

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2022
for
George Edward Smart Homes**

George Edward Smart Homes

Contents of the Financial Statements for the Year Ended 31 December 2022

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Cash Flow Statement	17
Notes to the Financial Statements	18 to 29
Detailed Statement of Financial Activities	30 to 31

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Objectives and aims

The primary aim of the charity is to provide quality accommodation, care and support for older people while acknowledging the rights of each person to independence that is fully supported and maintained in a stimulating environment. The charity's philosophy is based on ensuring individuals are treated with respect, their dignity is preserved at all times and their right to privacy and confidentiality is always observed. The Home encourages and supports residents in maintaining a full and contented life whilst ensuring they have choice and the ability to convey their thoughts and feelings about all aspects of their daily life.

The Future

The charity has taken time to consider its long term role in the provision of accommodation for older people. The future will continue to bring many challenges with people staying longer at home with support.

The people that have traditionally come to the Home would not meet the criteria for external funding and therefore rely on funding themselves. This has become increasingly difficult due to the current financial situation with a general reduction in investment income and sluggish domestic property market.

The Trustees propose to:-

- Continue to identify positive financial savings in the operation of the Home without reducing the excellent standards provided.
- Promote and market the Home to encourage new residents where vacancies exist.
- Ensure the Home meets the requirement of the national safety standards.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Objectives and activities

COVID 19

National guidelines and policies for control and prevention of spread continue to be rigorously followed. The home is carefully re-introducing appropriate communal activities..

Significant activities

The charity has continued to focus on its work on meeting the accommodation, care and support needs of older people in line with our objectives. The charity actively strives to make a difference in people's lives and in meeting residents' needs, wishes and aspirations.

Quality and Care Standards:

We are registered with the Care Quality Commission (CQC) under the Care Standards Act 2000. Following the latest inspection the Home is actively working on the points raised by inspectors to bring improvements and changes to systems and procedures to provide good quality standards. The full report can be viewed by visiting the CQC web site at www.cqc.org.uk or by contacting your local CQC office.

Accommodation:

The Home is registered to provide accommodation to a maximum occupancy of 60 residents, the occupancy fluctuated during the year and the Trustees are monitoring the situation. The Home has six flats/apartments giving accommodation for two people although in the main these rooms have had single occupants.

In addition to permanent residents the Home also provides holiday and respite care accommodation, usually for a two week stay. This has been well used with people making return visits with a view to long term stay. New residents were only accepted after stringent testing and isolation procedures were adopted.

Fees include 24 hours a day care, all meals and general laundry. Residents can also make use of the domestic laundry facility enabling them to maintain their independence. Cleaning is provided on a daily basis by the domestic assistants.

As a residential care home, it is largely expected for the residents to be self caring, however the implementation of the policy introduced in 2007 for providing extra care and support if residents become frailer and in need of additional help has proved to be beneficial and has prevented residents having to move to other accommodation.

Residents Fees:

Whilst Trustees are aware of the continuing problems residents may have in respect of low stock market, investment returns and bank interest rates, residents' fees were increased in April 2022 by 10%. Staff remuneration was reviewed in April 2022 and increased in line with inflation and kept above the increases in National Minimum Wage.

Meals and Kitchen:

Meals and food is an important feature in any care situation and is the time when residents come together and enjoy a variety of different meals; the Home provides a wide choice to try and meet every taste. The staff strive to make the meals varied, healthy, nutritional and wholesome, with all the attributes of good home cooked food. Diabetic and special dietary requirements are provided for. The Trustees and Senior Management team have consulted with and discussed catering preferences with residents during the year. The most recent hygiene inspection resulted in a 5 star rating.

Residents and Family Communications:

The residents' health and well-being is a priority, and to support this, the Home benefits from good professional relationships with local doctors and other health professionals.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Objectives and activities

Once a year the charity seeks the views on all matters and aspects concerning the Home by asking residents, family and visitors to complete a satisfaction questionnaire, the results are posted on the notice board.

