

RUSTINGTON CONVALESCENT HOME (CARPENTERS COMPANY)

England & Wales · Charity number 216865

Details

Status Registered

Legal form Other

Registered 1968-07-17

Register [View on the Charity Commission register](#)

Contact

Address Carpenters' Hall
1 Throgmorton Avenue
London
EC2N 2JJ

Phone 02075887001

Email info@rustcon.co.uk

Website www.rustcon.co.uk

Activities

Objects: HOME FOR PERSONS OF THE WORKING CLASS AND OTHERS DURING CONVALESCENCE OR SICKNESS.

Activities: The Charity runs a convalescent home in Rustington near Littlehampton to provide long or short term convalescent care for men or women who are recovering from sickness or surgery and to provide respite care for those in need.

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,347,547	£2,503,583	£34,566,907	51
2023-12-31	£1,340,247	£2,189,966	£30,775,553	47
2022-12-31	£1,121,612	£1,780,286	£30,652,135	46
2021-12-31	£915,068	£1,305,227	£32,275,326	43
2020-12-31	£649,938	£1,206,485	£29,273,480	43

Trustees

Name	Role	Appointed
THE WORSHIPFUL COMPANY OF CARPENTERS		

RUSTINGTON CONVALESCENT HOME (CARPENTERS COMPANY)

England & Wales - Charity number 216865

Accounts

**Rustington
Convalescent
Home**

Annual Report and Accounts

31 December 2024

Charity Registration Number
216865

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Legal and administrative information

Trustee The Worshipful Company of Carpenters

Court members

The Master Sir L D G Grossman

Senior Warden Mr L S Mallinson

Middle Warden Mr J W Preston

Junior Warden Vice Admiral P M Bennett

Mr V G Morton-Smith (emeritus 15 Jan. 2025)

Mr W S Haynes

Mr J A C Wheeler

Mr M O P May

Mr M R Mathews

Mr H M Lancaster (emeritus 4 Dec. 2024)

Mr M J Samuel

Mr M R Mosley

Mr M W F Felton

Mr M H W Neal

Mr A M Gregory-Smith

Mrs R F Bower

His Hon P W Birts

Brigadier M J Meardon

Mr M J Morrison

Deputy Master Dr A Zimblar

Committee of Management

Chairman Mr M H W Neal

Mr M O P May

Mr F M Wheeler

Mr R C Galbraith

Mr M W F Felton

Mr P W Brading

Mr N S Corderey

Ex-officio members *The Master of the Company*

Sir L D G Grossman

The Junior Warden

Vice Admiral P M Bennett

Treasurer

Mr M J Samuel

Secretary Brigadier T J Gregson

Home Manager Mrs J Haynes

Legal and administrative information

Registered address	Carpenters' Hall 1 Throgmorton Avenue London EC2N 2JJ
Home address	Sea Road Rustington Littlehampton BN16 2LZ
Charity registration number	216865
Auditors	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA Brown Advisory 1 st Floor 18 Hanover Square London W1S 1JY
Bankers	C. Hoare & Co. 37 Fleet Street Temple London EC4Y 1BT
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

Trustee's report Year to 31 December 2024

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, a Past Master of the Worshipful Company of Carpenters, and endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission (CQC) as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

Structure, governance and management (continued)

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management

Mr M H W Neal (Chairman)
Dr C N Birts (retired 17 July 2024)
Mr R H Eveleigh (retired 17 July 2024)
Mr M O P May
Mr F M Wheeler
Mr R C Galbraith
Mr M W F Felton (appointed 7 August 2024)
Mr P W Brading (appointed September 2024)
Mr N S Corderey (appointed September 2024)

Ex officio members

Sir L D G Grossman (Master)
Vice Admiral P M Bennett (appointed 7th August 2024)
Mr M J Samuel (Treasurer)

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

Other than as detailed in note 13, no member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2024 - £nil). Expenses of £2,398 (2023 - £1,965) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Deputy Clerk/ Financial Controller of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Structure, governance and management (continued)

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- ♦ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Structure, governance and management (continued)

Risk management (continued)

- ◆ The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. The COVID policies are important for the protection of Service Users, Home staff, tradespeople and visitors to the Home. It should be noted that the Home's insurance company, in line with many insurance companies nationally, has withdrawn insurance cover for COVID-related issues other than for Employers' Liability Insurance. All policies have been externally reviewed.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 13 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit.

The occupancy rates at the Home have been gradually increasing during 2024 reaching an average of 60% from the middle of the year.

The ongoing refurbishment of the east and north exterior facades continued. A programme of interior refurbishment and decoration to modernise and brighten bedrooms and some of the reception rooms is underway. This will also include upgrading plumbing and electrical services to bring them in line with ESG governance.

Care Quality Commission

Monthly onsite visits by members of the Committee of Management to the Home are carried out. They provide a report of their observations which is passed to all other committee members. The Committee of Management meets on a quarterly basis to discuss and act on points raised by committee members. Proof of covid vaccination is still requested from any visitors to the Home.

