

MICHAEL YOAKLEY'S CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

MICHAEL YOAKLEY'S CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Yoakley Care Share Limited Yoakley Care Trustee Limited <u>Directors of the corporate bodies above:</u> Peter Hermitage Beverley Aitken David Astley Michael Baker Gillian Durrant Blair Gulland Faye Hames Mark Hames
Charity number	205769
Principal office	Yoakley House Drapers Close Margate Kent CT9 4AH
Key Management personnel	Julie Wickenden, Executive Manager Tracey Huntley, Care Manager
Independent auditors	Azets Audit Services Statutory Auditors Delandale House 37 Old Dover Road Canterbury Kent CT1 3JF
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Boys & Maughan 11-13 Hawley Street Margate Kent CT9 1PU
Investment Advisors	Charles Stanley & Co Ltd 43 Dudley Road Tunbridge Wells Kent TN1 1LE
Property advisors	Smith Woolley 15 Tufton Street Ashford Kent TN23 1EE

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors of the two trustee companies (Yoakley Care Share Limited and Yoakley Care Trustee Limited) who are set out on page 1 will be referred to as "Trustees" for the purposes of this report and the financial statements.

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 January 2020 to 31 December 2020.

OBJECTIVES AND ACTIVITIES

The original objects of the charity were the provision and maintenance of almshouses for the elderly at nominal cost on Drapers Estate. This was extended, in 1980, to provide residential accommodation and care in Yoakley House.

The main objective continues to be to provide the highest quality care of the elderly, keeping residents fees and charges to a minimum using careful investment management.

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

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

ACHIEVEMENTS AND PERFORMANCE

a. Review of Activities

SUMMARY OF CONTENTS

- a1** Statement Regarding Covid 19 (Coronavirus)
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a1. STATEMENT REGARDING COVID-19 (CORONAVIRUS)

2020 saw the world affected by the global pandemic of Covid 19 brought about by the Coronavirus. First detected in China in late 2019, it quickly became apparent that it was a highly transmissible and potentially fatal disease. The first case was identified in the UK in January 2020 and the first known UK death occurred on March 5th. The detection and therefore prevention of the spread of the disease was especially difficult as some people were found to carry and transmit it whilst being asymptomatic, and in the early months, testing was not widely available.

From March onwards the government introduced various measures to try to combat the spread of the virus. The schedule of directive included:

- 23rd March - full lockdown with the directive to "stay at home" as much as possible with all schools and most shops and businesses closed;
- June - lockdown eased and schools and all shops reopened as case numbers stopped increasing although some measures such as limits on numbers of people meeting together, particularly indoors, remained in place;
- 5th November - second lockdown introduced for 4 weeks as the disease spread rapidly in the winter months with people spending more time indoors;
- 2nd December - although national lockdown was lifted, a tier system of restrictions was introduced according to the number of cases in a given area. Kent went immediately into the highest tier, essentially meaning that lockdown here continued;
- Shielding was introduced early in the pandemic for those with certain health issues meaning they were required to stay at home avoiding almost all contact with people from 23rd March to 1st August and again from 31st October through into 2021.

Although the virus impacted the whole population, it was found to be particularly dangerous to the elderly and spread rapidly in many care homes causing large numbers of fatalities. With up to 31 elderly residents in our care home and 56 in the almshouses, the key focus for the Charity became infection control and the health and wellbeing of the residents.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

a1. STATEMENT REGARDING COVID-19 (CORONAVIRUS) (Continued)

Management took the decision to close the care home to all visitors including its own almshouse residents on 15th March 2020, a week before the first lockdown restrictions for the entire country were introduced. This closed door policy continued throughout the year with visits only being permitted in the grounds or in the training room which was adapted firstly for distanced visiting and later with a full partition screen. The staff of the Charity intently focused on keeping themselves and residents well including increased hand washing, making full use of personal protective equipment (PPE) and antibacterial hand gel, and social distancing, as well as limiting their interactions with others outside of the home.

Throughout the year a small number of staff tested positive for the virus but took swift action by staying away from work as soon as any hint of the virus was apparent. For the whole year care home residents avoided infection until 31st December when 3 cases were identified – 1 from a hospital visit, 1 after admission from another care home and a third with the source unknown. Thankfully all made a full recovery. A couple of almshouse residents also tested positive during the year and others were unwell with suspicious symptoms prior to Covid 19 testing being widely available. They too have all made a full recovery.

The virus and the resulting restrictions impacted the Charity as follows:

- **Respite Rooms:** Short term stays became impractical as potential residents were deterred by negative news about the rapid spread of the virus in care homes and the need to be confined to their bedroom for 14 days on admission. Bookings and therefore income was significantly reduced;
- **Training Room:** Training courses could not take place as numbers of people meeting together indoors were restricted by regulation for most of the year. Income from training room hire therefore ceased;
- **Rental Income:** The property owned by the Charity in Ashford is occupied by 5 businesses. Apart from the letting agency, all suffered enforced long periods of closure. They individually negotiated rent reduction. The Board took the decision that by helping to keep their businesses viable, the Charity would retain the tenancies during a time when many commercial properties were empty;
- **Investment Income:** For a time, return on the investment portfolios was quite dramatically affected with businesses being unable to trade and dividends limited. A reduction in the income drawn from the portfolios was agreed from October;
- **Fundraising:** The opportunity to raise funds was severely restricted. Grant making trusts were under huge pressure with reduced investment income and increased demand from needy charities. Public events were forbidden for most of the year which meant that the League of Friends was unable to operate as normal. The fundraiser had been employed in 2016 primarily to raise funds for the extension of Yoakley House. With the onset of the pandemic, the raising of the capital required and increased doubt over the viability of care home beds, the Board took the decision that the role was redundant. The fundraiser left the charity's employment in June 2020;
- **Expenditure:** Expenditure on certain items increased dramatically, including on PPE, the adaptation of the premises to improve infection control, and the introduction of regular testing for staff and residents. The government issued grants to care homes to alleviate some of this cost and the Charity received a total of £51K.

It is acknowledged that with no loss of life to Covid 19, voids in both the care home and almshouses were no higher than normal and there was no loss of income in either. The introduction of newly developed vaccinations which should prevent fatality from the virus began to be rolled out in December 2020 with the elderly being top of the list to receive it.

