

CHARITY REGISTRATION NUMBER: 205695

Susan Day Residential Home
Financial Statements
31 March 2021

THOMAS WESTCOTT

Chartered Accountants & Statutory Auditors
47 Boutport Street
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Susan Day Residential Home

Financial Statements

Year ended 31 March 2021

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Susan Day Residential Home

Trustees' Annual Report

Year ended 31 March 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Susan Day Residential Home
Charity registration number	205695
Principal office	South Lodge Runnacleave Road Ilfracombe Devon EX34 8AQ
The trustees	Mrs P Cox Mr P Jagers Mrs S Roles Mrs M Clements Mrs E Gilliat Mrs J Donovan Mr G Hills Mrs A Thomas-Stafford Mr M Thomas
Auditor	Thomas Westcott Chartered Accountants & Statutory Auditors 47 Boutport Street Barnstaple Devon EX31 1SQ
Bankers	Lloyds Bank plc 109 High Street Ilfracombe Devon EX34 9EU

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, governance and management

Administrative details

The charity is a registered charity number 205695. Its principal and business address is South Lodge, Runnicleave Road, Ilfracombe, Devon, EX34 8AQ.

Governance and internal control

The Home was established by a Trust Deed dated 31 July 1947. Clause 2 of the Trust Deed was altered by a scheme agreed by the Charity Commission for England and Wales on the 23 October 2013. On the 4 April 2018 the Charity Commission agreed a further scheme to alter clause 2 of the Trust Deed which has widened the area from which we are able to take residents. Its charitable objects, powers and means of governance are as laid down in its Constitution, which was adopted on 2 September 1998 and revised in May 2018. Trustees are appointed at the Annual General Meeting held in July each year.

The trustees meet each month (except in August and December) to discuss and review the charity's business, both from an operational and a strategic perspective.

The day-to-day operations are managed by Mrs. Donna Miller who reports to the trustees on a regular basis. An induction process is in place for all new trustees. Employees are given continuing training to ensure they are aware of all matters relating to the charity including existing regulations and facilities available to assist them in carrying out their duties responsibly.

Risk mitigation

The trustees have a detailed Risk Assessment and Mitigation policy in place which is reviewed in January each year or at such time it is felt there has been a change in the perceived risk due to internal or external events.

The perceived risks are detailed below and have been assessed in accordance with the following grades:

I: Low Likelihood
Low Severity of Impact

II: Low Likelihood
High Severity of Impact

III: High Likelihood
Low Severity of Impact

IV: High Likelihood
High Severity of Impact

Permanent or temporary loss of key staff

The Registered Manager is supported by four full-time duty managers who cover the daily shifts and supervise the care assistants. In addition, one of the care assistants is fully trained to deputise for the duty managers. More details are located within the Susan Day Business Continuity Plan.

Risk Assessment: I

Decrease in number of residents with consequent reduction in income

The Home would need to lose seven residents permanently (and not replace them in the short/medium term) before being able to cut staff numbers. Such a loss involving say five residents would make little impact on running costs as the staff numbers would remain the same but income would be down by £15,168 (5 x £3,033) per month. The home has sufficient cash reserves to sustain such a drop in income but if prolonged, further resident losses could bring the number to seven or more, leading to the option of staff cuts as referred to above.

Risk Assessment: II,

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

Serious damage to the property caused by fire, severe weather etc.

Disaster plan for residents is in place - short term, residents would be moved to hotels, the home's safe house is the Carlton Hotel; longer term, there would be close liaison with CQC. The home is insured for all risks including coronavirus outbreaks and terrorism.

Risk assessment: II.

Serious illness amongst residents of epidemic proportions

Residents would be confined to their rooms and visitors would not be allowed. In the event of a severe epidemic requiring quarantine, residents would in all likelihood be moved to a hospital or barrier nursed. The CQC would be informed and the home would work with Public Health England. **Please see section below regarding impact of COVID – 19 and measures taken to mitigate risks.**

Risk Assessment: II.

Power outage leading to loss of heat, light and other utilities

The Home has an oil-fired generator that can run for 2 days without purchasing more oil. Oil can be purchased from local petrol stations and even in the case of snow / flooding we believe additional supplies could be obtained. The home has detailed within its Business Continuity Plan an outline of help that can be sourced in such extreme weather conditions. The Water Company would be expected to respond to loss of water by using bowsers etc. but the loss of the gas supply would affect availability of heating and hot water, possibly leading to the need to re-locate residents.