Residents' meetings are held regularly, and they are encouraged to openly discuss any matters regarding the Home and food and services provided. Trustees hold a meeting to inform residents on the charity's performance and its future plans as well as encouraging residents to bring up ideas of their own that would identify good practice and meet their needs efficiently.

Information is openly displayed for residents and visitors, which displays the most recent inspection report, policies and procedures relevant to residents, health & safety inspection reports, thank-you letters, and minutes of residents' meetings as well as brochures and information booklets about the home.

Welfare and Social Activities:

The Home has a full time welfare manager who in addition to her welfare duties is responsible for the residents' religious and cultural needs. Communion services are provided in the Home on a regular basis.

Following relaxation of COVID-19 restrictions, residents are kept up to date with change in arrangements and requirements by means of a daily and weekly diary which is posted on the notice board, as well as individual copies.

The Home's minibus, previously used for regular trips into town for those residents who wish to take advantage of this service, also for coffee outings and visits to theatres, the library, museums and local events, was suspended.

Normal in-house activities, in the form of music and movement, Tai-Chi classes, watercolour painting, craft classes, musical afternoons, games, including carpet bowls and quizzes, are gradually being reintroduced,

From time to time concerts, lectures and musical evenings had been provided by professional and local personalities. We have not yet returned to inviting entertainers or children to visit the home to host carol services and concerts. Although suspended, these will be reintroduced, with extreme caution, when appropriate.

Various classes had been organised to take place in the Home on behalf of U3A, (the University of the Third Age), no charge is made to U3A, but our agreement is that all residents could attend and be involved in these classes if they so wish. This brings another element of community involvement to the Home. Again these may be resumed at some time, with extreme caution.

The Home normally organises many fundraising activities on behalf of other charities, by means of summer and Christmas fairs, coffee mornings and raffles. The charities which have benefited in the past include Alzheimers, Breast Cancer, British Heart, Macmillan, Martin House, Parkinson, Salvation Army and Yorkshire Air Ambulance. Residents were encouraged and supported to participate in these activities and in the twice weekly craft sessions which produced items to sell at the many events. These will be restarted, with caution, in due course.

A shopping trolley service was provided by a team of volunteer Friends of the Home, any profits made are donated back to the Home to purchase extra items for the benefit of the residents. Again, after suspension, this will be restarted with caution.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Objectives and activities

Building:

Combe Hay was purpose built as a care home in 1958 and extended further in 1967, it is situated in attractive landscaped grounds of almost four and a half acres on the outskirts of Scarborough in North Yorkshire.

The trustees and the management of the Home ensure that the building is maintained to the highest standards possible, continuing to upgrade and refurbish the facilities as required.

Work carried out in the Home, where possible is contracted to local traders and suppliers as well as the Home's in-house maintenance team who do an excellent job.

Gardens:

The Homes four and a half acres of gardens are cared for by two full time gardeners who once again achieved awards in the 'Scarborough in Bloom' competition. The gardens are an important feature of the Home, giving the residents endless hours of pleasure and enabling them to spend relaxing time among the many varying features in the garden. The gardeners are constantly removing and replacing shrubs and cutting back excess growth to improve the overall appearance and features.

The gardeners continue to grow herbs and produce which are used in the kitchen, and flowers which are displayed in the Home bringing some self-sufficiency to the establishment.

Staff/Personnel:

The Home's management is appointed by the Trustees. Trustees encourage training of staff to the highest standards. The Head of Home and appropriate staff are qualified in accordance with national regulations.

The largest staff group is those providing care and support who are mainly qualified in N.V.Q. level 2 in care. Other staff are presently working towards N.V.Q. level 2 in care and in cleaning and support services.

Staff Communication:

There are over 60 members of staff, and the management endeavour to provide good communication to all staff, by means of daily handover meetings, monthly staff meetings, and monthly management meetings augmented with two month formal supervision and annual appraisals.