The last full CQC inspection was carried out on 16th October 2023 with an overall rating of Good. The Home also achieved 5 Stars in the Environmental Health inspection of the kitchen.

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as needed and/or legislation dictates.

Policies and Procedures

All policies were reviewed and updated within the Home during 2024 and a number were also reviewed by a member of the Committee.

Staffing

Staffing remains stable and professional development and mandatory training continued throughout the year.

Training

Training took place in the Safeguarding of Vulnerable Adults, including discussing the relevant issues in the Mental Capacity and Equality and Diversity Acts. Health and Safety, Infection Control, Moving and Handling and Fire Safety, Food Safety and awareness of allergens.

Maintenance

The programme of external refurbishment work has moved to the north and east façades of the building. The opportunity was taken to refurbish all the bedrooms and a staff room on the east facing side of the building. Considerable thought has been given to modernising all plumbing and electrical services in these rooms.

The repair of the clock tower structure is being planned.

Buildings and land

The land and buildings encompassing the rear garden of the Home were sold to a housebuilder on 31 July 2024 for a total of £3M. The last instalment of the sale proceeds was received on 29 January 2025.

The garden is an important feature of the Home and continues to be well maintained. A condition report of the trees in the garden was drafted in 2024 and any recommendations have been acted on. The condition of the trees was considered to be excellent and only minor tree work was required.

Trustee's report Year to 31 December 2024

Financial review

Total income for the year amounted to £4,347,547 (2023 - £1,340,247). Patient fee income was £784,250 (2023 - £580,874). Income from investments was £765,642 (2023 - £755,228). Land was sold for £3,010,000 less costs of £233,494.

During the year the Home incurred charitable expenditure of £2,307,982 (2023 - £2,025,489), of which around 35% (2023 – 42%) related to staff costs.

Net income for the year before investment gains and losses amounted to £1,843,964 (2023 – net expenditure of £849,719).

Realised and unrealised gains on listed investments amounted to £1,942,340 (2023 – £1,003,137) and there was an increase in the value of investment properties of £5,000 (2023 – decrease of £30,000) resulting in a net increase in funds of £3,791,354 (2023 – increase £123,418).

Financial position

The balance sheet shows total reserves of £34,566,907 (2023 - £30,775,553).

These include a permanent endowment fund of £33,751,058 (2023 - £30,017,526).

Of the unrestricted funds of £815,849 (2023 - £758,027), £206,924 (2023 - £239,649) is represented by tangible fixed assets resulting in free reserves of £608,925 (2023 - £518,378).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £608,925 represents 2.9 months' expenditure and therefore is below the target level. However, with the implementation of a Total Return Policy for the charity's permanent endowment investments, additional reserves are available to supplement free reserves if necessary.

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £29,911,979 (2023 - £26,223,950) which is managed by Newton Investment Management Limited. In addition it has investments of £478,173 (2023 - £455,031) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee. The charity has an ethical investment policy and does not invest in equities that are linked with the manufacture or supply of tobacco

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

Financial review (continued)

Investment policy (continued)

The Trustee, by resolution and believing that this approach is in the best interests of the charity, adopted a total return approach to the listed investment endowment funds in accordance with the requirements of the Charity Commission. This approach was applied from 1 January 2021 when the value of the endowment funds at 31 December 2003 of £11,905,444 was used as a proxy for the original value of the endowment funds. In adopting this policy the listed investment permanent endowment funds will not be permitted to fall below the original value of £11,905,444. The original investment value is recorded in the balance sheet as the 'trust for investment' with subsequent realised and unrealised gains and undistributed income as 'unapplied total return'. The fund reconciliation is disclosed in note 7 to the accounts.

The charity also holds two investment properties which are used to generate rental income.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's responsibilities statement

The Trustee is responsible for preparing the Trustee's report and accounts 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 Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustee's report Year to 31 December 2024

Trustee's responsibilities statement (continued)

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is 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.

Approved by the Committee of Management and the Trustee and signed on their behalf on 2 April 2025 by:

A handwritten signature in black ink that reads "M. H. W. Neal". The signature is written in a cursive style with a horizontal line underneath the name.

M H W Neal

Chairman of the Committee of Management and Member of the Court

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report including the Trustee's report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- ◆ the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustee

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

In preparing the accounts, the Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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 accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- ◆ assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- ◆ reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- ◆ making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the accounts and reviewing minutes for indications of non-compliance; and
- ◆ reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report 31 December 2024

