabilities. Accordingly, this report and the financial statements for the accounting period ended 31 March 2022 relate solely to the activities of the unincorporated charity The Cheshire Residential Homes Trust.

Trustees

Under a Charity Commission Scheme dated 3 August 2020 the incorporated charity Cheshire Residential Homes 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.

Trustee 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.

Reference and Administrative Information

President: Mrs. J Bromley-Davenport

Trustees

The Trustees who served during the financial year for the corporate trustee were as follows:

Mrs A Brough (Resigned 19 July 2022)

Mrs S M Cook

Mr B Dutton

(Appointed 1 February 2022)

Mrs V Godfrey

Mrs A J Marsh

Mrs C L Reeves

Mrs G Rushworth

Mrs J Tetlow

Mrs S Stallard

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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 General Manager, Estates Manager, Home Managers, the Financial Controller and the Administration and Quality Manager.

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 and Quality 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 and Quality 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 YEAR ENDED 31 MARCH 2022**

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.

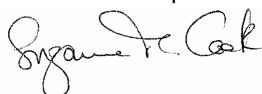
Auditor

Xeinadin Audit Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed 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
Trustee

28 November 2022

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 year ended 31 March 2022 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

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

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 of 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.

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 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.

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

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 Xeinaudit Limited**

28 November 2022

**Chartered Accountants
Statutory Auditor**

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total 2022 £ | Total 2021 £ |
|---|--------------|--|--|---|-----------------------------|-----------------------------|
| | Notes | | | | | |
| <u>Income and endowments from:</u> | | | | | | |
| Donations and legacies | 3 | 625 | - | - | 625 | 3,766 |
| Charitable activities | 4 | 3,519,086 | - | - | 3,519,086 | 3,204,370 |
| Investments | 5 | 16,954 | - | - | 16,954 | 15,383 |
| Other income | 6 | 167,371 | - | - | 167,371 | 189,468 |
| Total income | | 3,704,036 | - | - | 3,704,036 | 3,412,987 |
| <u>Expenditure on:</u> | | | | | | |
| Raising funds | 7 | 4,253 | - | - | 4,253 | 3,869 |
| Charitable activities | 8 | 3,187,455 | - | - | 3,187,455 | 3,156,166 |
| Total resources expended | | 3,191,708 | - | - | 3,191,708 | 3,160,035 |
| Operating surplus | | 512,328 | - | - | 512,328 | 252,952 |
| Net gains/(losses) on investments | 12 | 8,041 | - | - | 8,041 | 125,556 |
| Net movement in funds | | 520,369 | - | - | 520,369 | 378,508 |
| Fund balances at 1 April 2021 | | 2,031,388 | 1,932 | 5,689,000 | 7,722,320 | 7,343,812 |
| Fund balances at 31 March 2022 | | 2,551,757 | 1,932 | 5,689,000 | 8,242,689 | 7,722,320 |

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

All income and expenditure derive from continuing activities.

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

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total 2021 £ |
|---|-------|------------------------------------|----------------------------------|---------------------------------|--------------------|
| | Notes | | | | |
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 3 | 3,766 | - | - | 3,766 |
| Charitable activities | 4 | 3,204,370 | - | - | 3,204,370 |
| Investments | 5 | 15,383 | - | - | 15,383 |
| Other income | 6 | 189,468 | - | - | 189,468 |
| Total income | | 3,412,987 | - | - | 3,412,987 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 7 | 3,869 | - | - | 3,869 |
| Charitable activities | 8 | 3,156,166 | - | - | 3,156,166 |
| Total resources expended | | 3,160,035 | - | - | 3,160,035 |
| Operating surplus | | 252,952 | - | - | 252,952 |
| Net gains/(losses) on investments | 12 | 125,556 | - | - | 125,556 |
| Net movement in funds | | 378,508 | - | - | 378,508 |
| Fund balances at 1 April 2020 | | 1,652,880 | 1,932 | 5,689,000 | 7,343,812 |
| Fund balances at 31 March 2021 | | 2,031,388 | 1,932 | 5,689,000 | 7,722,320 |

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

All income and expenditure derive from continuing activities.