Information and Marketing:

The Home has a comprehensive website which has been re-designed and improved, and a range of written information leaflets. The main aim of the information is to ensure that the wider community knows about the Home and the services provided. The open events also help with the marketing of the Home. The Home is advertised in the local press on a regular basis as vacancies arise.

Public Benefit

The charity has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities. Public Benefit derived from the charity's services and activities fall under the Charity Commission general heading of: "The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage."

The charity's objectives do not restrict the working of the organisation to a particular locality or region. In the main, however, the charity serves The Borough of Scarborough and District and the Yorkshire Region.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Objectives and activities

The charity aims to complement statutory social care and health service provision and as such is designed to provide value for money and equal access, without restriction, within areas of operation. The charity is mindful of prevailing social and economic conditions and has demonstrated through its continued ability to secure and attract new residents that it provides a value for money service. The service is designed to meet not only the individual needs of the residents but also the broad objectives of the government's policy on social care and health services.

The charity continues to use its financial and other resources to support a range of individuals who are in need of help and support. Investment in both the fabric and quality of accommodation as well as provision of training for staff in discharging their duties demonstrates the charity's commitment to continuous service improvements. Charitable donations are always put into service improvements.

Measures are in place to enable resident participation in all aspects of their Home supported by staff; this is demonstrated by the charity's ongoing commitment to improving the lives and independence of its residents.

Achievement and performance

Charitable activities

The statement of financial activities shows outgoing resources of £55,756 (2021 net outgoing resources of £120,820). The net movement of funds, after taking account of unrealised losses on investments, leads to a decrease in funds of £598,090 (2021 increase in funds of £515,337).

As a registered charity, it is entitled to the exemptions from taxation in respect of income and capital gains received within categories covered by S524-537 Income Tax Act 2007 and S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied for charitable purposes.

Investment performance

Trustees under the Trust Deed, have the power to make any investments that the trustees see fit. The investment policy followed is to obtain a return of income on the majority of the portfolio and accumulate capital on the smaller part to achieve an overall return above inflation over a medium term (5 year) period.

Investments are managed on behalf of the charity by CCLA Investment Management Ltd. The Trustees review the performance of the investment managers quarterly. Over the reporting period and following additional investment, the value of the portfolio has decreased by 13%, reversing the 2021 increase of 20%, whilst the income stream has been 2% over the year.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Financial review

Reserves policy

In the absence of any accepted formula for arriving at an appropriate level of free reserves to be held, the Trustees have taken a pragmatic decision to adopt a figure equivalent to one year's charitable expenditure. The figure for free reserves is arrived at after deducting the amount locked away in the investments in tangible assets. At the end of the year free reserves amounted to £4,400,207 (2021 - £4,901,137) compared with charitable expenditure for the year of £1,990,120 (2021 - £1,777,211) which is considerably above the Trustees adopted policy after taking into account the profit on the sale of Pollard Gardens in 2010 (£440,456).

In determining the level of free reserves, the Trustees have regard to:

- The fact that income and expenditure is broadly in balance.
- The requirements of the Charities governing trust deed to maintain the extraordinary repair fund out of the income of the charity.
- The Trustees' analysis of required future expenditure both of a capital and revenue nature which are not likely to be met from current income, such as additional costs arising from the requirements of national minimum care standards and the need to equip and maintain the up-to-date facilities needed to sustain the standard of residential amenities;
- Forecast for levels of future income and expenditure;
- Ongoing uncertainty of the investment market.

The reserves policy is reviewed annually by the Trustees.

Going concern

The Trustees have prepared the accounts on a going concern basis on the grounds that the charity has healthy bank balances and readily realisable funds and a reasonable expectation that ongoing occupancy levels will be adequate for the charity to continue to operate and, as such, there are no material uncertainties regarding going concern.

Future plans

The Trustees will continue to operate the Home safeguarding and maintaining the assets and resources of the Home while providing facilities, care and support to all residents enabling a comfortable and safe living environment.