Use of our report

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



13 June 2025

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities 31 December 2024

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2024 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2023 funds £
Income from:							
Donations and legacies		413	—	413	1,045	—	1,045
Investment income	1	21,900	743,742	765,642	16,920	738,308	755,228
Charitable activities							
. Provision of convalescence care		784,250	—	784,250	580,874	—	580,874
Other income							
. Other income		20,736	—	20,736	3,100	—	3,100
. Sale of land		—	2,776,506	2,776,506	—	—	—
Total income		827,299	3,520,248	4,347,547	601,939	738,308	1,340,247
Expenditure on:							
Cost of raising funds							
. Investment management fees		17,442	178,159	195,601	333	164,144	164,477
Charitable activities							
. Provision of convalescence care	2	2,239,250	68,732	2,307,982	1,956,757	68,732	2,025,489
Total expenditure		2,256,692	246,891	2,503,583	1,957,090	232,876	2,189,966
Net (expenditure) income before gains and losses on investments		(1,429,393)	3,273,357	1,843,964	(1,355,151)	505,432	(849,719)
Net (losses)/ gains on revaluation of investment properties	7	—	5,000	5,000	—	(30,000)	(30,000)
Net gains/(losses) on listed investments	7	23,142	1,919,248	1,942,390	50,668	952,469	1,003,137
Net (expenditure) income for the year		(1,406,251)	5,197,605	3,791,354	(1,304,483)	1,427,901	123,418
Transfer between funds	7	1,464,073	(1,464,073)	—	1,270,089	(1,270,089)	—
Net movement in funds		57,822	3,733,532	3,791,354	(34,394)	157,812	123,418
Reconciliation of funds:							
Fund balances brought forward at 1 January 2024		758,027	30,017,526	30,775,553	792,421	29,859,714	30,652,135
Fund balances carried forward at 31 December 2024		815,849	33,751,058	34,566,907	758,027	30,017,526	30,775,553

All of the charity's activities derived from continuing operations during the above financial periods.

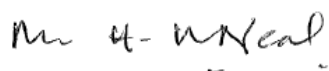
All recognised gains and losses are included in the above statement of financial activities.

The income and expenditure account above excluding the movement on endowment funds is the unrestricted funds column. Stated before gains and losses on investments and transfers, the net expenditure for the year is £1,429,393 (2023: £1,355,151).

Balance Sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	6		3,465,302		3,566,759
Investments	7		30,890,152		27,173,981
			34,355,454		30,740,740
Current assets					
Debtors	8	282,808		199,965	
Cash at bank and in hand		97,611		91,638	
		380,419		291,603	
Liabilities					
Creditors: amounts falling due within one year	9	(168,966)		(256,790)	
Net current assets			211,453		34,813
Total net assets			34,566,907		30,775,553
The funds of the charity					
Capital funds:					
Endowment funds	10		33,751,058		30,017,526
Income funds:					
Unrestricted funds					
. General funds			815,849		758,027
Total charity funds			34,566,907		30,775,553

Approved by the Trustee on 2 April 2025 and signed on its behalf by:



M H W Neal
Chairman of the Committee of Management
and member of the Court

Statement of cash flows 31 December 2024

	Notes	2024 £	2023 £
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	(1,764,312)	(1,312,769)
Cash inflow from investing activities:			
Dividends and interest from investments		765,642	738,038
Purchase of tangible fixed assets		(11,576)	(27,916)
Sale of tangible fixed assets		2,785,000	—
Proceeds from the disposal of listed investments		5,244,320	5,320,601
Purchase of listed investments		(6,810,809)	(5,426,025)
Net cash provided by investing activities		1,952,577	604,698
Change in cash and cash equivalents in the year		188,265	(708,071)
Cash and cash equivalents at 1 January 2024	B	313,132	1,021,203
Cash and cash equivalents at 31 December 2024	B	501,397	313,132

Notes to the cash flow statement for the year to 31 December 2024.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	3,791,354	123,418
Adjustments for:		
Depreciation charge	113,033	115,689
Sale of tangible fixed assets	3,010,000	—
Gains on listed investments	(1,942,390)	(1,003,137)
(Gains) losses on investment properties	(5,000)	30,000
Dividends and interest from investments	(765,642)	(738,038)
Decrease in debtors	142,157	140,357
(Decrease) increase in creditors	(87,824)	18,942
Net cash used in operating activities	(1,764,312)	(1,312,769)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	97,611	91,638
Cash held by investment managers	403,768	221,494
Total cash and cash equivalents	501,397	313,132

C Reconciliation of net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2024 £
Cash and cash equivalents	313,132	188,265	501,397

Principal accounting policies 31 December 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2024 with comparative information presented for the year ended 31 December 2023.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared 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) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- ◆ the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- ◆ the fair value of investment properties; and
- ◆ property redevelopment costs treated as prepayments.

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

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

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.

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Nursing, catering and domestic staff costs
 - ◇ Establishment costs, including depreciation
 - ◇ Maintenance of grounds
 - ◇ Administration costs i.e. costs of directly administering and supporting the Home's operations
 - ◇ Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2024

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- ♦ Freehold buildings 50 years
- ♦ Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 December 2024

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. The charity has adopted a total return approach to its permanent endowment listed investments and accordingly income and gains on these investments are added to the unapplied total return fund which is available for transfer to unrestricted funds, when required.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

Notes to the accounts 31 December 2024

1 Investment income

	Total 2024 £	Total 2023 £
Income from listed investments	743,742	738,308
Income from investment properties	21,900	16,920
Total funds	765,642	755,228

Following the implementation of the total return policy (see note 7), income from listed investments forms part of the permanent endowment fund. The income from investment properties is unrestricted.