The Board acknowledges that management acted quickly and decisively at each stage of the pandemic to minimise the impact of the virus and that the Charity weathered the Covid 19 storm well. At the end of the year the Charity retained the capital values on its investments and stands in good stead to remain viable. In addition, the Board received notification that the Charity would be in receipt of a legacy of around £250K. The charity was notified of the legacy in the year to 31 December 2020 and £150k has been received in January 2021.

The overall outcome of 2020 for the Charity is nothing short of miraculous.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

a2. RESIDENTS, BOARD AND STAFF MEMBERS

Residents

The Charity records, with regret, the death of the 6 residents (all non Covid 19 related). This rate is amazingly lower than in previous years despite the average age of those in residential care in Yoakley House being well over 90 and in Drapers Homes over 80. It appears that robust infection control procedures in place to prevent the spread of Covid 19 kept residents free from other ailments.

8 people became permanent residents of Yoakley House during the year. Some of the above had previously been in Yoakley House for respite care and in a few cases permanent residence followed on directly from a respite stay.

Two residents were accepted for longer term respite care (6 weeks or more) with the option for the placement becoming permanent.

The respite rooms provided care for 14 residents during the year. A few cottage residents also had short periods of respite care for a variety of reasons. The majority of these were in the first 3 months of the year prior to the first Covid 19 lockdown. A couple were in August when Covid 19 restrictions were eased and after the particular residents had undergone testing to check that they were Covid 19 negative on admission.

With Covid 19 restrictions requiring residents newly admitted to the care home to be isolated in their rooms for 14 days to ensure that they did not develop or transmit the disease, short respite care stays became impractical. The Board agreed that in the latter part of the year, respite beds be allocated to longer term temporary stays or permanent residents.

Although no residents celebrated their 100th birthday during the year, three residents who joined us in 2020 were already over or around this milestone.

5 residents (including 1 couple) moved into the almshouses. 4 former almshouse residents moved into long term care, 1 at Yoakley House and 3 at specialist EMI homes.

The Trustees and Board of Directors

The trusteeship of the Charity is held by two limited companies Yoakley Care Trustee Ltd and Yoakley Care Share Ltd, with the former trustees as directors of both companies. This allows the continued effective management of the Charity but protects individuals from personal financial liability.

The Board of Directors of the Trustee companies were:

Mr Peter Hermitage QPM (Chairman)

Mrs Beverley Aitken MBE

Mr David Astley OBE

Mr Michael Baker

Mr Blair Gulland

Mrs Gillian Durrant

Mrs Faye Hames

Mr Mark Hames

The Board met formally on 6 occasions during the year. The first of these in January 2020 was at Yoakley House. The other 5 were via the online facility Zoom as meeting in groups and non-essential travel was not permitted for much of the year. Directors were readily available to discuss issues outside of the formal board meetings. The Charity is grateful to all Directors for freely giving of their time and expertise.

Staff members

18 staff left the Charity's employment during the year, 4 staff retired and 2 moved to new jobs. Staff turnover was higher than in previous years. Restrictions imposed during the pandemic meant that for a significant part of the year, staff had to juggle their working life with their own health, Covid 19 related anxieties, and childcare/ home schooling issues. For some this proved too much, even for a few newly appointed members of staff.

Special mention must be made of Mrs Diane Lloyd who served as Tea Cook at Yoakley House for 32 years. Apart from being an excellent cook, she was cheerful, gracious and adaptable and had served the Charity through many changes, not least the complications of her final year. She had planned to retire in the March 2020 but when Covid restrictions meant that colleagues had to shield and could not work she agreed to stay on until November.

11 staff joined the Charity during 2020. Ashley Scribbins stepped up to take on the role of Head Cook in April 2020 when the previous cook had to shield from the pandemic due to health conditions. She has done an amazing job in very difficult circumstances, not least when residents had to be isolated and catered for in their rooms.

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a2. RESIDENTS, BOARD AND STAFF MEMBERS (Continued)

Agency staff were only requested when they could be exclusively booked to work at Yoakley to reduce the risk of virus transmission between care homes. Two agency staff who joined us in the summer of 2020 to cover staff holidays decided they would like to become members of Yoakley staff, after a period of transfer agreed with the agency, both will be joining us permanently in 2021.

Covid 19 restrictions meant that a few staff were required to "shield" due to their own health conditions making them highly susceptible to serious illness if they caught the virus. Two administrative staff were able to work from home. Three others from the care and kitchen staff had to remain at home on Covid related sick pay. Restrictions also prevented involvement by volunteers during the year although June Waller continued to support the Charity from home by arranging the church services which took place online.

The Care Manager, Mrs Tracy Huntley, is qualified in Train the Trainer courses in the mandatory subjects in which all staff must have regular updates and can deliver this training in-house to all staff: Covid 19 restrictions meant that most of the training had to be done online or via workbooks for home study.

a3. INSPECTIONS, COMPLAINTS & COMPLIMENTS

Inspections

No inspections were carried out by the Care Quality Commission (CQC) during the year. The Charity therefore retains its rating of GOOD awarded in 2018. The next inspection is not expected until 2021.

Complaints and compliments

An Adult Protection alert was raised in February 2020 by a District Nurse who visited Yoakley to treat a respite resident with a severe pressure sore. Yoakley was confident that she had the sore on arrival and it had been exacerbated by long days in the hospital on dialysis treatment during her stay here. Social Services gave guidelines on improving communication and record keeping but did not pursue further action.

A Yoakley resident raised a complaint via her family in August that staff had caused bruising on her arm and mentioned various other issues. Social Services visited to interview the resident and review her care notes. They found no case to answer.

Management regularly received compliments and cards of thanks from grateful residents and their relatives. This praise was fed into the annual Quality Assurance review produced in July by the Care Manager which incorporated questions about the home's handling of the pandemic. Relatives were generally very complimentary at the way the Charity protected and cared for residents during the pandemic.

a4. PREMISES, EQUIPMENT AND GROUNDS

Yoakley House

The work to upgrade the fuse board system following the full check of the electrical wiring in 2019 was finally completed in early summer 2020, including the required removal of asbestos.

Adaptations to the building were completed to improve infection control including:

- Replacing the dining room and foyer carpet with washable vinyl flooring;
- Repainting all the corridors with washable paint.

The main disabled access bath developed a fault which could not be rectified as the necessary part was manufactured overseas and could not be obtained due to the pandemic. A second-hand bath was purchased from our contracted supplier and installed in the second bathroom as a temporary measure. A new bath and accompanying hoist were purchased at a cost of £17K in the second half of 2020. There are now 2 full disabled baths improving infection control.