Structure, governance and management

Governing document

The charity is governed by its Trust Deed dated 5 July 1963 and amended by supplemental deeds dated 21 April 1980 and 27 May 2002 and is a registered charity number 207164.

The charities 'Trustees Guidelines and Responsibilities' produced in 2007 clearly states how the charity meets its responsibilities in accordance with the Charities Trust Deed.

The Trustees have complied with their duty under the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Recruitment and appointment of new trustees

The appointment of new Trustees is the responsibility of continuing Trustees. The appointment of the chairman and vice chairman is by election annually at the annual general meeting.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Structure, governance and management

Organisational structure

Trustees normally have meetings six times a year to review the financial and operational management of the charity, as well as approving policy, strategic plans and ensuring proper governance. The charity's day to day financial and operational management is delegated by the Trustees to the Home's manager.

Induction and training of new trustees

The Trustees induction process for the appointment of new Trustees is reviewed by the chairman and manager. Trustees, staff and residents are involved in the induction process. Trustees have leave to attend external courses appropriate to their role and special interest.

Reference and administrative details

Registered Charity number

207164

Principal address

Stepney Drive
Scarborough
YO12 5DJ

Trustees

C G Boyes
J Cobb
R Cocker
I Glaves
G Hay B Sc FCA
E Heritage
J Nickson
M Priestley
J Patterson
I Wyatt

Senior management

Mrs K Holroyd	Head of Home
Mrs M Watson	Clerk to the Trustees

Auditors

Smailes Goldie Watson Limited (Statutory Auditor)
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Insurance

Allianz Assurance PLC
57 Ladymead
Guildford
Surrey
GU1 1DB

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Reference and administrative details

Investment Advisors

CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

Employment Law Advisors

Royal Bank of Scotland
Mentor Services
1 Hardman Boulevard
Manchester
M3 3AQ

Charity contact details

Telephone number	01723 375709
Fax. number	01723 500717
E.mail address	enquiries@combe-hay.co.uk
Website address	www.combe-hay.co.uk

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

George Edward Smart Homes
Report of the Trustees
for the Year Ended 31 December 2022

Approved by order of the board of trustees on 30 October 2023 and signed on its behalf by:

G Hay B Sc FCA - Trustee

Report of the Independent Auditors to the Trustees of George Edward Smart Homes

Opinion

We have audited the financial statements of George Edward Smart Homes (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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 Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees of George Edward Smart Homes

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Report of the Independent Auditors to the Trustees of George Edward Smart Homes

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Statement of Recommended Practice, UK financial reporting standards as issued by the Financial Reporting Council, employment, environmental and health and safety legislation.

We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance and inquired as to any known or suspected instances of non-compliance with laws and regulations.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- perform analytical procedures to identify any unusual or unexpected relationships;
- test journal entries to identify unusual transactions;
- assess whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigate the rationale behind significant or unusual transactions.

To address the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- inquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charity's legal advisors as necessary.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement on the financial statements or non-compliance with regulation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
George Edward Smart Homes**

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.

Smailes Goldie Watson Limited (Statutory Auditor)
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

30 October 2023

George Edward Smart Homes

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2022 Total funds £	2021 Total funds £
Income and endowments from						
Donations and legacies	2	145,004	-	-	145,004	5,250
Charitable activities	4					
Provision of accommodation, care and support		1,645,479	34,486	-	1,679,965	1,547,630
Investment income	3	101,895	-	-	101,895	98,001
Other income		7,500	-	-	7,500	5,510
Total		<u>1,899,878</u>	<u>34,486</u>	<u>-</u>	<u>1,934,364</u>	<u>1,656,391</u>
Expenditure on Charitable activities	5					
Provision of accommodation, care and support		1,950,664	39,456	-	1,990,120	1,777,211
Net gains/(losses) on investments		<u>(542,334)</u>	<u>-</u>	<u>-</u>	<u>(542,334)</u>	<u>636,157</u>
NET INCOME/(EXPENDITURE)		(593,120)	(4,970)	-	(598,090)	515,337
Reconciliation of funds						
Total funds brought forward		5,054,636	429,113	249,501	5,733,250	5,217,913
Total funds carried forward		<u>4,461,516</u>	<u>424,143</u>	<u>249,501</u>	<u>5,135,160</u>	<u>5,733,250</u>