2 Provision of convalescence care

	Total 2024 £	Total 2023 £
Residential, nursing and establishment costs		
Staff costs	831,600	744,106
Catering	84,617	68,563
GP surgery	7,750	7,750
Administration (including staff costs)	287,061	263,638
Establishment		
. Depreciation, rent, rates etc	243,839	225,255
. Cyclical maintenance	711,764	444,653
Grounds (including staff costs)	26,659	24,628
Expenses allocated by Worshipful Company of Carpenters	46,888	40,042
Professional fees	43,804	183,754
Governance costs		
. Auditor's remuneration	24,000	23,100
Total funds	2,307,982	2,025,489

All charitable activities expenditure in 2024 and 2023 was unrestricted except for depreciation of £68,732 (2023 - £68,732), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2024 £	2023 £
Staff costs (note 4)	955,177	852,345
Auditor's remuneration (including VAT)	24,000	23,100
Depreciation	113,033	115,689

4 Staff costs and Trustee's and Committee of Management remuneration

	2024 £	2023 £
Staff costs during the year were as follows:		
Wages and salaries	790,153	690,338
Social security costs	57,818	47,076
Other pension costs	66,864	61,089
Other staff costs	40,342	53,842
	955,177	852,345
Staff costs per function were as follows:		
Nursing	547,552	488,898
Administration	123,577	108,239
Catering and domestic	284,048	255,208
	955,177	852,345

One employee earned £70,000 - £80,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2023 – one).

The average number of employees during the year analysed by function was as follows:

	2024 Average Number	2023 Average Number
Nursing	24	21
Administration	2	2
Catering and domestic	25	24
	51	47

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2023 - £nil). Expenses of £2,398 (2023 - £nil) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Deputy Clerk/Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £114,022 (2023 - £99,349). This includes relevant costs allocated from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 January 2024	467,000	3,436,611	525,159	4,428,770
Additions	—	—	11,576	11,576
At 31 December 2024	467,000	3,436,611	536,735	4,440,346
Depreciation				
At 1 January 2024	—	576,501	285,510	862,011
Charge for year	—	68,732	44,301	113,033
At 31 December 2024	—	645,233	329,811	975,044
Net book values				
At 31 December 2024	467,000	2,791,378	206,924	3,465,302
At 31 December 2023	467,000	2,860,110	239,649	3,566,759

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2024 fixed asset investments comprised:

	2024 £	2023 £
Freehold investment property	500,000	495,000
Listed investments and cash held for re-investment	30,390,152	26,678,981
	30,890,152	27,173,981
	2024 £	2023 £
Freehold investment property		
Market value at 1 January 2024	495,000	525,000
(Loss)/gain on revaluation	5,000	(30,000)
Market value at 31 December 2024	500,000	495,000

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

Notes to the accounts 31 December 2024

7 Investments (continued)

	2024 £	2023 £
Listed investments		
Market value at 1 January 2024	26,457,487	25,348,926
Additions at cost	6,810,809	5,426,025
Disposals proceeds	(5,224,320)	(5,338,149)
Net investment gains/(losses)	1,942,390	1,020,685
Market value at 31 December 2024	29,986,366	26,457,487
Cash held by investment managers for re-investment	403,786	221,494
	30,390,152	26,678,981

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	2024 Total £	2023 Total £
At 1 January 2024				
. Base value of the permanent endowment	11,905,444	—	11,905,444	11,905,444
. Unapplied total return	—	13,789,838	13,789,838	13,533,294
Total	11,905,444	13,789,838	25,695,282	25,438,738
Movements during the year:				
. Invested from sale of land	2,500,000	—	2,500,000	—
. Investment income	—	743,742	743,742	738,308
. Investment managers fees	—	(178,159)	(178,159)	(164,144)
. Realised and unrealised gains/(losses)	—	1,774,262	1,774,262	952,469
	14,405,444	16,129,683	30,535,127	26,965,371
Extraction of income from total return	—	(1,464,073)	(1,464,073)	(1,270,089)
At 31 December 2024	14,405,444	14,665,610	29,071,054	25,695,282

When adopting total return accounting with effect from 1 January 2022, in the absence of reliable records of the original donations, the Trustee considered that the market values of the investments as recorded as at 31 December 2003 were appropriate to be considered as the initial value of the trust for investment. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual original donations was considered to be prudent.

During the year, a transfer of £1,464,073 (2023: £1,270,089) was made from the unapplied total return to unrestricted funds.