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

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES
BALANCE SHEET
AS AT 31 MARCH 2022**

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 13 | 6,040,898 | | 6,030,329 | |
| Investments | 14 | 656,466 | | 660,838 | |
| | | <u>6,697,364</u> | | <u>6,691,167</u> | |
| Current assets | | | | | |
| Debtors | 15 | 359,296 | | 329,151 | |
| Investments | 16 | 196,496 | | 272,089 | |
| Cash at bank and in hand | | 1,406,575 | | 927,786 | |
| | | <u>1,962,367</u> | | <u>1,529,026</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(417,042)</u> | | <u>(497,873)</u> | |
| Net current assets | | 1,545,325 | | 1,031,153 | |
| Total assets less current liabilities | | <u>8,242,689</u> | | <u>7,722,320</u> | |
| Capital funds | | | | | |
| Endowment funds - general | 18 | 5,689,000 | | 5,689,000 | |
| Income funds | | | | | |
| Restricted funds | 19 | 1,932 | | 1,932 | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 20 | 22,641 | | 22,641 | |
| General unrestricted funds | | <u>2,529,116</u> | | <u>2,008,747</u> | |
| | | <u>2,551,757</u> | | <u>2,031,388</u> | |
| | | <u>8,242,689</u> | | <u>7,722,320</u> | |

The financial statements were approved by the Trustees on 28 November 2022



Mrs S M Cook

Company Registration No. 12571844

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 25 | | 412,903 | | 227,755 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (39,073) | | (15,906) | |
| Purchase of investments | | (17,626) | | (156,503) | |
| Proceeds from disposal of investments | | 30,038 | | 148,267 | |
| Investment income received | | 16,954 | | 15,383 | |
| Net cash used in investing activities | | | (9,707) | | (8,759) |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 403,196 | | 218,996 |
| Cash and cash equivalents at beginning of year | | | 1,199,875 | | 980,879 |
| Cash and cash equivalents at end of year | | | 1,603,071 | | 1,199,875 |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 1,406,575 | | 927,786 |
| Short term deposits included in current asset investments | | | 196,496 | | 272,089 |

CHESHIRE RESIDENTIAL HOMES TRUST AND LINKED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 YEAR ENDED 31 MARCH 2022

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 the statement of financial activities.

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).

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

Critical judgements

Property valuations

Both freehold land and buildings are held at revalued amounts based on professional valuations. Actual value may differ to estimated value which could result in under or over statement of asset value.

Determining residual values and useful economic lives of plant and equipment

The Trust depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary. Judgement is applied also in the residual values of plant and equipment. When determining the residual value the directors aim to assess the amount that the asset would currently obtain if the asset were disposed using market prices where possible.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Donations and gifts | 625 | 3,766 |

4 Charitable activities

| | Sandiway Manor | Trepassey | Upton Grange | Total | Sandiway Manor | Trepassey | Upton Grange | Total |
|------------------|----------------|-----------|--------------|-----------|----------------|-----------|--------------|-----------|
| | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Residential care | 1,150,948 | 1,489,053 | 879,085 | 3,519,086 | 1,075,160 | 1,346,744 | 782,466 | 3,204,370 |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Investments

| | Unrestricted funds | Unrestricted funds |
|--------------------------------|-------------------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Income from listed investments | 16,938 | 15,264 |
| Interest receivable | 16 | 119 |
| | <u>16,954</u> | <u>15,383</u> |

6 Other income

| | Unrestricted funds | Unrestricted funds |
|--------------------|-------------------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Coronavirus grants | 167,115 | 188,632 |
| Sundry income | 256 | 836 |
| | <u>167,371</u> | <u>189,468</u> |

7 Raising funds

| | Unrestricted funds | Unrestricted funds |
|-----------------------|-------------------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Investment management | 4,253 | 3,869 |
| | <u>4,253</u> | <u>3,869</u> |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

| | Sandiway Manor 2022 £ | Trepassey 2022 £ | Upton Grange 2022 £ | Trustees 2022 £ | Total 2022 £ | Total 2021 £ |
|--|--|---------------------------------|--|--------------------------------|-----------------------------|-----------------------------|
| Staff costs | 689,217 | 799,943 | 539,879 | - | 2,029,039 | 2,034,366 |
| Depreciation and impairment | 4,111 | 12,532 | 4,508 | 7,353 | 28,504 | 23,256 |
| Agency fees | 76,041 | 70,715 | 60,332 | - | 207,088 | 191,812 |
| Catering and housekeeping | 91,107 | 92,770 | 60,830 | - | 244,707 | 227,566 |
| Rates and insurance | 22,007 | 11,203 | 7,854 | 45,049 | 86,113 | 76,231 |
| Heat and light | 32,861 | 49,753 | 22,647 | - | 105,261 | 103,704 |
| Maintenance | 60,446 | 20,793 | 30,522 | - | 111,761 | 70,677 |
| Legal and professional fees | - | - | 840 | - | 840 | 3,088 |
| ICT leasing and support | 13,640 | 8,207 | 8,163 | 34,365 | 64,375 | 62,380 |
| Other expenditure | 32,048 | 52,873 | 28,693 | - | 113,614 | 144,641 |
| | <u>1,021,478</u> | <u>1,118,789</u> | <u>764,268</u> | <u>86,767</u> | <u>2,991,302</u> | <u>2,937,721</u> |
| Share of support costs (see note 9) | - | - | - | 132,620 | 132,620 | 163,799 |
| Share of governance costs (see note 9) | - | - | - | 63,533 | 63,533 | 54,646 |
| | <u><u>1,021,478</u></u> | <u><u>1,118,789</u></u> | <u><u>764,268</u></u> | <u><u>282,920</u></u> | <u><u>3,187,455</u></u> | <u><u>3,156,166</u></u> |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