The notes form part of these financial statements

George Edward Smart Homes

Balance Sheet 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2022 Total funds £	2021 Total funds £
Fixed assets						
Tangible assets	12	48,340	424,143	249,501	721,984	792,810
Investments	13	4,267,781	-	-	4,267,781	4,910,115
		<u>4,316,121</u>	<u>424,143</u>	<u>249,501</u>	<u>4,989,765</u>	<u>5,702,925</u>
Current assets						
Stocks	14	4,579	-	-	4,579	4,579
Debtors	15	49,912	-	-	49,912	58,846
Cash at bank and in hand		198,548	-	-	198,548	128,296
		<u>253,039</u>	<u>-</u>	<u>-</u>	<u>253,039</u>	<u>191,721</u>
Creditors						
Amounts falling due within one year	16	(107,644)	-	-	(107,644)	(161,396)
		<u>145,395</u>	<u>-</u>	<u>-</u>	<u>145,395</u>	<u>30,325</u>
Total assets less current liabilities		<u>4,461,516</u>	<u>424,143</u>	<u>249,501</u>	<u>5,135,160</u>	<u>5,733,250</u>
NET ASSETS		<u>4,461,516</u>	<u>424,143</u>	<u>249,501</u>	<u>5,135,160</u>	<u>5,733,250</u>
Funds	18					
Unrestricted funds					4,461,516	5,054,636
Restricted funds					424,143	429,113
Endowment funds					249,501	249,501
Total funds					<u>5,135,160</u>	<u>5,733,250</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 October 2023 and were signed on its behalf by:

G Hay B Sc FCA - Trustee

The notes form part of these financial statements

George Edward Smart Homes

**Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(76,901)</u>	<u>(149,643)</u>
Net cash used in operating activities		<u>(76,901)</u>	<u>(149,643)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(54,351)	(20,141)
Purchase of fixed asset investments		-	(200,000)
Sale of fixed asset investments		100,000	-
Interest received		477	26
Dividends received		<u>101,027</u>	<u>95,558</u>
Net cash provided by/(used in) investing activities		<u>147,153</u>	<u>(124,557)</u>
 Change in cash and cash equivalents in the reporting period		 <u>70,252</u>	 <u>(274,200)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>128,296</u>	<u>402,496</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>198,548</u></u>	 <u><u>128,296</u></u>

The notes form part of these financial statements

George Edward Smart Homes

Notes to the Cash Flow Statement for the Year Ended 31 December 2022

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities	2022	2021
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(598,090)	515,337
Adjustments for:		
Depreciation charges	70,826	73,589
Losses/(gain) on investments	542,334	(636,157)
Interest received	(477)	(26)
Dividends received	(101,027)	(95,558)
Decrease in stocks	-	98
Decrease in debtors	8,934	5,313
Increase/(decrease) in creditors	599	(12,239)
Net cash used in operations	(76,901)	(149,643)

2. Analysis of changes in net funds

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	128,296	70,252	198,548
	128,296	70,252	198,548
Total	128,296	70,252	198,548

The notes form part of these financial statements

George Edward Smart Homes

Notes to the Financial Statements for the Year Ended 31 December 2022

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received, using the performance model.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 15% to 33% on cost
Motor vehicles	- 20% on cost

There is a capitalisation threshold of £1,000 for tangible fixed assets.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

1. Accounting policies - continued

Fund accounting

The permanent endowment fund was set up as required by the initial documents establishing the charity, which state that the income and expenditure should be applied to the outgoings and expenses of running the Homes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs

The charity operates a defined contributory group personal pension plan for participating employees. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Investments are included in the balance sheet at their market value at the balance sheet date. Any gain or loss arising in the year, either on disposal or revaluation is reflected in the Statement of Financial Activities.