The training room was adapted by inserting a fixed Perspex screen into the existing moveable wall to create a visiting area whereby the resident could sit one side and visitors the other in complete safety without fear of virus transmission.

Early in the year the Executive Manager moved into the smaller office previously occupied by the fundraiser and the activities coordinator (on opposite shifts) so that the Care Manager and her Deputy could share a larger office. This enabled the fundraiser and the activities coordinator to have separate offices in the foyer area.

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a4. PREMISES, EQUIPMENT AND GROUNDS (Continued)

A programme to tile the ensuite bathrooms in Yoakley began in early 2020 but had to be postponed due to the pandemic which meant access by non-essential workers was curtailed.

Fundraising allowed the purchase of a Raizer chair (to lift residents who have fallen where the use of a hoist is not possible), a digital coffee table (like a giant ipad) for use in the care home, and a Facebook Portal for residents to keep in visual contact with relatives during lockdown.

Drapers Homes

A new warden emergency call system was purchased in 2020 following a fundraising campaign in previous years which raised a total of £32K. Unfortunately this has not yet been installed as pandemic restrictions prevented the required access of contractors to the almshouses. It is hoped that installation will take place in 2021.

The bathroom at cottage 12 was upgraded and a shower installed to replace the bath. There are now only 4 almshouses out of 48 which still have a bath with no shower (these being properties where the occupants originally declined the upgrade) so this programme is almost complete.

From July 2020, it became a legal requirement for all tenanted properties to have an electrical wiring check every 5 years. The first of these was carried out in the summer/ autumn.

The programme of replacing rotten window frames and repairing damaged front doors on the cottages continued. Routine maintenance was carried out by maintenance staff throughout the year.

The Charity continued to provide a housekeeping service to almshouse residents who require it to help to keep the properties clean and well maintained. This had to be paused for a few months when the country was in full lockdown in order to prevent any potential spread of the virus by staff between the care home and the almshouses.

Only one almshouse remained unoccupied at the end of the year. This has been allocated to a couple who have been unable to move due to the pandemic but hope to be able to do so in early 2021.

Garden and Grounds

Paul Twyman, Head Gardener, with assistant Chris Arrenberg, made the gardens look magnificent. Residents purchased a statue of a gardener as a wonderful addition to the garden from the proceeds of the bric a brac shop in the summer house.

Sadly events such as the annual garden party and the National Gardens Scheme Open Days were cancelled due to the pandemic. A couple of events were organised in the summer months whereby residents could enjoy outdoor entertainment whilst keeping their distance, including on Easter weekend and VE day, but these were not open to visitors.

a5. TRUST PROPERTIES

The Ashford properties were managed by agents Smith-Woolley. The tenancies remained the same although enforced temporary closure of some of the businesses due to the pandemic prompted request for temporary rent reductions by some of the tenants. Each application was reviewed individually.

a6. FINANCE AND INVESTMENTS

Income for the year was £1,294,022 (2019: £1,311,417). This included a grant of £50,838 towards Covid-19 infection control purposes. Total expenditure for the year amounted to £1,388,542 (2019: £1,320,635). This resulted in a deficit, before valuation adjustments of fixed assets of £94,520 against a 2019 deficit of £9,218.

The charity's balance sheet shows a positive position of £5,736,485 (2019: £5,972,399). Net current assets have decreased from £458,227 to £392,271.

The cash balance (including current asset investments which are for 90 day notice accounts) has decreased from £462,883 to £421,837 with cash used for operating activities of £171,505 and cash provided by investing activities of £130,459.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

a6. FINANCE AND INVESTMENTS (Continued)

INCOME

Yoakley House Fees

The basic weekly charge for Yoakley House is £658 which covers the cost of care. The charge is higher for some permanent residents with more complex needs.

Kent County Council paid a minimum of £410.78 per week for permanent residence with higher rates being achieved for some more dependent residents. Each placement represents a deficit of over £200 on the true cost of care.

The Charity signed the current DPS contract with Kent County Council which will apply until 2022, just in time to qualify for a small increase in fee rates effective from 1st April 2020. At the end of the year the charity had 8 KCC funded residents.

The inadequate funding of KCC placements means that the Charity must make up the deficit from other income in order to cover costs, with KCC funded residents effectively being treated as beneficiaries of the Charity. The Board and management made a conscious decision some years ago to take a balanced mix of privately funded and KCC funded residents into Yoakley House to ensure the Charity does not run at a loss. Applications by residents funded by KCC are considered, particularly if they come from those who have used our respite service or live in our almshouses. To qualify for KCC funding, a resident has to meet strict criteria as specified and assessed by KCC.

Income from the investment portfolio and from other services, such as the hire of the training room, usually helps to bridge this deficit. In 2020 the Charity benefited from government Covid 19 related grants to help to cover the deficit.

Respite care charges are between £700 and £850 per week, based on assessment of the individual resident's needs. The minimum charge for respite care funded by KCC was £560, which necessitates the resident paying a significant top up.

Drapers Home Maintenance Charges

The almshouse residents are the primary beneficiaries of the Charity and their charges are kept to a minimum. The Charity sets these fees taking into consideration actual maintenance costs, Local Housing Allowance rates, and the Fair Rent figures, with the aim that no resident shall be in hardship. Any almshouse resident who is experiencing financial difficulties is invited to discuss their circumstances with management.

The residents of the properties on Drapers Close (apart from number 7) are responsible for all their own bills including gas and water rates, whereas for other tenants these bills are met by the Charity.

Local Housing Allowance (LHA)

In the early part of the year the Board looked at challenging the Thanet LHA rates as they had not kept pace with local rent increases. In April 2020 significant increase in the LHA rates did occur. This gives the Charity scope to increase the Maintenance charge to almshouses as many of the almshouse residents are recipients of LHA.

Training Room Hire

There was minimal hire of the training room in 2020 as restrictions on the numbers of people able to be together indoors prevented most training courses from taking place. The room was however a godsend for both distanced visits by relatives, and for Covid 19 testing purposes.