Risk Assessment: II.

Loss of I.T. capability and phone contact

Able to operate for a week or so without I.T. - data is backed-up on a memory stick and could be accessed at an alternative site. Mobile phones are available in case of need.

Risk Assessment: III.

Environmental risk - pollution, waste hazard etc.

Water pollution would be dealt with by the Water Company. Smoke and drain pollution would require specialist attention as would food and clinical waste in the event of industrial action affecting collection. **Risk Assessment: II**

Accounting/fraud risk

Insured other than for those instances caused by negligence. Hon Treasurer has independent overview of finances and provides written report to Trustees each month highlighting increases and decreases in cash flow. **Risk Assessment: I.**

COVID- 19 Impact and actions taken to mitigate risks

COVID-19 has had a significant impact on the home, residents and staff. With the spread of the Pandemic throughout the United Kingdom during February and March 2020 the decision was taken on 17th March 2020 to place the home into complete lockdown and we have only been open to essential visitors from this time, to safeguard our residents. New policies, procedures, continuity plan and risk assessment have been implemented throughout the home following government guidelines as they are changed and updated. COVID-19 has had a huge impact on the home due to staffing levels, as we increased our infection control measures. The management team undertake weekly COVID PCR tests of staff and resident's every 28 days. In addition, staff carry out lateral flow tests twice each week and all visitors to the home including tradesman need to have a negative COVID lateral flow test before entering. Some staff have had to self-isolate due to being symptomatic and this has had a knock-on effect with the staffing levels. Until July 2020 we were advised not to accept new admissions which had an impact on occupancy levels in quarter 1 of this financial year.

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

With effect from July 2020 limited garden and sun house visits have been allowed on a prebooked basis.

Public benefit

When planning its activities for the year the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance as it relates to charities providing similar activities to those of the Home.

The Home is prepared to subsidise the top-up element of the fees for up to twelve residents who are funded by Social Services, thus no longer requiring the difference between the amount paid by Social Services and the full fee charged by the Home to be met by those residents themselves or by members of their families.

Additionally, the trustees can fund one place at any one time for a prospective resident who has not qualified for financial support from Social Services and who is unable to pay the fees. The financial cost of both these subsidies is charged to the Home's reserves.

Structure, governance and management

The Home's activities continue to fall within the overall definition of 'charitable purpose'. All residents enjoy equal benefit, irrespective of whether they pay fees or are assessed by Social Services as having a need for residential care and a measure of financial support. Anyone living in the catchment area and who is eligible by way of need can be considered for a place at the Home. Fees charged to residents are determined by the level of care required.

The Home is essentially self-funding through fees and payments from Social Services. It receives little by way of donations and legacies are extremely rare. The proceeds of fundraising activities go into an amenities fund for the benefit of all residents.

The Home and the residents also benefit from the close involvement of the trustees in the Home's activities. The Board of Trustees, all of whom are volunteers, comprises individuals who bring a broad range of professional skills to the Home and provide their services without any form of payment.

Objectives and activities

Charitable objects

The charity's objects are defined in the governing document as:-

The establishment and maintenance of a residential home for elderly in need in the areas of Ilfracombe, Braunton, Barnstaple and the surrounding districts, provided that preference is given to those residing in the former Urban District of Ilfracombe.

The Home

The Home is a non-profit making organisation and uses any surplus funds for the benefit of the residents. Details of these are shown in the financial statements and supporting notes. The Home is regularly inspected by the Health and Safety Officer, the Fire Officer and the Care Quality Commission (CQC). Their reports continue to reflect the high standards provided and the work of dedicated officers and staff.

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The residents

The Home lost eleven residents during the year. Eight died in the home and three died in hospital. Although most of our residents' end of life plans ask that they end their days in the Home this is not always possible. During the period 1st April to the 30 June 2021 we have lost a further five residents who all died in the home. None of the deaths have been due to COVID. A number of the residents had only been with us for a short time and were end of life when they came into the home.