Operating lease rentals

Operating lease rentals are included within expenses of the period to which they relate.

Value added tax

Irrecoverable vat is included within the relevant expenditure heading.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Going concern

The Trustees have prepared the accounts on a going concern basis on the grounds that the charity has healthy bank balances and readily realisable funds and a reasonable expectation that ongoing occupancy levels will be adequate for the charity to continue to operate, so there are no material uncertainties regarding going concern

Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other debtors and creditors. Debt instruments that are payable or receivable within one year, typically debtors or creditors, are measured initially or subsequently at the undiscounted amount of cash or other consideration expected to be paid or received.

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. Donations and legacies

	2022	2021
	£	£
Donations	145,004	5,250

3. Investment income

	2022	2021
	£	£
Income from unlisted investments	101,418	97,975
Bank interest	477	26
	101,895	98,001

4. Income from charitable activities

	Activity	2022	2021
		£	£
Residents' fees	Provision of accommodation, care and support	1,645,479	1,478,058
Covid-19 grants	Provision of accommodation, care and support	34,486	69,572
		1,679,965	1,547,630

During the year £34,486 (2021 - £69,572) was received from NYCC in respect of Covid-19 support.

5. Charitable activities costs

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Provision of accommodation, care and support	1,922,043	68,077	1,990,120

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. Direct costs of charitable activities

	2022	2021
	£	£
Staff costs	1,380,542	1,257,804
Catering, amenities, medical and rates	166,921	141,409
Insurance	25,843	22,726
Light, heat and water	119,765	91,461
Telephone	4,692	5,042
Printing, postage and stationery	3,135	3,973
Repairs and maintenance	90,921	75,826
Cleaning	12,292	19,423
Website, computer and adverts	1,348	3,655
Staff training	3,036	2,379
Travelling	-	803
Staff welfare	1,450	1,568
General expenses	31,292	8,792
Computer costs	9,980	9,601
Depreciation	70,826	73,589
	<u>1,922,043</u>	<u>1,718,051</u>

7. Support costs

	Management	Finance	Governance	Totals
	£	£	costs	£
	£	£	£	£
Provision of accommodation, care and support	<u>52,882</u>	<u>3,885</u>	<u>11,310</u>	<u>68,077</u>

Support costs, included in the above, are as follows:

Management

	2022	2021
	Provision of accommodation, care and support	Total activities
	£	£
Staff costs	30,922	23,636
Accountancy	21,960	21,954
	<u>52,882</u>	<u>45,590</u>

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

7. Support costs - continued Finance

	2022 Provision of accommodation, care and support £	2021 Total activities £
Bank charges	3,885	3,370

Governance costs

	2022 Provision of accommodation, care and support £	2021 Total activities £
Auditors' remuneration	11,310	10,200

8. Auditors' remuneration

	2022 £	2021 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	11,310	10,200

9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

10. Staff costs

	2022	2021
	£	£
Wages and salaries	1,279,745	1,169,851
Social security costs	86,856	70,134
Other pension costs	44,863	41,455
	<u>1,411,464</u>	<u>1,281,440</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Care staff	35	35
Domestic, catering, maintenance, garden	30	31
Support staff	1	1
	<u>66</u>	<u>67</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprises the Home manager and deputies. The total employee benefits of the key management of the charity were £137,182 (2021 - £126,020).

11. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Income and endowments from				
Donations and legacies	5,250	-	-	5,250
Charitable activities				
Provision of accommodation, care and support	1,482,968	64,662	-	1,547,630
Investment income	98,001	-	-	98,001
Other income	5,510	-	-	5,510
Total	<u>1,591,729</u>	<u>64,662</u>	<u>-</u>	<u>1,656,391</u>
Expenditure on				
Charitable activities				
Provision of accommodation, care and support	1,717,519	59,692	-	1,777,211
Net gains on investments	636,157	-	-	636,157
NET INCOME	<u>510,367</u>	<u>4,970</u>	<u>-</u>	<u>515,337</u>

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

11. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Reconciliation of funds				
Total funds brought forward	4,544,269	424,143	249,501	5,217,913
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	<u>5,054,636</u>	<u>429,113</u>	<u>249,501</u>	<u>5,733,250</u>

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost				
At 1 January 2022 and 31 December 2022	<u>1,313,855</u>	<u>877,760</u>	<u>35,678</u>	<u>2,227,293</u>
Depreciation				
At 1 January 2022	646,017	752,788	35,678	1,434,483
Charge for year	<u>34,777</u>	<u>36,049</u>	-	<u>70,826</u>
At 31 December 2022	<u>680,794</u>	<u>788,837</u>	<u>35,678</u>	<u>1,505,309</u>
Net book value				
At 31 December 2022	<u>633,061</u>	<u>88,923</u>	-	<u>721,984</u>
At 31 December 2021	<u>667,838</u>	<u>124,972</u>	-	<u>792,810</u>

The market value of the freehold property on a current use basis is estimated by the trustees to be in the region of £3,500,000.

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

13. Fixed asset investments

	Unlisted investments £
Market value	
At 1 January 2022	4,910,115
Disposals	(110,714)
Revaluations	(531,620)
	<hr/>
At 31 December 2022	4,267,781
	<hr/>
Net book value	
At 31 December 2022	4,267,781
	<hr/>
At 31 December 2021	4,910,115
	<hr/>

There were no investment assets outside the UK.

The unlisted investments portfolio at 31 December 2022 is as follows:-

	2022 Market value £	2022 Cost £	2021 Market value £	2021 Cost £
Charities Official Investment				
Fund Income Fund	3,378,622	2,094,225	3,823,072	2,094,225
Charities Official Investment				
Fund Accumulation Units	889,159	315,009	1,087,043	350,000
	<hr/>	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 December 2022 is represented by:

	Unlisted investments £
Valuation in 2022	1,858,547
Cost	2,409,234
	<hr/>
	4,267,781
	<hr/>

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

14. Stocks	2022	2021
	£	£
Stocks	4,579	4,579

15. Debtors: amounts falling due within one year	2022	2021
	£	£
Trade debtors	8,943	1,266
Other debtors	3,129	1,903
Prepayments and accrued income	37,840	55,677
	49,912	58,846

16. Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	20,909	74,946
Other creditors	10,580	39,674
Accruals and deferred income	76,155	46,776
	107,644	161,396

17. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	10,184	9,926
Between one and five years	39,383	27,988
In more than five years	2,119	8,477
	51,686	46,391

Included within the costs of charitable activities are charges relating to operating lease rentals of £10,383 (2021 - £8,478).

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

18. Movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	5,020,302	(593,120)	4,427,182
Designated minibus fund	34,334	-	34,334
	<u>5,054,636</u>	<u>(593,120)</u>	<u>4,461,516</u>
Restricted funds			
Extraordinary repairs fund	424,143	-	424,143
Covid-19 support	4,970	(4,970)	-
	<u>429,113</u>	<u>(4,970)</u>	<u>424,143</u>
Endowment funds			
Permanent endowment fund	249,501	-	249,501
	<u>249,501</u>	<u>-</u>	<u>249,501</u>
TOTAL FUNDS	<u><u>5,733,250</u></u>	<u><u>(598,090)</u></u>	<u><u>5,135,160</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,899,878	(1,950,664)	(542,334)	(593,120)
Restricted funds				
Covid-19 support	34,486	(39,456)	-	(4,970)
	<u>1,934,364</u>	<u>(1,990,120)</u>	<u>(542,334)</u>	<u>(598,090)</u>
TOTAL FUNDS	<u><u>1,934,364</u></u>	<u><u>(1,990,120)</u></u>	<u><u>(542,334)</u></u>	<u><u>(598,090)</u></u>