(Continued)

For the year ended 31 March 2021

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

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|--|--------------------|-----------------------|----------------|--------------------|-----------------------|----------------|
| Staff costs | 115,866 | 57,233 | 173,099 | 124,648 | 48,362 | 173,010 |
| Other costs | 3,505 | - | 3,505 | 7,491 | - | 7,491 |
| Legal and professional fees | 13,249 | - | 13,249 | 31,660 | - | 31,660 |
| Audit fees | - | 6,300 | 6,300 | - | 5,104 | 5,104 |
| Trustees indemnity insurance | - | - | - | - | 1,180 | 1,180 |
| | <u>132,620</u> | <u>63,533</u> | <u>196,153</u> | <u>163,799</u> | <u>54,646</u> | <u>218,445</u> |
| Analysed between Charitable activities | <u>132,620</u> | <u>63,533</u> | <u>196,153</u> | <u>163,799</u> | <u>54,646</u> | <u>218,445</u> |

Governance costs includes payments to the auditors of £4,500 (2021- £3,000) for audit fees and £1,800 (2021: £2,104) 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 year.

11 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|--|-------------------|-------------------|
| Provision of care and ancillary services | 110 | 117 |
| Management and administration | 6 | 6 |
| Total | <u>116</u> | <u>123</u> |
| Employment costs | 2022 £ | 2021 £ |
| Wages and salaries | 2,010,547 | 2,037,729 |
| Social security costs | 141,639 | 129,291 |
| Other pension costs | 49,952 | 40,356 |
| | <u>2,202,138</u> | <u>2,207,376</u> |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

(Continued)

The Trustees all give freely their time and expertise without any form of remuneration or other benefits in kind (2021 - £nil).

The Charity's key management personnel now comprise the Trustees and the Chief Executive Officer. The Chief Executive Officer is supported by the General Manager, the Home Managers and the Administration and Quality Manager who is also the Nominated Individual for CQC purposes. The total employment benefits of the Chief Executive Officer (R I MacGregor), including employer pension contributions, was £53,618.54 (2021 - £49,699).

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

12 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|-------------------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Gain/(loss) on sale of investments | 8,041 | 125,556 |

13 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Motor vehicles | Total |
|------------------------------------|--|--------------------------------|-----------------------|--------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 April 2021 | 5,689,000 | 424,058 | 11,628 | 6,124,686 |
| Additions | - | 39,073 | - | 39,073 |
| Disposals | - | (22,929) | - | (22,929) |
| At 31 March 2022 | 5,689,000 | 440,202 | 11,628 | 6,140,830 |
| Depreciation and impairment | | | | |
| At 1 April 2021 | - | 84,663 | 9,694 | 94,357 |
| Depreciation charged in the year | - | 28,024 | 480 | 28,504 |
| Eliminated in respect of disposals | - | (22,929) | - | (22,929) |
| At 31 March 2022 | - | 89,758 | 10,174 | 99,932 |
| Carrying amount | | | | |
| At 31 March 2022 | 5,689,000 | 350,444 | 1,454 | 6,040,898 |
| At 31 March 2021 | 5,689,000 | 339,395 | 1,934 | 6,030,329 |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

(Continued)

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 reflected improvements made to the properties over a period of time, but they did 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 were based upon the likely value of the properties assuming that the Homes were 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 2022 have not changed materially since 31st March 2020.

14 Fixed asset investments

| | Listed investments £ |
|--------------------------|-------------------------------------|
| Cost or valuation | |
| At 1 April 2021 | 660,838 |
| Additions | 17,626 |
| Valuation changes | 8,040 |
| Disposals | (30,038) |
| | <hr/> |
| At 31 March 2022 | 656,466 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2022 | 656,466 |
| | <hr/> <hr/> |
| At 31 March 2021 | 660,838 |
| | <hr/> <hr/> |

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Investments at fair value comprise: | | |
| COIF Charities Investment Fund | 78,960 | 71,699 |
| UK and overseas equities and specialist funds | 469,662 | 482,926 |
| Fixed interest securities | 107,845 | 106,213 |
| | <hr/> | <hr/> |
| | 656,467 | 660,838 |
| | <hr/> <hr/> | <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 £475,215 (2021: £495,454).

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

15 Debtors

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 93,590 | 65,505 |
| Other debtors | 259,232 | 259,232 |
| Prepayments and accrued income | 6,474 | 4,414 |
| | <u>359,296</u> | <u>329,151</u> |

Other debtors include £223,466 (2021: £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.