Investment Portfolio

The Charity's investment portfolios continue to be carefully managed by Charles Stanley Investment Brokers with Mrs Katie Presland as the Charity's primary fund manager. Despite the turbulent effect of Covid 19 on markets, the main portfolio ended the year with a capital value at around £1.9 million from £2 million at the end of 2019 with the Emergency Repair Fund ending the year with a capital value of £352K from £355K at the end of 2019. The decision was taken in October to reduce income drawn down from the portfolios from £84K to £60K pa.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

a6. FINANCE AND INVESTMENTS (Continued)

EXPENDITURE

The careful control of expenditure is key to the future financial stability of the Charity. Conscious effort is made to keep expenditure as low as possible by monitoring costs and price comparison. The Charity continues to be dependent on fundraising to cover the cost of extraordinary items such as the purchase of new and replacement equipment. Covid 19 added to the Charity's expenditure in the following areas:

- the purchase of PPE;
- the adaptation of the training room;
- the purchase of a gazebo for relative visits;
- staffing costs when staff were isolating due to Covid 19.

Additional small payments were paid to staff throughout the year as thanks for their dedication in extreme circumstances.

National Living Wage

The largest expenditure of the Charity remains staff wages. In April 2020, the Charity completed a successful 5 year programme to increase wages in line with the National Living Wage proposals so that the lowest paid staff received £9 per hour from April 2020 (from £7ph in 2015) whilst ensuring that differentials between roles were maintained. With careful management this was achieved within budget. Some saving was made with the redundancy of the fundraiser.

Pension Fund

All staff, unless they specifically ask not to join, are now enrolled in the pension scheme under the national auto-enrolment requirements. The Charity is following national guidelines for minimum auto enrolment rates. Monthly contributions to meet the pension fund shortfall continued throughout the year at £641 per month.

Grants and Specified Donations

The Charity is extremely grateful for grants and donations for specific items totalling £8,290 during 2020 and a further £5,881 was donated by the League of Friends. General donations amounted to £14.6K.

a7. LEAGUE OF FRIENDS

The activity of the League of Friends was severely curtailed during 2020 as they were unable to facilitate the planned public events apart from the theatre evening in January. They nevertheless contributed the following from previous fundraising:

- £1,933 to replace the rotary iron;
- £3,625 for a replacement disabled bath; and
- £239 for a Facebook Portal to facilitate residents keeping in touch with their relatives during Covid 19 lockdown.

a8. STRATEGIC PLANNING

The Charity's Strategic Plan gives clarity of direction for the Board and providing a means of measuring its achievements against the Charity's aims and objectives. It includes a comprehensive risk assessment register which is reviewed at least annually.

Yoakley Annexe Project

The planned project to build a short term care annexe to Yoakley House was put on hold in 2020. Planning permission expired in January 2020, and with no significant capital having been raised towards the project, particularly from major donors, the viability of the project came into question.

As the pandemic evolved, other issues which might impact the plan became apparent:

- Many care homes suffered multiple fatalities to Covid 19;
- National news around the subject of care homes was consequently negative;
- The long term underfunding of care was again raised due to the impact of the pandemic.

Care workers were front line staff throughout the pandemic. This and low pay means that care work is less attractive as employment.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

a8. STRATEGIC PLANNING (Continued)

It remains to be seen how the care sector will be impacted in the coming years. The Board plans to revisit the issues of sustainability of the Charity and future developments when the immediate threat of the virus is under control and life has returned to some normality.

a9. NETWORKING

The Board maintained its connection with Thanet Clinical Commissioning Group, who provided support and advice.

Kent Integrated Care Alliance and the National Care Association continue to provide valuable information and support to the Charity's management. In 2020 this took the form of regular emails with updates on the management of the Covid 19 situation. The NCA also processes and advises on DBS checks.

Board members continued their connections with other organisations including the National Almshouse Association and the East Kent Consortium of Almshouses.

Local Schools and Youth Organisations

At the start of the year a few pupils on the International Baccalaureate Career-related Certificate (IBCC) in Health & Social Care from Dane Court Grammar School visited Yoakley House to have one to one conversation with some residents. The special needs class from Holy Trinity & St Johns Primary School also visited for a few afternoons of fun and games with the residents. These visits all stopped in March as the care home closed its doors to visitors, although the primary class did send cards and notes of encouragement to the residents. An exchange of videos with a local youth organisation called Pie Factory took place during the first lock down, which the residents enjoyed.

a10. COMMUNITY ACTIVITIES

The Summer Garden Party and National Garden Scheme Open Days were cancelled due to Covid 19 restrictions. No outings for residents were permitted. A warm summer nevertheless gave ample opportunity for residents to enjoy the beautiful gardens with social distancing. Both the Summer and Christmas fairs were cancelled as it was not permitted to allow the public on site.

A programme of activities and entertainments for the care home residents was organised by our Activities Coordinator. These had to be adapted according to the regulations in place at a given time. Sadly almshouse residents were unable to access most of these activities or to meet communally due to the Covid 19 restrictions. The Christmas Party with care home and almshouse residents together could not take place as usual however the care home residents celebrated inside whilst Santa from Margate Rotary Club attended with his sleigh to visit the almshouse residents delivering Christmas tea in a box and a small gift.

In May 2020 big celebrations had been planned nationally to commemorate the 75th anniversary of VE Day, the date of victory in Europe during World War II. The celebrations were curtailed due to the pandemic but good weather meant that residents enjoyed a distanced outdoor event with wartime songs by singer Jules and "Afternoon Tea in a Box" courtesy of The Mad Hatter Tea Rooms, Margate.

In the early part of 2020 the Charity's website was updated. This and the Facebook page proved invaluable in keeping the outside world aware of the happenings at Yoakley. A small group of residents "The Yoakley Ladies" were involved in the recording of some fun poetry which was shared online from time to time and received thousands of views internationally and excellent feedback.

Weekly services are facilitated by Ministers from a variety of denominations, encouraging the Christian ethos of the Charity's founder. In 2020 these continued with most taking place online using the Facebook Portal. The Charity is very grateful to the faithful band of ministers and pianists who voluntarily serve the residents in this way. Thanks go to volunteer June Waller who coordinates the rota of ministers and pianists.

The Broadstairs Society of Friends usually facilitate Quaker meetings for worship in the Quaker chapel but were unable to do so throughout 2020. The chapel was kindly used to provide a Christmas dinner served by Yoakley for a few almshouse residents who would otherwise have been alone on that day.

Residents and staff continue to sponsor 2 children at Kampala Children's Centre Uganda and receive regular letters, photos and updates from them.

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a11. CONCLUSION

This has been a traumatic year, especially for older people whose freedoms have necessarily been curtailed by the pandemic. Not being able to mix freely, receive visits from loved ones or enjoy the normality of life in their homes has tested their patience and resilience. As infection rates fall and the protection of the vaccination programme becomes more pronounced, the Charity must do two things. Firstly, balance the continued need to protect residents, staff and visitors and secondly to realise the opportunities for a less constrained way of life. This balancing act will not be easy, but the evidence of what has been achieved during the year bodes well for our ability to plan for the future. That future will necessitate close attention to the physical, psychological and spiritual wellbeing of all residents, who have done amazingly well during this difficult year.