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

18. Movement in funds - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	4,509,935	510,367	5,020,302
Designated minibus fund	34,334	-	34,334
	<hr/> 4,544,269	<hr/> 510,367	<hr/> 5,054,636
Restricted funds			
Extraordinary repairs fund	424,143	-	424,143
Covid-19 support	-	4,970	4,970
	<hr/> 424,143	<hr/> 4,970	<hr/> 429,113
Endowment funds			
Permanent endowment fund	249,501	-	249,501
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<hr/> <u>5,217,913</u>	<hr/> <u>515,337</u>	<hr/> <u>5,733,250</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,591,729	(1,717,519)	636,157	510,367
Restricted funds				
Covid-19 support	64,662	(59,692)	-	4,970
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<hr/> <u>1,656,391</u>	<hr/> <u>(1,777,211)</u>	<hr/> <u>636,157</u>	<hr/> <u>515,337</u>

The designated minibus fund is intended to finance the future replacement of the existing minibus.

The charity's governing trust deed requires the trustees to establish an extraordinary repairs fund for the purpose of providing for extraordinary repairs, improvement or rebuilding of the Homes. The extraordinary repairs fund is to be established and maintained out of income of the charity.

The initial documents setting up the charity stipulated that a permanent endowment fund be created, the income from which would be used for the general running of the Homes.

George Edward Smart Homes

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

19. Employee benefit obligations

Pension contributions amounting to £14,263 (2021 - £19,680) were due at the balance sheet date.

20. Related party disclosures

A family member of a trustee is employed by the charity in an administrative role, also acting as clerk to the trustees. This appointment was made in open competition and the trustee was not involved in the decision-making process regarding appointment. The role is paid at an independently commercial level wholly commensurate with the individual's qualification and contribution to the charity and receives no special treatment as a result of the relationship to a trustee.

21. Financial assets and liabilities

	2022 £	2021 £
Financial assets measured at fair value through SOFA	<u>4,267,781</u>	<u>4,910,115</u>

Financial assets measured at fair value comprise investments held at market value.

George Edward Smart Homes

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	145,004	5,250
Investment income		
Income from unlisted investments	101,418	97,975
Bank interest	477	26
	<hr/> 101,895	<hr/> 98,001
Charitable activities		
Residents' fees	1,645,479	1,478,058
Covid-19 grants	34,486	69,572
	<hr/> 1,679,965	<hr/> 1,547,630
Other income		
Other income	7,500	5,510
	<hr/> 1,934,364	<hr/> 1,656,391
Total incoming resources		
Expenditure		
Charitable activities		
Staff costs	1,248,823	1,146,215
Social security	86,856	70,134
Pensions	44,863	41,455
Catering, amenities, medical and rates	166,921	141,409
Insurance	25,843	22,726
Light, heat and water	119,765	91,461
Telephone	4,692	5,042
Printing, postage and stationery	3,135	3,973
Repairs and maintenance	90,921	75,826
Cleaning	12,292	19,423
Website, computer and adverts	1,348	3,655
Staff training	3,036	2,379
Travelling	-	803
Staff welfare	1,450	1,568
General expenses	31,292	8,792
Computer costs	9,980	9,601
Depreciation of freehold property	34,777	34,777
Carried forward	1,885,994	1,679,239

This page does not form part of the statutory financial statements

George Edward Smart Homes

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	2022 £	2021 £
Charitable activities		
Brought forward	1,885,994	1,679,239
Depreciation of fixtures and fittings	36,049	38,812
	1,922,043	1,718,051
Support costs		
Management		
Staff costs	30,922	23,636
Accountancy	21,960	21,954
	52,882	45,590
Finance		
Bank charges	3,885	3,370
Governance costs		
Auditors' remuneration	11,310	10,200
Total resources expended	1,990,120	1,777,211
Net expenditure before gains and losses	(55,756)	(120,820)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(10,714)	-
Unrealised gains/(losses) on fixed asset investments	(531,620)	-
Net expenditure	(598,090)	(120,820)

This page does not form part of the statutory financial statements