Notes to the accounts 31 December 2024

8 Debtors

	2024 £	2023 £
Patient debtors	3,868	5,182
Prepayments and accrued income	278,940	194,783
	282,808	199,965

9 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	34,624	74,397
Other creditors	34,058	27,850
Accruals	77,988	134,543
Amounts due to the Worshipful Company of Carpenters (note 13)	22,296	20,000
	168,966	256,790

10 Endowment funds

The funds of the charity include permanently endowed funds which were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Analysis of net assets between funds

	General funds £	Endowment funds £	Total 2024 £
Fund balances at 31 December 2024 are represented by:			
Tangible fixed assets	206,924	3,258,378	3,465,302
Investments	993,571	29,896,581	30,890,152
Net current assets	(384,646)	596,099	211,453
Total net assets	815,849	33,751,058	34,566,907
	General funds £	Endowment funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	239,649	3,327,110	3,566,759
Investments	983,969	26,190,012	27,173,981
Net current assets	(465,591)	500,404	34,813
Total net assets	758,027	30,017,526	30,775,553

12 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the “Carpenters’ Company Pension and Assurance Scheme” which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers’ contribution rate was 28.3% of pensionable pay and the employees’ contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2023 - £nil).

A triennial valuation was carried out as at 1 July 2024 and showed that the market value of the scheme’s assets was £2,190,000 and that the ongoing funding level was 77%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- ♦ RPI 3.3% p.a.
- ♦ Earnings increases 5.0% p.a.
- ♦ Discount rate 5.6% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon the initial results from the full actuarial valuation of the scheme as at 1 July 2024.

	30 June 2024 £	30 June 2023 £
Total market value of assets	2,190,000	2,345,000
Present value of scheme liabilities	(2,827,000)	(2,904,000)
(Deficit)/ surplus in the scheme – net pension(liability)/asset	(637,000)	(559,000)

13 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- ◆ Building Crafts College: No. 312856
- ◆ Carpenters' Company Charitable Trust: No. 276996
- ◆ Norton Folgate Trust: No. 230990

General administrative expenses and salaries allocated from the Worshipful Company of Carpenters to the charity during the year amounted to £44,592 (2023 - £40,042). The balance due to the Worshipful Company of Carpenters at the year end was £22,296 (2023 - £20,000). Expenses of £2,398 (2023 - £1,965) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Surveyor costs in connection with Rustington Convalescent Home of £3,800 were paid to Mr R C Galbraith during the year (2023: £3,800 to Mr R C Galbraith and James Boatman Chartered Surveyors). Mr J W Preston is an Equity Partner of James Boatman Chartered Surveyors. Mr R C Galbraith and Mr J W Preston are Members of the Committee of Management.

Other than the transactions stated above there were no other related party transactions during the year requiring disclosure.

Accounts

**Rustington
Convalescent
Home**

Annual Report and Accounts

31 December 2023

Charity Registration Number
216865

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Legal and administrative information

Trustee The Worshipful Company of Carpenters

Court members

The Master	Dr A Zimble
Senior Warden	Dr L D G Grossman
Middle Warden	Mr L S Mallinson
Junior Warden	Mr J W Preston
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Rev Dr W P Povey (emeritus 2 August 2023)
	Mr H M Lancaster
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
	Mr M H W Neal
	Mr A M Gregory-Smith
	Mrs R F Bower
	His Hon P W Birts
	The Lord Flight, of Worcester (emeritus 6 December 2023)
Deputy Master	Mr M J Morrison
	Brigadier M J Meardon

Committee of Management

Chairman	Mr M H W Neal
	Dr C N Birts
	Mr R H Eveleigh
	Mr M O P May
	Mr F M Wheeler
	Mr R C Galbraith

Ex-officio members	<i>The Master of the Company</i>
	Dr A Zimble
	<i>The Junior Warden</i>
	Mr J W Preston
	<i>Treasurer</i>
	Mr M J Samuel

Secretary	Brigadier T J Gregson
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Legal and administrative information

Home Manager Mrs J Haynes

Registered address Carpenters' Hall
1 Throgmorton Avenue
London
EC2N 2JJ

Home address Sea Road
Rustington
Littlehampton
BN16 2LZ

Charity registration number 216865

Auditors Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Investment managers Newton Investment Management Limited
160 Queen Victoria Street
London
EC4V 4LA

Bankers Barclays Bank plc
1 Churchill Place
London
E14 5HP

Solicitors Wedlake Bell LLP
52 Bedford Row
London
WC1R 4LR

Trustee's report Year to 31 December 2023

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, a Past Master of the Worshipful Company of Carpenters, and endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission (CQC) as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

Trustee's report Year to 31 December 2023

Structure, governance and management (continued)

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management

Mr M H W Neal (Chairman)
Rev Dr W P Povey (resigned July 2023)
Dr C N Birts
Mr R H Eveleigh
Mr M O P May
Mr F M Wheeler
Mr R C Galbraith

Ex officio members

Dr A Zimble (Master)
Mr S G Corbett (resigned November 2023)
Mr L S Mallinson (appointed 2 August 2023 until 7 February 2024)
Mr J W Preston (appointed 7 February 2024)
Mr M J Samuel (Treasurer)

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

Other than as detailed in note 13, no member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2023 - £nil). Expenses of £1,965 (2022 - £1,600) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Financial Controller of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Structure, governance and management (continued)

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- ♦ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Structure, governance and management (continued)

Risk management (continued)

- ♦ The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ♦ The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. The COVID policies are important for the protection of Service Users, Home staff, tradespeople and visitors to the Home. It should be noted that the Home's insurance company, in line with many insurance companies nationally, has withdrawn insurance cover for COVID-related issues other than for Employers' Liability Insurance. All policies have been externally reviewed.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 13 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit.