During the year there was 88% occupancy which equates to four empty beds each week whilst the budget assumes two empty beds. At the 31 March 2021 we had one empty bed; however, this has now increased to two. The management team have done a tremendous job in promoting the home and filling beds over the last 12 months and we now have a small waiting list.

Ten residents are currently funded by Social Services with the cost of top ups for the year ended 31 March 2021 £14,929 compared with a cost of £21,316 for the year ended 31 March 2020.

In a number of cases we have been unable to meet the needs of social service referrals due to nursing or specialised dementia care being required.

As a result of the pandemic many of our activities had to be put on hold. We have focused on in-house activities and a lot of one-to-one time with our residents. We have been working closely with residents' families and friends, trying to stop social isolation, poor/deteriorating physical and mental health, boredom, and lessen the family's anxiety and worries at such a difficult time. Due to government guidelines, and families not being able to visit their loved ones, the home has purchased Facebook portal where via this our residents can access daily video calls via WhatsApp and Facebook which brings great comfort to all involved.

As guidelines have been relaxed we have been able to allow limited visits in the garden and sun room.

There is a comprehensive activities programme for residents which includes exercise and craftwork classes and the hair / beauty salon has proved very popular with the residents.

For a number of years a religious service covering all denominations has been held each week on a Thursday morning with Holy Communion once a month. These services have also been well attended and much appreciated by the residents. Unfortunately, they have needed to be placed on hold during the pandemic.

The management team continues to enhance its auditing, monitoring and development of the home. Our residents are much more active and involved in how the service is shaped and this is evidenced by meeting minutes, our private Facebook page and sitting and asking our residents.

At the 1st July 2021 our residents were split 24 ladies and 6 gentlemen with our youngest resident being 79 and our oldest four residents being 103.

The average age of our residents is 91 years.

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Achievements and performance

The staff

The Susan Day staff are now working well. They are embracing the changes which have been implemented and are working more effectively.

Staffing levels have been maintained and have been invaluable not only for the care that our residents are receiving, but also for the staff and their wellbeing and ability to be able to provide a quality service.

Due to the global pandemic we have increased our bank staff to coincide with our COVID-19 continuity plan/winter flu. DBS checks have been cheaper, and these have been approved quicker due to the demand during the current situation.

Non managerial staff are paid a minimum of £9.50 per hour (effective 1st April 2021) which comfortably exceeds the national living wage of £8.91. This continues to assist the home in being able to fill job vacancies.

An ongoing training programme is in place for all members of care staff. We recently upgraded our online training to unlimited training access, making a lot more of our courses more person centered and tailored around our residents changing health needs (parkinsons,dysphasia). The management team are currently being trained to an assessor's level regarding the correct administration of medication, so the knowledge can be filtered throughout the care team so the administration of medication can have a more person centered approach.

Nineteen of our staff are members of a stakeholder pension scheme held with Reassure to which the home is contributing 3% of salary per annum and each member of staff a minimum contribution of 4%. A further eighteen members of staff are enrolled in a pension scheme held with NEST where the home is contributing 3% per annum and each member of staff a minimum of 5%.

Inspections

Devon and Cornwall Fire and Rescue undertook an inspection in early 2019 following a request from the home. With ever changing regulations and requirements there were a number of recommendations / remedial work, all of which have been completed.

The Home has regular environmental health kitchen inspections and is rated 5 stars.

We have had regular external pharmacy inspections which have been rated as good. Due to the pandemic these external pharmacy inspections have not been able to take place from 17th March 2020, but our medication lead has had regular Zoom meetings working closely with the GP's and pharmacist regarding resident's medication reviews.

A new robust auditing system has now been put into place, covering all areas from gardens & maintenance to residents dining experience.

Our latest Care Quality Commission inspection was in February 2019 with the home receiving an overall rating of good. A remote assessment was carried out in June by CQC based on information available to them and there were no concerns.

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Developments

Repairs and renewals, maintenance and gardening are ongoing and expenditure totalled £120,253 (2020 £76,304) during the year against a budget of £75,000. During the last six years expenditure totals £720,288 against a budget of £350,000. The shortfall has been covered from reserves as the Trustees viewed the upgrading of the home essential if it was to continue to retain and attract new residents. Further improvements and upgrading will be achieved within the annual budget in future years.

A significant part of the overspend this year has been covered by government grants re COVID which totalled £85,534. Detailed below are some of the improvements.