The experiences of 2020 demonstrate the professional and focussed work of staff. They have all been significantly challenged and deserve to have praise heaped upon them. The pressures of managing home lives during the course of the pandemic and still come to work with a smile and a caring nature is to be marvelled. The need to have good networking relationships with the health sector in the face of Covid-19 has not been easy. The supply of PPE, testing facilities and clarity of policy are examples of the challenges facing the leadership team of Julie Wickenden and Tracy Huntley. Their energies have been a key factor in bringing the Charity through this period without the loss of life sadly experienced in other settings. Thanks go to Mrs Wickenden for her close attention to the financial health of the Charity as well as the extraordinary pressures of her job. To all our staff a huge thank you.

Financially the Charity has emerged from 2020 in a strong position. There remain uncertainties as we move forward. Maintaining levels of income will be less predictable than we would like but with strong reserves we do not see any problems in cash flows or our ability to maintain our services. Government has long promised reviews of the care sector and one can hope that the rhetoric generated by the pandemic turns into action that benefits the likes of Michael Yoakley's Charity. The directors who bring a wide range of experience, knowledge and skills to the Charity's work will plan on the basis that the best help will be the help we give ourselves. They are all to be acknowledged for their commitment.

The Charity exists in a complex regulated environment where health and social care is scrutinised, where finances have to be managed in a business-like fashion and where the demands of crisis seem presently unrelenting. This report demonstrates that, despite the pressures, the care home and the almshouses still combine to create a community where dignity, love and care are at the heart of our work. We will continue in the spirit of Michael Yoakley who established the Charity over 300 years ago.

FINANCIAL REVIEW

See Review of activities "a6. Finance and Investments".

a) Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Annual surpluses, if any, are held on reserve and are accumulated to cover major items of expenditure, particularly following the quinquennial survey of buildings.

The charity's freehold property which is included in the financial statements at a net book value of £2,278,206 (2019 - £1,844,347) are currently insured for a rebuilding cost of £15.8 million.

b) Reserves policy

The Trustees have determined that the appropriate level of free reserves necessary for the efficient management of the charity should be £600,000 (2019: £600,000) i.e. approximately six months normal expenditure.

Unrestricted funds at 31 December 2020 amounted to £476,207 (2019 - £532,773).

Designated funds at 31 December 2020 amounted to £4,086,255 (2019 - £3,904,121).

Restricted funds at 31 December 2020 amounted to £17,495 (2019 - £378,977).

Endowment funds at 31 December 2020 amounted to £1,156,528 (2019 - £1,156,528).

Total funds at 31 December 2020 amounted to £5,736,485 (2019 - £5,972,399).

MICHAEL YOAKLEY'S CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

c) Future developments

See Review of activities "a8. Strategic planning".

STRUCTURE, GOVERNANCE AND MANAGEMENT

a) Constitution

The governing instrument of the Charity is a scheme of the Charity Commission dated 9 March 1956, as amended by schemes dated 20 November 1995, and 1 September 2004 as amended by a resolution dated 1 January 2016. Michael Yoakley's Charity is registered as a charity under number 205769.

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

- Yoakley Care Share Limited;
- Yoakley Care Trustee Limited.

b) Method of appointment or election of Trustees

The management of the charity is the responsibility of the Directors of the Trustees who are elected and co-opted under the terms of the Trust deed and the companies Articles of Association.

c) Policies adopted for the induction and training of Trustees

The Directors of the Trustee companies receive the Charity Commission booklet "The Essential Trustee" and have induction meetings with the Chairman and Executive Manager.

d) Organisational structure and decision making

A company limited by guarantee (Yoakley Care Trustee Ltd) and a company limited by 1 share (Yoakley Care Share Ltd) were appointed to act as Trustees with effect from 1st January 2016. All former trustees became directors of both companies. The Trustee Boards met for formal meetings five times during the year, with other subcommittee meetings in between. Day to day management of the Charity is delegated to the Executive Manager and the Care Manager.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

e) Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

f) Auditors

On 7 September 2020 Group Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practise under is Azets Audit Services and accordingly they have signed their report in their new name.

MICHAEL YOAKLEY'S CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, and signed on their behalf by:

A handwritten signature in black ink, appearing to read "D. Henning", with a horizontal line underneath.

Yoakley Care Trustee Limited
Date: 10 June 2021

MICHAEL YOAKLEY'S CHARITY

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Michael Yoakley's Charity (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

MICHAEL YOAKLEY'S CHARITY

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 Trustee's report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

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

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

MICHAEL YOAKLEY'S CHARITY

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

M Wilkes (Senior Statutory Auditor)

Azets Audit Services
Delandale House
37 Old Dover Road
Canterbury
Kent
CT1 3JF

Date: 17 June 2021

Azets Audit Services are eligible to act as auditors under section 1212 of the Companies Act 2006.

MICHAEL YOAKLEY'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies:						
Donations and legacies	2	11,425	15,086	-	26,511	34,547
KCC Covid Grant	18	-	50,838	-	50,838	-
Charitable activities	3	1,093,741	-	-	1,093,741	1,116,323
Investments	4	118,975	-	-	118,975	151,423
Other income		3,957	-	-	3,957	9,124
Total income		1,228,098	65,924	-	1,294,022	1,311,417
Expenditure on:						
Raising funds	5	31,976	-	-	31,976	39,427
Charitable activities	6	1,285,859	70,707	-	1,356,566	1,281,208
Total Expenditure		1,317,835	70,707	-	1,388,542	1,320,635
Net income/(expenditure)		(89,737)	(4,783)	-	(94,520)	(9,218)
Transfers between funds	18	356,699	(356,699)	-	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets	8	(140,819)	-	-	(140,819)	280,353
Actuarial (loss)/gain on defined benefit pension schemes		(575)	-	-	(575)	8,183
Net movement in funds		125,568	(361,482)	-	(235,914)	279,318
Reconciliation on funds:						
Total funds brought forward		4,436,894	378,977	1,156,528	5,972,399	5,693,081
Total funds carried forward		4,562,462	17,495	1,156,528	5,736,485	5,972,399

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

All income and expenditure derive from continuing activities.