Since the reopening of the Home on 1 June 2021, after the pandemic, occupancy has been gradually increasing with input from a marketing company local to the Home.

Covid Testing of Service Users who were discharged from hospitals continued during 2023. Inevitably, some staff recorded a positive result during the year, and this was managed in conjunction with the government guidelines at the time.

The ongoing refurbishment and upgrading of the exterior facades continued during the year. It is also envisaged that a programme of interior decoration will take place to modernise and brighten several bedrooms and a reception room during 2024.

Trustee's report Year to 31 December 2023

Care Quality Commission

Monthly onsite visits by members of the Committee of Management to the Home are carried out. They provide a report of their observations which is passed to all other committee members. The Committee of Management meets on a quarterly basis to discuss and act on points raised by committee members. Proof of covid vaccination is still requested from any visitors to the Home.

The last full CQC inspection was carried out on 16th October 2023 with an overall rating of Good. The Home also achieved 5 Stars in the Environmental Health inspection of the kitchen.

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as needed and/or legislation dictates.

Policies and Procedures

All policies were reviewed/ updated within the Home during 2023 and a number were also reviewed by a member of the Committee.

Staffing

Staffing remains stable. All staff are fully vaccinated against Covid, this includes any new staff joining the Team.

Staff have undertaken professional development and mandatory training throughout the year.

Training

Training took place in the Safeguarding of Vulnerable Adults, including discussing the relevant issues in the Mental Capacity and Equality and Diversity Acts. Health and Safety, Infection Control, Moving and Handling and Fire Safety.

Mandatory training sessions are ongoing.

Maintenance

Refurbishment works to the south and west facades that face the prevailing wind have been completed during the year. These have been deemed to be a success with no ingress of rainwater being reported in the principal rooms. The few west facing bedrooms that had been affected by water ingress and damp have now been redecorated and are back in use. The programme of work has been moved to the north west facing façade of the building. In addition, repairs to the clock tower will be undertaken during 2024.

Buildings and land

The garden is an important feature of the Home and continues to be well maintained. A condition report of the trees in the garden was drafted in 2022 and any recommendations have been acted on. The condition of the trees was considered to be excellent and only minor tree work was required.

Trustee's report Year to 31 December 2023

Financial review

Total income for the year amounted to £1,340,247 (2022 - £1,121,612). Patient fee income was £580,874 (2022 - £390,787). Income from investments increased by £39,782 (2022 - £715,446).

During the year the Home incurred charitable expenditure of £2,189,966 (2022 - £1,582,870), of which around 42% (2022 – 50%) related to staff costs.

Net expenditure for the year before investment gains and losses amounted to £849,719 (2022 - £658,674).

Realised and unrealised losses on listed investments amounted to £1,003,137 (2022 – losses £979,517) and there was an decrease in the value of investment properties of £30,000 (2022 – increase of £15,000) resulting in a net increase in funds of £123,418 (2022 – decrease £1,623,191).

Financial position

The balance sheet shows total reserves of £30,775,553 (2022 - £30,652,135).

These include a permanent endowment fund of £30,775,553 (2022 - £29,859,714).

Of the unrestricted funds of £758,027 (2022 - £792,421) is represented by tangible fixed assets resulting in free reserves of £518,378 (2022 - £533,731).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £518,378 represents three months' expenditure and therefore is below the target level. However, with the implementation of a Total Return Policy for the charity's permanent endowment investments, additional reserves are available to supplement free reserves if necessary.

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £26,223,950 (2022 - £25,760,956) which is managed by Newton Investment Management Limited. In addition it has investments of £455,031 (2022 - £404,367) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee.

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

Trustee's report Year to 31 December 2023

Financial review (continued)

Investment policy (continued)

The Trustee, by resolution and believing that this approach is in the best interests of the charity, adopted a total return approach to the listed investment endowment funds in accordance with the requirements of the Charity Commission. This approach was applied from 1 January 2021 when the value of the endowment funds at 31 December 2003 of £11,905,444 was used as a proxy for the original value of the endowment funds. In adopting this policy the listed investment permanent endowment funds will not be permitted to fall below the original value of £11,905,444. The original investment value is recorded in the balance sheet as the 'trust for investment' with subsequent realised and unrealised gains and undistributed income as 'unapplied total return'. The fund reconciliation is disclosed in note 7 to the accounts.