16 Current asset investments

| | 2022 | 2021 |
|---------------------|----------------|----------------|
| | £ | £ |
| Short term deposits | <u>196,496</u> | <u>272,089</u> |

17 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 70,796 | 37,142 |
| Other creditors | 267,957 | 370,717 |
| Accruals and deferred income | 78,289 | 90,014 |
| | <u>417,042</u> | <u>497,873</u> |

Other creditors includes Trepassey – compensation for loss of income representing £223,466 (2021 - £223,466) an amount payable to Trepassey by The Jardine Charitable Trust Fund. This is in respect of 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
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

18 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.

| | Balance at 1 April 2020 | Movement in funds Incoming resources | Balance at 1 April 2021 | Movement in funds Incoming resources | Balance at 31 March 2022 |
|-----------------------------|----------------------------|---|----------------------------|---|--------------------------------|
| | £ | £ | £ | £ | £ |
| Permanent endowments | | | | | |
| Freehold land and buildings | 5,689,000 | - | 5,689,000 | - | 5,689,000 |
| | <u>5,689,000</u> | <u>-</u> | <u>5,689,000</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.

19 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:

| | Balance at 1 April 2020 | Movement in funds Income | Balance at 1 April 2021 | Movement in funds Income | Balance at 31 March 2022 |
|-----------------|----------------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|
| | £ | £ | £ | £ | £ |
| Lady Becke Fund | 1,932 | - | 1,932 | - | 1,932 |
| | <u>1,932</u> | <u>-</u> | <u>1,932</u> | <u>-</u> | <u>1,932</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 Trepassey Care Home, Heswall, Wirral, being one of the three Homes owned by the Charity. At 31 March 2020 The Jardine Trust Fund was fully expended.

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

20 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:

| | Balance at 1 April 2020 | Movement in funds Incoming resources | Balance at 1 April 2021 | Movement in funds Incoming resources | Balance at 31 March 2022 |
|---------------------|----------------------------|---|----------------------------|---|--------------------------------|
| | £ | £ | £ | £ | £ |
| Maintenance reserve | 22,641 | - | 22,641 | - | 22,641 |
| | <u>22,641</u> | <u>-</u> | <u>22,641</u> | <u>-</u> | <u>22,641</u> |
| | <u>22,641</u> | <u>-</u> | <u>22,641</u> | <u>-</u> | <u>22,641</u> |

The Maintenance reserve 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
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

21 Analysis of net assets between funds

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total 2021 £ |
|--|------------------------------------|----------------------------------|---------------------------------|--------------------|------------------------------------|----------------------------------|---------------------------------|--------------------|
| Fund balances at 31 March 2022 are represented by: | | | | | | | | |
| Tangible assets | 351,898 | - | 5,689,000 | 6,040,898 | 341,329 | - | 5,689,000 | 6,030,329 |
| Investments | 656,466 | - | - | 656,466 | 660,838 | - | - | 660,838 |
| Current assets/(liabilities) | 1,543,393 | 1,932 | - | 1,545,325 | 1,029,221 | 1,932 | - | 1,031,153 |
| | <u>2,551,757</u> | <u>1,932</u> | <u>5,689,000</u> | <u>8,242,689</u> | <u>2,031,388</u> | <u>1,932</u> | <u>5,689,000</u> | <u>7,722,320</u> |

**CHESHIRE RESIDENTIAL HOMES TRUST
AND LINKED CHARITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

22 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:

| | 2022 | 2021 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 10,842 | 15,331 |
| Between two and five years | 5,152 | 10,553 |
| | <u>15,994</u> | <u>25,884</u> |

23 Capital commitments

| 2022 | 2021 |
|-------------|-------------|
| £ | £ |

At 31 March 2022 the Charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

| | | |
|--|---------------|---------------|
| Acquisition of property, plant and equipment | 66,150 | 36,150 |
| | <u>66,150</u> | <u>36,150</u> |

24 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 2022 amounted to £Nil (2021 – Nil).

During the year the Trustees made a payment of £525 (2021 - £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.

25 Cash generated from operations

| 2022 | 2021 |
|-------------|-------------|
| £ | £ |

| | | |
|---|----------------|----------------|
| Net incoming resources | 520,369 | 378,508 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (16,954) | (15,383) |
| Gain on disposal of investments | (8,041) | (125,556) |
| Depreciation and impairment of tangible fixed assets | 28,504 | 23,256 |
| Movements in working capital: | | |
| (Increase) in debtors | (30,145) | (6,985) |
| (Decrease) in creditors | (80,830) | (26,085) |
| Cash generated from operations | <u>412,903</u> | <u>227,755</u> |