MICHAEL YOAKLEY'S CHARITY

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Income and endowments from:					
Donations and legacies	2	3,609	30,938	-	34,547
Charitable activities	3	1,116,323	-	-	1,116,323
Investments	4	140,187	11,236	-	151,423
Other income		9,124	-	-	9,124
Total income		1,269,243	42,174	-	1,311,417
Expenditure on:					
Raising funds	5	37,020	2,407	-	39,427
Charitable activities	6	1,261,875	19,333	-	1,281,208
Total Expenditure		1,298,895	21,740	-	1,320,635
Net income/(expenditure)		(29,652)	20,434	-	(9,218)
Transfers between funds		-	-	-	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets	8	236,156	44,197	-	280,353
Actuarial (loss)/gain on defined benefit pension schemes		8,183	-	-	8,183
Net movement in funds		214,687	64,631	-	279,318
Reconciliation on funds:					
Total funds brought forward		4,221,645	314,908	1,156,528	5,693,081
Total funds carried forward		4,436,332	379,539	1,156,528	5,972,399

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

All income and expenditure derive from continuing activities.

MICHAEL YOAKLEY'S CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		2,296,557		2,304,593
Investment properties	11		827,000		827,000
Investments	12		2,254,097		2,422,673
			5,377,654		5,554,266
Current assets					
Investments - 90 day notice account		101,887		101,661	
Debtors	13	43,985		41,400	
Cash at bank and in hand		319,950		361,222	
		465,822		504,283	
Creditors: amounts falling due within one year	14	(73,551)		(46,056)	
Net current assets			392,271		458,227
Total assets less current liabilities			5,769,925		6,012,493
Provision for liabilities	15		(33,440)		(40,094)
Net assets			5,736,485		5,972,399
Capital funds					
Endowment funds	18		1,156,528		1,156,528
Income funds					
Restricted funds	18		17,495		378,977
<u>Unrestricted funds</u>					
Designated funds	18	4,086,255		3,904,121	
General unrestricted fund	18	509,647		572,867	
Pension reserve	18	(33,440)		(40,094)	
			4,562,462		4,436,894
	19		5,736,485		5,972,399

The financial statements were approved by the Trustees on 10 June 2021.

For the Mitage

Yoakley Care Trustee Limited
Trustee

MICHAEL YOAKLEY'S CHARITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities				
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(94,520)		(9,218)	
Adjustments for:				
Depreciation	1,251		1,351	
Previously capitalised professional costs expensed	24,135			
Investment management fee	16,273		16,532	
Dividends, interest and rents from investments	(118,975)		(151,423)	
(Increase)/decrease in debtors	(2,585)		(20,701)	
Increase in creditors	10,145		4,270	
(Decrease) in provisions	(7,229)		(6,800)	
Net cash used in operating activities		(171,505)		(165,989)
Cash flows from investing activities				
Dividends, interest and rents from properties	130,459		156,283	
Purchase of tangible fixed assets	-		(888)	
Net cash provided by investing activities		130,459		155,395
Change in cash and cash equivalents in the reporting period		(41,046)		(10,594)
Cash and cash equivalents at the beginning of the reporting period		462,883		473,477
Cash and cash equivalents at the end of the reporting period		421,837		462,883
Cash and cash equivalents:				
Investments - 90 day notice account		101,887		101,661
Cash at bank and in hand		319,950		361,222
		421,837		462,883

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

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 £.

Michael Yoakley's Charity constitutes a public benefit entity as defined by FRS 102 amended by Bulletin 1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The impact of Covid-19 on the charity has been documented in the Trustees Report on pages 1 to 2. Due to the robust measures put in place by Trustees and management, the Trustees do not believe that the Covid-19 pandemic will have an impact on the going concern of the charity.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. All expenditure is inclusive of irrecoverable VAT.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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. All assets costing more than £5,000 are capitalised.

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 Property - 2% straight line

Fixture and fittings - 20% straight line

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

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets

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

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

Current asset investments includes short term liquid investments with a maturity of more than three months.

Financial liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.9 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

The charity operated a defined benefits pension scheme which was transferred in full to the defined contribution scheme above. There was, however, a shortfall on the scheme and payments are being made over a period of ten years to cover the deficit. The liability in the financial statements represents the amount due and is adjusted each year for changes in the actuarial valuation. Interest on the remaining balance is charged on an annual basis.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.11 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

1.13 Critical accounting estimated and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates based on economic utilisation and the physical condition of the assets.

Defined Benefit Pension Scheme

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability.

Investment Properties

Investment Properties are measured at fair value at the Balance Sheet date. The fair values are assessed annually by the trustees. As part of this process the trustees take advice from Chartered Surveyors valuations.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Donations and legacies	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Donations and gifts	11,425	15,086	26,511	34,547
	11,425	15,086	26,511	34,547
3. Charitable activities	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Residential Care	835,927	-	835,927	857,813
Sheltered Housing	257,814	-	257,814	258,510
	1,093,741	-	1,093,741	1,116,323
4. Investments	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Rental income	50,659	-	50,659	70,675
Income from listed investments	66,515	-	66,515	79,137
Interest receivable	1,801	-	1,801	1,611
	118,975	-	118,975	151,423
5. Raising funds	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fundraising - Wages and Salaries	13,338	-	13,338	18,230
Professional fees	2,365	-	2,365	4,665
Investment management costs	16,273	-	16,273	16,532
	31,976	-	31,976	39,427

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Charitable activities	Residential Care 2020 £	Sheltered Housing 2020 £	Total 2020 £	Total 2019 £
Activities undertaken directly				
Wages and salaries	689,287	60,210	749,497	734,972
Agency workers	27,478	-	27,478	23,445
Depreciation and impairment	1,251	-	1,251	1,351
Professional fees for new Annexe	24,135	-	24,135	-
Provisions and welfare	68,431	884	69,315	69,812
Household sundries	20,016	-	20,016	21,095
Light, heat and water	52,023	34,138	86,161	78,887
Rates and council tax	1,564	-	1,564	1,503
Insurance	10,039	5,834	15,873	16,403
Medical	16,479	-	16,479	9,357
Equipment repair and renewals	31,094	17,717	48,811	35,044
Building maintenance	35,670	34,327	69,997	68,982
Maintenance of grounds	4,580	4,293	8,873	14,908
Total	982,047	157,403	1,139,450	1,075,759
Support costs				
Wages and salaries	118,148	55,952	174,100	164,421
Professional and agent fees	3,271	723	3,994	3,821
Office expenses	9,699	-	9,699	7,930
Staff uniforms and training	6,946	-	6,946	4,012
Subscriptions	10,684	-	10,684	9,708
Sundry expenses	1,540	290	1,830	2,937
Advertising	3,136	-	3,136	5,969
Interest expense on defined benefit pension	407	-	407	742
Governance costs:				
Audit fees	6,320	-	6,320	5,380
Trustees Meeting	-	-	-	529
Total	160,151	56,965	217,116	205,449
Total	1,142,198	214,368	1,356,566	1,281,208

All direct costs are expensed directly to the activities that they relate when identifiable.