The charity also holds two investment properties which are used to generate rental income.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's responsibilities statement

The Trustee is responsible for preparing the Trustee's report and accounts 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 Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustee's report Year to 31 December 2023

Trustee's responsibilities statement (continued)

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is 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.

Approved by the Committee of Management and the Trustee and signed on their behalf on 3 April 2024 by:



M H W Neal

Chairman of the Committee of Management and Member of the Court

Independent auditor's report 31 December 2023

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustee

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

In preparing the accounts, the Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Auditor's responsibilities for the audit of the accounts (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- ◆ assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- ◆ reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- ◆ making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the accounts and reviewing minutes for indications of non-compliance; and
- ◆ reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement within the accounts while performing our audit in accordance with applicable auditing standards. Irregularities may involve a collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

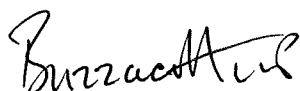
We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent auditor's report 31 December 2023

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

3 April 2024

Statement of financial activities 31 December 2023

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2023 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2022 funds £
Income from:							
Donations and legacies		1,045	—	1,045	13,226	—	13,226
Investment income	1	16,920	738,308	755,228	17,460	697,986	715,446
Charitable activities							
· Provision of convalescence care		580,874	—	580,874	390,787	—	390,787
Other income							
· Other income		3,100	—	3,100	2,153	—	2,153
Total income		601,939	738,308	1,340,247	423,626	697,986	1,121,612
Expenditure on:							
Cost of raising funds							
· Investment management fees		333	164,144	164,477	1,560	195,856	197,416
Charitable activities							
· Provision of convalescence care	2	1,956,757	68,732	2,025,489	1,514,138	68,732	1,582,870
Total expenditure		1,957,090	232,876	2,189,966	1,515,698	264,588	1,780,286
Net (expenditure) income before gains and losses on investments		(1,355,151)	505,432	(849,719)	(1,092,072)	433,398	(658,674)
Net (losses)/ gains on revaluation of investment properties	7	—	(30,000)	(30,000)	—	15,000	15,000
Net gains/(losses) on listed investments	7	50,668	952,469	1,003,137	(40,612)	(938,905)	(979,517)
Net (expenditure) income for the year		(1,304,483)	1,427,901	123,418	(1,132,684)	(490,507)	(1,623,191)
Transfer between funds	7	1,270,089	(1,270,089)	—	1,197,986	(1,197,986)	—
Net movement in funds		(34,394)	157,812	123,418	65,302	(1,688,493)	(1,623,191)
Reconciliation of funds:							
Fund balances brought forward at 1 January 2023		792,421	29,859,714	30,652,135	727,119	31,548,207	32,275,326
Fund balances carried forward at 31 December 2023		758,027	30,017,526	30,775,553	792,421	29,859,714	30,652,135

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	6		3,566,759		3,654,532
Investments	7		<u>27,173,981</u>		<u>26,744,980</u>
			30,740,740		30,399,512
Current assets					
Debtors	8	199,965		340,322	
Cash at bank and in hand		<u>91,638</u>		<u>150,149</u>	
		291,603		490,471	
Liabilities					
Creditors: amounts falling due within one year	9	<u>(256,790)</u>		<u>(237,848)</u>	
Net current assets			34,813		252,623
Total net assets			<u>30,775,553</u>		<u>30,652,135</u>
The funds of the charity					
Capital funds:					
Endowment funds	10		30,017,526		29,859,714
Income funds:					
Unrestricted funds					
. General funds			<u>758,027</u>		<u>792,421</u>
Total charity funds			<u>30,775,553</u>		<u>30,652,135</u>

Approved by the Trustee on 3 April 2024 and signed on its behalf by:

M. H. W. Neal

M H W Neal
Chairman of the Committee of Management
and member of the Court

Statement of cash flows 31 December 2023

	Notes	2023 £	2022 £
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	(1,312,769)	(1,205,462)
Cash inflow from investing activities:			
Dividends and interest from investments		738,038	697,986
Purchase of tangible fixed assets		(27,916)	(38,047)
Proceeds from the disposal of listed investments		5,320,601	4,173,638
Purchase of listed investments		(5,426,025)	(3,591,106)
Net cash provided by investing activities		604,698	1,242,471
Change in cash and cash equivalents in the year		(708,071)	37,009
Cash and cash equivalents at 1 January 2023	B	1,021,203	984,194
Cash and cash equivalents at 31 December 2023	B	313,132	1,021,203

Notes to the cash flow statement for the year to 31 December 2023.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	123,418	(1,623,191)
Adjustments for:		
Depreciation charge	115,689	117,466
(Gains) losses on listed investments	(1,003,137)	979,517
Losses/(gains) on investment properties	30,000	(15,000)
Dividends and interest from investments	(738,038)	(697,986)
Decrease (increase) in debtors	140,357	(80,466)
Increase (decrease) in creditors	18,942	114,198
Net cash used in operating activities	(1,312,769)	(1,205,462)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	91,638	150,149
Cash held by investment managers	221,494	871,054
Total cash and cash equivalents	313,132	1,021,203

C Reconciliation of net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2023 £
Cash and cash equivalents	1,021,203	(708,071)	313,132

Principal accounting policies 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2023 with comparative information presented for the year ended 31 December 2022.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared 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) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- ◆ the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- ◆ the fair value of investment properties; and
- ◆ property redevelopment costs treated as prepayments.