1. A dedicated staff changing room with separate external entrance has been created to help with infection control with all staff changing into their uniform on arrival rather than travelling to work in it.
2. The main lounge has been updated with new wipeable and easy clean furniture and carpet has been replaced with vinyl flooring.
3. Improvements to the outside covered area with new furniture, lighting and heaters so that it can be used for our residents' family visits.
4. New wipeable and easy clean tables and chairs in the dining room.

We continue to replace essential equipment and purchase nursing beds and hoists as needed.

We feel that our Home has a friendly, homely atmosphere and is maintained to a high standard with all the relevant inspections and maintenance checks being scheduled.

Financial review

Annual outturn

The Charity's net outgoing resources for the year was £52,707 (2020 £129,252). Details of the financial outturn are shown on page 13 and in the notes to the accounts on pages 16 to 25.

The main variances in income and expenditure were:-

Residents fees £972,128 against budgeted £1,073,420 variance +£101,292.

Whilst the budget is prepared assuming an average of two empty beds we experienced an average of 4 empty beds during the year.

Cleaning £32,878 against budgeted £24,500 variance + £8,378 however £7,827 of the government COVID grant was to reimburse the home for PPE expenditure which was included in this cost line.

Wages including agency £790,452 against budgeted £800,700 variance - £10,248

Repairs maintenance and gardening £120,253 against budgeted £75,000 variance +£45,253

Please see comments under developments re use of COVID infection control grants

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Reserves

The Balance Sheet as at 31 March 2021 shows unrestricted reserve funds of £664,736 (2020: £717,443). This figure is represented by £392,353 in a designated Property Reserve (comprised of the book value of the residential home property), £14,342 in a designated Amenities Reserve (representing funds held to provide amenities to the residents during the following twelve months and beyond), £150,000 in a contingency fund and £108,041 in the unrestricted general fund. The contingency fund is to be used for any unforeseen emergencies which may arise, mainly in respect of income, staffing costs or premises costs. The trustees believe this to be good governance, in particular taking into account the needs of the residents who are beneficiaries of the charity.

The purpose of the unrestricted general reserve fund (16% of total reserves) is to provide for material capital expenditure on the property, any unforeseen decline in income or material increase in operating costs and the subsidies funded from the General Reserve by way of transfer to cover the top ups and bursary as described in the Public Benefit section above.

Fixed Assets

The trustees' policy with regard to expenditure is to capitalise items costing in excess of £50,000. Other items are regarded as revenue expenditure and are direct charitable expenditure on the SOFA.

Financial management

The trustees review up to date financial data at each of their monthly meetings when they also consider all items of material operational costs which have been incurred as well as proposed capital expenditure. There is an annual budget meeting at which the trustees agree income and expenditure forecasts for the coming year.

The financial year commencing 1st April 2021 has started positively with income broadly in line with budget and a surplus of £20,000 for quarter 1.

Funding

The principal funding source is income from the residents and from Social Services in those instances where residents are unable to pay for themselves. In addition, the Home receives interest on its cash deposits and occasional donations and legacies. This year the Home has also benefited from the governments COVID grants.

Plans for future periods

One of the Trustees' key objectives is to maintain the Home to a high standard for the residents to enjoy and therefore further investment will be made as required.

Susan Day Residential Home

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 24 to the financial statements.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 28 July 2021 and signed on behalf of the board of trustees by:



M Thomas
Trustee

Susan Day Residential Home

Independent Auditor's Report to the Members of Susan Day Residential Home

Year ended 31 March 2021

Opinion

We have audited the financial statements of Susan Day Residential Home (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Susan Day Residential Home

Independent Auditor's Report to the Members of Susan Day Residential Home (continued)

Year ended 31 March 2021

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 trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies' legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detecting of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Susan Day Residential Home

Independent Auditor's Report to the Members of Susan Day Residential Home (continued)

Year ended 31 March 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Westcott

Thomas Westcott
Chartered Accountants & Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