Support costs are expensed directly to the activities that they relate when identifiable. Other support and Governance costs are treated as relating to the Residential Care as this relates to the majority of time spent and resources.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Trustees

None of the trustees (or any persons connected with them) received any remuneration, re-imbursements or benefits from the charity during the year.

8. Net gains/(losses) on investments

	Total 2020 £	Total 2019 £
Revaluation of:		
Investment Portfolio	140,819	260,353
Investment Properties	-	20,000
	<hr/> 140,819	<hr/> 280,353
Revaluation of investments	<hr/> <hr/> 140,819	<hr/> <hr/> 280,353

9. Employees

Number of employees

The average monthly number of employees during the year was:

	2020 no.	2019 no.
Residential Care	28	30
Domestic and catering	14	15
Management and administration	6	7
Garden and maintenance	4	4
	<hr/> 52	<hr/> 56
	<hr/> <hr/> 52	<hr/> <hr/> 56

Employment costs

	2020 £	2019 £
Wages and salaries	853,056	834,985
Social security costs	54,288	52,875
Other pension costs	29,591	29,763
	<hr/> 936,935	<hr/> 917,623
	<hr/> <hr/> 936,935	<hr/> <hr/> 917,623

During the year key management personnel received remuneration of £80,768 (2019: £74,576) and benefits of £nil (2019: £nil).

There were no employees whose annual remuneration was £60,000 or more. (2019 - none)

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets	Freehold land & buildings £	Assets under construction £	Fixtures & fittings £	Total £
Cost				
At 1 January 2020	2,474,955	457,994	139,873	3,072,822
Additions	-	-	17,350	17,350
Reclassification	416,047	(433,859)	17,812	-
Disposals	-	(24,135)	-	(24,135)
At 31 December 2020	2,891,002	-	175,035	3,066,037
Depreciation				
At 1 January 2020	630,608	-	137,621	768,229
Depreciation charged in the year	-	-	1,251	1,251
Reclassification	(17,812)	-	17,812	-
At 31 December 2020	612,796	-	156,684	769,480
Net book value				
At 31 December 2020	2,278,206	-	18,351	2,296,557
At 31 December 2019	<u>1,844,347</u>	<u>457,994</u>	<u>2,252</u>	<u>2,304,593</u>

11. Investment properties	£
Fair value	
At 1 January 2020	827,000
Surplus / (deficit) on revaluation	-
At 31 December 2020	827,000

The 2020 valuations were made by the trustees, on an open market value for existing use basis.

12. Fixed asset investments	Listed securities £	Cash and settlements pending £	Total 2020 £	Total 2019 £
Market value				
At 1 January 2020	2,361,039	61,634	2,422,673	2,183,712
Additions	213,671	314,677	528,348	411,537
Disposals	(248,161)	(307,944)	(556,105)	(432,929)
Revaluations	(140,819)	-	(140,819)	260,353
At 31 December 2019	2,185,730	68,367	2,254,097	2,422,673
<i>Investments at market value comprise:</i>				
United Kingdom	1,417,420	68,367	1,485,787	1,623,193
Overseas	768,310	-	768,310	799,480
	2,185,730	68,367	2,254,097	2,422,673

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Fixed asset investments (continued)

	2020 £	2019
<i>Asset distribution</i>		
Fixed Interest bonds	436,607	415,068
Equities and Funds	1,517,540	1,774,648
Alternatives	231,583	171,323
Cash	68,367	61,634
	2,254,097	2,422,673
	2020 £	2019 £
<i>Material investments</i>		
Kames Capital PLC Ethical Corp Bond B Instl Inc Nav	-	126,888
Aegon Asset Management UK PLC	133,248	-
Rathbone Unit Trust Management Ethical Bond Inst Inc	139,035	132,366
Aberdeen Standard Fund Managers Ltd: Ethical Corp BD	111,726	105,732
	384,009	364,986

13. Debtors

	2020 £	2019 £
Other debtors	13,054	22,747
Prepayments and accrued income	30,931	18,653
	43,985	41,400

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	10,455	14,519
Other creditors	28,663	24,355
Accruals and deferred income	34,433	7,182
	73,551	46,056

15. Pensions

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £33,625 (2019 - £40,156). Contributions totalling £6,654 (2019 - £6,405) were payable to the fund at the balance sheet date.

The charity was part of a Defined Benefit Pension Scheme which was closed to all members in 2013 and all participants were transferred to the defined contributions pension scheme above. The scheme is classified as a "last-man standing arrangement" where the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal of the scheme.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. Pensions (continued)

A full actual valuation for the scheme in total was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m. The following reconciliation is based on the assumption that the rate of discount is 0.27% per annum, this provision represents the amount attributed to the charity.

Reconciliation of opening and closing pension provision

	2020 £	2019 £
Position at start of period	40,094	55,077
Unwinding of the discount factor (interest expenses)	407	742
Deficit contribution paid	(7,636)	(7,542)
Remeasurements - Impact of any change in assumption	575	780
Remeasurements - Amendments to the contributions schedule	-	(8,963)
	<u>33,440</u>	<u>40,094</u>

16. Operating leases

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:

	2020 £	2019 £
Within one year	1,930	1,930
Between two and five years	7,720	7,720
In over five years	-	1,930
	<u>9,650</u>	<u>11,580</u>