2nd August 2021

Susan Day Residential Home

Statement of Financial Activities

Year ended 31 March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	11,225	74,800	86,025	95
Charitable activities	5	972,128	—	972,128	886,461
Other trading activities	6	1,082	—	1,082	1,945
Investment income	7	2,592	—	2,592	5,074
Total income		<u>987,027</u>	<u>74,800</u>	<u>1,061,827</u>	<u>893,575</u>
Expenditure					
Expenditure on charitable activities	8,9	1,024,805	74,800	1,099,605	1,001,511
Other expenditure	11	14,929	—	14,929	21,316
Total expenditure		<u>1,039,734</u>	<u>74,800</u>	<u>1,114,534</u>	<u>1,022,827</u>
Net expenditure and net movement in funds		<u>(52,707)</u>	<u>—</u>	<u>(52,707)</u>	<u>(129,252)</u>
Reconciliation of funds					
Total funds brought forward		<u>717,443</u>	<u>—</u>	<u>717,443</u>	<u>846,695</u>
Total funds carried forward		<u>664,736</u>	<u>—</u>	<u>664,736</u>	<u>717,443</u>

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

The notes on pages 16 to 25 form part of these financial statements.

Susan Day Residential Home

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	392,353	399,057
Current assets			
Stocks	16	1,892	2,594
Debtors	17	6,449	11,168
Cash at bank and in hand		<u>294,757</u>	<u>319,459</u>
		303,098	333,221
Creditors: amounts falling due within one year	18	<u>30,715</u>	<u>14,835</u>
Net current assets		<u>272,383</u>	<u>318,386</u>
Total assets less current liabilities		<u>664,736</u>	<u>717,443</u>
Net assets		<u>664,736</u>	<u>717,443</u>
Funds of the charity			
Unrestricted funds		<u>664,736</u>	<u>717,443</u>
Total charity funds	21	<u>664,736</u>	<u>717,443</u>

28 July 2021 These financial statements were approved by the board of trustees and authorised for issue on 28 July 2021, and are signed on behalf of the board by:



Mr M Thomas
Trustee

The notes on pages 16 to 25 form part of these financial statements.

Susan Day Residential Home

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net expenditure	(52,707)	(129,252)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,704	8,165
Government grant income	(85,534)	—
Other interest receivable and similar income	(2,592)	(5,074)
Accrued (income)/expenses	(709)	1,494
<i>Changes in:</i>		
Stocks	702	310
Trade and other debtors	4,719	8,246
Trade and other creditors	16,589	(1,802)
Cash generated from operations	(112,828)	(117,913)
Interest received	2,592	5,074
Net cash used in operating activities	<u>(110,236)</u>	<u>(112,839)</u>
Cash flows from financing activities		
Government grant income	85,534	—
Net cash from financing activities	<u>85,534</u>	<u>—</u>
Net decrease in cash and cash equivalents	(24,702)	(112,839)
Cash and cash equivalents at beginning of year	319,459	432,298
Cash and cash equivalents at end of year	<u>294,757</u>	<u>319,459</u>

The notes on pages 16 to 25 form part of these financial statements.

Susan Day Residential Home

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is South Lodge, Runnicleave Road, Ilfracombe, Devon, EX34 8AQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specific purpose and which the charity may use for its purpose at its discretion.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and Legacies are received by the way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value of the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Income from the charity's activities is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

Resources expended

Expenditure is recognised on an accrual basis as liability is incurred. Expenditure includes any VAT which cannot fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the cost of trading for fundraising purposes including the charities activities.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & Buildings	-	Straight line over one hundred years
Fixtures, fittings and equipment	-	15% straight line with a full years charge in the year of acquisition

The trustees policy is that only items over £50,000 are capitalised. Other items are regarded as revenue expenditure and direct charitable expenditure on the SOFA.

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations – general	491	–	491
Grants			
Government grant income - Covid-19	10,734	74,800	85,534
	<u>11,225</u>	<u>74,800</u>	<u>86,025</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations – general	95	–	95
Grants			
Government grant income – Covid-19	–	–	–
	<u>95</u>	<u>–</u>	<u>95</u>