17. Related party transaction

The charity used Gullands solicitors of which Blair Gullands is a senior partner. Costs during the year totalled £nil (2019 - £360) and £nil (2019 - £nil) was outstanding at the year end.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds	Balance at 01 Jan 20	Income	Expenditure	New Designations	Designations released	Gains / (losses)	Transfers	Balance at 31 Dec 20
	£	£	£	£	£	£	£	£
CURRENT YEAR								
Endowment fund								
Permanent Endowment fund	1,156,528	-	-	-	-	-	-	1,156,528
	1,156,528	-	-	-	-	-	-	1,156,528
Restricted funds								
Extraordinary Repair Fund	356,699	-	-	-	-	-	(356,699)	-
Equipment Fund	7,533	12,336	(19,869)	-	-	-	-	-
Almshouse alarm system	14,745	2,750	-	-	-	-	-	17,495
KCC Covid Grant	-	50,838	(50,838)	-	-	-	-	-
	378,977	65,924	(70,707)	-	-	-	(356,699)	17,495
Designated funds								
New Building Fund	816,214	-	-	125	-	-	-	816,339
Extraordinary Repair Fund	-	-	-	-	(2,492)	(1,982)	356,699	352,225
Fixed Asset Fund	690,071	-	-	-	(1,251)	-	-	688,820
Investment Fund	2,397,836	-	-	56,830	(86,958)	(138,837)	-	2,228,871
	3,904,121	-	-	56,955	(90,701)	(140,819)	356,699	4,086,255
Unrestricted funds								
General Unrestricted Fund	572,867	1,228,098	(1,317,428)	(56,955)	90,701	-	(7,636)	509,647
Pension Reserve	(40,094)	-	(407)	-	-	(575)	7,636	(33,440)
	532,773	1,228,098	(1,317,835)	(56,955)	90,701	(575)	-	476,207
	5,972,399	1,294,022	(1,388,542)	-	-	(141,394)	-	5,736,485

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds (continued)	Balance at 01 Jan 19 £	Income £	Expenditure £	New Designations £	Designations released £	Gains / (losses) £	Transfers £	Balance at 31 Dec 19 £
PRIOR YEAR								
Endowment fund								
Permanent Endowment fund	1,156,528	-	-	-	-	-	-	1,156,528
	1,156,528	-	-	-	-	-	-	1,156,528
Restricted funds								
Extraordinary repair fund	314,908	-	(2,406)	-	-	44,197	-	356,699
Equipment Fund	-	8,833	(1,300)	-	-	-	-	7,533
Almshouse alarm system	-	18,218	(3,473)	-	-	-	-	14,745
	314,908	27,051	(7,179)	-	-	44,197	-	378,977
Designated funds								
New Building Fund	812,327	-	-	3,887	-	-	-	816,214
Fixed Asset Fund	691,422	-	-	-	(1,351)	-	-	690,071
Investment Fund	2,175,805	-	-	-	(14,124)	236,155	-	2,397,836
	3,679,554	-	-	3,887	(15,475)	236,155	-	3,904,121
Unrestricted funds								
General unrestricted fund	597,168	1,276,824	(1,312,713)	(3,887)	15,475	-	-	572,867
Pension reserve	(55,077)	7,542	(743)	-	-	8,184	-	(40,094)
	542,091	1,284,366	(1,313,456)	(3,887)	15,475	8,184	-	532,773
	5,693,081	1,311,417	(1,320,635)	-	-	288,536	-	5,972,399

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds (continued)

Endowment funds

Permanent Endowment Fund

The endowment fund represents the original buildings of the charity, together with subsequent increases and decreases and cannot be expended.

Restricted funds

Extraordinary Repair Fund

Now categorised as a designated fund as there were no formal restrictions on this fund.

Equipment fund

The fund is for donations made by the charity's league of friends and residents who donate money towards equipment or projects.

Almshouse alarm system

The fund is for donations received specifically to a new alarm system. This is expected to be installed in early 2021.

KCC Covid Grant

The charity received various grants from local authorities which had to be spent on Covid-19 infection control purposes.

Designated funds

Extraordinary Repair Fund

The fund is for the purpose of providing for the extraordinary repair, improvement, maintenance and rebuilding of the almshouses and other buildings of the charity.

Fixed Asset Fund

This fund represents land and buildings and related fixtures and fittings which are for charitable use.

New Building Fund

This fund represents amounts set aside for the building of the new annexe to Yoakley House.

Investment Fund

This fund represents tangible fixed assets in the form of investment properties and an investment portfolio which are used by the charity for both purposes of income generation and capital appreciation and thus do not form part of the charity's free reserves.

Unrestricted funds

General unrestricted fund

The unrestricted fund can be applied to any purposes for which Michael Yoakley's Charity was established. All regular items of income and expenditure relating to the running of this charity pass through this fund.

Pension reserve

This fund relates to the shortfall in the defined benefit pension scheme.

MICHAEL YOAKLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. Analysis of net assets between funds	Endowment funds	Restricted funds	Unrestricted funds	Total 2020
	£	£	£	£
Fund balances at 31 Dec 20 are represented by:				
Tangible assets	1,156,528	-	1,140,029	2,296,557
Investment properties	-	-	827,000	827,000
Investments	-	-	2,254,097	2,254,097
Current asset investments	-	-	101,887	101,887
Debtors	-	14,964	29,021	43,985
Cash at bank and in hand	-	2,531	317,419	319,950
Creditors	-	-	(73,551)	(73,551)
Provisions	-	-	(33,440)	(33,440)
	1,156,528	17,495	4,562,462	5,736,485
	Endowment funds	Restricted funds	Unrestricted funds	Total 2019
	£	£	£	£
Fund balances at 31 Dec 19 are represented by:				
Tangible assets	1,156,528	-	1,148,065	2,304,593
Investment properties	-	-	827,000	827,000
Investments	-	355,535	2,067,138	2,422,673
Current asset investments	-	-	101,661	101,661
Debtors	-	-	41,400	41,400
Cash at bank and in hand	-	23,442	337,780	361,222
Creditors	-	-	(46,056)	(46,056)
Provisions	-	-	(40,094)	(40,094)
	1,156,528	378,977	4,436,894	5,972,399

20. Contingent asset

On 1 September 2020 the charity was notified that it was entitled to an unconditional legacy of a 50% share of the balance of an Estate. The full legacy receivable is not currently quantifiable until the Estate is finalised. An interim distribution of £150k has been received post year end.

21. Contingent liability

Upon completion of the purchase of land in 2015, there is an overage clause that could materialise when building commences where a percentage of the increase in the value of land could be payable to the previous owner. The clause lasts for 30 years and is payable by the owner when building commences. Planning permission was granted in January 2017 but any liability cannot be specified although it should not yet exceed £100,000.

22. Post Balance Sheet Event

Subsequent to the period end, governments in Europe, China, the UK continue to take unprecedented measures to suppress the spread of Covid-19. The Trustees have assessed the operational and financial impact on the charity in the Trustees' Annual Report on pages 1 and 2 and in the going concern statement at note 1.2.