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Residents fees - general	957,199	957,199	865,145	865,145
Bursary fees	14,929	14,929	21,316	21,316
	<u>972,128</u>	<u>972,128</u>	<u>886,461</u>	<u>886,461</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising events - amenities	1,082	1,082	1,945	1,945
	<u>1,082</u>	<u>1,082</u>	<u>1,945</u>	<u>1,945</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
UK bank deposit account interest	2,592	2,592	5,074	5,074
	<u>2,592</u>	<u>2,592</u>	<u>5,074</u>	<u>5,074</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
General fund	1,005,496	74,800	1,080,296
Amenities fund	1,281	—	1,281
Support costs	18,028	—	18,028
	<u>1,024,805</u>	<u>74,800</u>	<u>1,099,605</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
General fund	983,249	—	983,249
Amenities fund	1,066	—	1,066
Support costs	17,196	—	17,196
	<u>1,001,511</u>	<u>—</u>	<u>1,001,511</u>

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
General fund	1,080,296	18,028	1,098,324	1,000,445
Amenities fund	1,281	—	1,281	1,066
	<u>1,081,577</u>	<u>18,028</u>	<u>1,099,605</u>	<u>1,001,511</u>

10. Analysis of support costs

	Unrestricted funds	Total 2021	Total 2020
	£	£	£
Printing, postage, stationery and adverts	3,653	3,653	4,302
Accountancy fees	4,795	4,795	4,531
Audit fees	1,600	1,600	1,600
Consultancy charges	7,930	7,930	6,713
Bank charges	50	50	50
	<u>18,028</u>	<u>18,028</u>	<u>17,196</u>

11. Other expenditure

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Bursary costs	<u>14,929</u>	<u>14,929</u>	<u>21,316</u>	<u>21,316</u>

12. Net expenditure

Net expenditure is stated after charging/(crediting):	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>6,704</u>	<u>8,165</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	742,174	701,926
Social security costs	47,238	45,495
Employer contributions to pension plans	13,282	14,419
	<u>802,694</u>	<u>761,840</u>

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Staff costs *(continued)*

The average head count of employees during the year was 46 (2020: 42). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Carers, catering and administration	<u>46</u>	<u>42</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

No remuneration has been paid to the Trustees. From time to time Trustees and management will make sundry purchases using their own credit cards for which they are reimbursed against receipts.

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020 and 31 March 2021	<u>517,002</u>	<u>255,038</u>	<u>772,040</u>
Depreciation			
At 1 April 2020	119,479	253,504	372,983
Charge for the year	<u>5,170</u>	<u>1,534</u>	<u>6,704</u>
At 31 March 2021	<u>124,649</u>	<u>255,038</u>	<u>379,687</u>
Carrying amount			
At 31 March 2021	<u>392,353</u>	<u>—</u>	<u>392,353</u>
At 31 March 2020	<u>397,523</u>	<u>1,534</u>	<u>399,057</u>

Freehold buildings were independently valued by a Chartered Surveyor on the basis of an open market valuation for existing use in July 1997. No historic cost records are available because the freehold buildings were not on the Balance sheet before 1997. The charity has adopted the transitional provisions of FRS102 and the valuation of £360,000 has not been updated and has instead been adopted as deemed cost. All addition/ improvements to the property since 1997 are at cost. In April 2007, an insurance assessor carried out a detailed valuation of the property and considered that it had a value of £2,300,000. The trustees considered this value realistic. The trustees estimate that this value will be at a similar level at 31st March 2021.

16. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>1,892</u>	<u>2,594</u>

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

17. Debtors

	2021	2020
	£	£
Trade debtors	373	5,357
Prepayments and accrued income	6,076	5,811
	<u>6,449</u>	<u>11,168</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	10,365	7,233
Accruals and deferred income	6,893	7,602
Social security and other taxes	13,457	—
	<u>30,715</u>	<u>14,835</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £13,282 (2020: £14,419).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>85,534</u>	<u>—</u>

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General Fund	154,757	986,949	(1,033,665)	–	108,041
Amenities fund	15,163	78	(899)	–	14,342
Property reserve	397,523	–	(5,170)	–	392,353
Contingency fund	150,000	–	–	–	150,000
	<u>717,443</u>	<u>987,027</u>	<u>(1,039,734)</u>	<u>–</u>	<u>664,736</u>

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
General Fund	179,027	892,291	(1,016,561)	100,000	154,757
Amenities fund	14,975	1,284	(1,096)	–	15,163
Property reserve	402,693	–	(5,170)	–	397,523
Contingency fund	250,000	–	–	(100,000)	150,000
	<u>846,695</u>	<u>893,575</u>	<u>(1,022,827)</u>	<u>–</u>	<u>717,443</u>

These unrestricted funds are funds available for the use at the discretion of the trustees in furtherance of the general objectives of the charity.

The amenities fund includes unrestricted income from the charity's open day, coffee mornings and donations, and the related bank interest from such funds. Expenditure from the fund is the cost of the events and any surplus is designated for use of trips and outings and for Christmas and other occasional gifts.

A separate designated property reserve has been set up to represent the book value of the freehold buildings shown in the accounts. This tangible fixed asset will be retained to ensure the charity continues in its current activities as a residential home.

The trustees designated £250,000 of the reserves as a contingency fund. This is to be used for any unforeseen emergencies which may arise, mainly in respect of income; staffing costs; or premises costs. The trustees believe this to be good governance in particular taking into account the needs of residents who are beneficiaries of the charity. During 2020, in view of the significant income shortfall during the financial year the trustees have transferred £100,000 from the contingency fund to the general reserve fund.

Restricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Government grant income	–	74,800	(74,800)	–	–

Susan Day Residential Home

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of charitable funds *(continued)*

During the year the home received government support in respect of Coronavirus. This was to assist with the additional costs incurred as a result of Coronavirus. All these funds were fully utilised in the year.

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	392,353	392,353
Current assets	303,098	303,098
Creditors less than 1 year	(30,715)	(30,715)
Net assets	664,736	664,736

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	399,057	399,057
Current assets	333,221	333,221
Creditors less than 1 year	(14,835)	(14,835)
Net assets	717,443	717,443

23. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	319,459	(24,702)	294,757

24. Post balance sheet events

At the date of preparation of the financial statements, the instability factor relating to the Covid health emergency should not be underestimated. There have been no adjusting events identified whilst preparing the accounts.

The charity has reviewed this scenario and evaluated the management actions to mitigate the operational impact. The charity has adopted initiatives to safeguard the health of its people and actions aimed at maintaining operational activity. The repercussions on any adjustments to the financial statements are currently not determinable in light of the volatility of the scenario and the continuous evolution of the market, these will be reflected in the 2022 results.

25. Related parties

During the year, no related party transactions were identified.

Susan Day Residential Home
Management Information
Year ended 31 March 2021

The following pages do not form part of the financial statements.

Susan Day Residential Home
Detailed Statement of Financial Activities
Year ended 31 March 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations - general	491	95
Government grant income - Covid	<u>85,534</u>	<u>—</u>
	<u>86,025</u>	<u>95</u>
 Charitable activities		
Residents fees - general	957,199	865,145
Bursary fees	<u>14,929</u>	<u>21,316</u>
	<u>972,128</u>	<u>886,461</u>
 Other trading activities		
Fundraising events - amenities	<u>1,082</u>	<u>1,945</u>
 Investment income		
UK bank deposit account interest	<u>2,592</u>	<u>5,074</u>
 Total income	 <u><u>1,061,827</u></u>	 <u><u>893,575</u></u>

Susan Day Residential Home

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2021

	2021 £	2020 £
Expenditure on charitable activities		
General fund		
<i>Activities undertaken directly</i>		
Staff costs	742,174	701,926
Employers NIC	47,238	45,495
Employers pension	13,282	14,419
Rates, water and insurance	21,497	18,904
Light, heat and telephone	26,492	32,404
Repairs, maintenance and gardening	120,253	76,304
Agency costs	1,040	5,783
Transport, trip and gifts	1,643	3,149
General expenses	1,173	1,686
Depreciation for the year	6,704	8,165
Provisions	56,173	48,063
Cleaning	32,878	18,209
Registration fees and subscriptions	9,749	8,742
	<u>1,080,296</u>	<u>983,249</u>
<i>Support costs</i>		
Printing, postage, stationery and adverts	3,653	4,302
Accountancy fees	4,795	4,531
Consultancy fees	7,930	6,713
Audit fees	1,600	1,600
Bank charges	50	50
	<u>18,028</u>	<u>17,196</u>
Amenities fund		
<i>Activities undertaken directly</i>		
Transport, trips and gifts	700	961
General expenses	581	105
	<u>1,281</u>	<u>1,066</u>
Expenditure on charitable activities	<u><u>1,099,605</u></u>	<u><u>1,001,511</u></u>