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies 31 December 2023

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

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

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.

Monies receivable from the Government's Coronavirus Job Retention Scheme were recognised when the charity had entitlement to the income.

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Nursing, catering and domestic staff costs
 - ◇ Establishment costs, including depreciation
 - ◇ Maintenance of grounds
 - ◇ Administration costs i.e. costs of directly administering and supporting the Home's operations
 - ◇ Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2023

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- ♦ Freehold buildings 50 years
- ♦ Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 December 2023

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. The charity has adopted a total return approach to its permanent endowment listed investments and accordingly income and gains on these investments are added to the unapplied total return fund which is available for transfer to unrestricted funds, when required.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

Notes to the accounts 31 December 2023

1 Investment income

	Total 2023 £	Total 2022 £
Income from listed investments	738,308	697,986
Income from investment properties	16,920	17,460
Total funds	755,228	715,446

Following the implementation of the total return policy (see note 7), income from listed investments forms part of the permanent endowment fund. The income from investment properties is unrestricted.

2 Provision of convalescence care

	Total 2023 £	Total 2022 £
Residential, nursing and establishment costs		
Staff costs	744,106	687,983
Catering	68,563	56,278
GP surgery	7,750	11,618
Administration (including staff costs)	263,638	207,180
Establishment		
. Depreciation, rent, rates etc	225,255	212,494
. Cyclical maintenance	444,653	298,875
Grounds (including staff costs)	24,628	26,922
Expenses allocated by Worshipful Company of Carpenters	40,042	39,538
Professional fees	183,754	20,382
Governance costs		
. Auditor's remuneration	23,100	21,600
Total funds	2,025,489	1,582,870

All charitable activities expenditure in 2023 and 2022 was unrestricted except for depreciation of £68,732 (2022 - £68,732), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2023 £	2022 £
Staff costs (note 4)	852,345	792,816
Auditor's remuneration (including VAT)	23,100	21,600
Depreciation	115,689	117,466

4 Staff costs and Trustee's and Committee of Management remuneration

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	690,338	637,612
Social security costs	47,076	46,565
Other pension costs	61,089	56,973
Other staff costs	53,842	51,666
	852,345	792,816
Staff costs per function were as follows:		
Nursing	488,898	412,820
Administration	108,239	104,833
Catering and domestic	255,208	275,163
	852,345	792,816

One employee earned £60,000 - £70,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2022 – none).

The average number of employees during the year analysed by function was as follows:

	2023 Average Number	2022 Average Number
Nursing	21	21
Administration	2	2
Catering and domestic	24	23
	47	46

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2022 - £nil). Expenses of nil (2022 - £1,600) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £99,349 (2022 - £95,235). This includes relevant costs allocated from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2023

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 January 2023	467,000	3,436,611	497,243	4,400,854
Additions	—	—	27,916	27,916
At 31 December 2023	<u>467,000</u>	<u>3,436,611</u>	<u>525,159</u>	<u>4,428,770</u>
Depreciation				
At 1 January 2023	—	507,769	238,553	746,322
Charge for year	—	68,732	46,957	115,689
At 31 December 2023	<u>—</u>	<u>576,501</u>	<u>285,510</u>	<u>862,011</u>
Net book values				
At 31 December 2023	<u>467,000</u>	<u>2,860,110</u>	<u>239,649</u>	<u>3,566,759</u>
At 31 December 2022	<u>467,000</u>	<u>2,928,842</u>	<u>258,690</u>	<u>3,654,532</u>

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2023 fixed asset investments comprised:

	2023 £	2022 £
Freehold investment property	495,000	525,000
Listed investments and cash held for re-investment	26,678,981	26,219,980
	<u>27,173,981</u>	<u>26,744,980</u>
	2023 £	2022 £
Freehold investment property		
Market value at 1 January 2023	525,000	510,000
(Loss)/gain on revaluation	(30,000)	15,000
Market value at 31 December 2023	<u>495,000</u>	<u>525,000</u>

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

Notes to the accounts 31 December 2023

7 Investments (continued)

	2023 £	2022 £
Listed investments		
Market value at 1 January 2023	25,348,926	26,910,975
Additions at cost	5,426,025	3,591,106
Disposals at book value (proceeds: £5,320,601, losses: £17,548)	(5,338,149)	(4,142,834)
Net unrealised investment gains/(losses)	1,020,685	(1,010,321)
Market value at 31 December 2023	26,457,487	25,348,926
Cash held by investment managers for re-investment	221,494	871,054
	26,678,981	26,219,980
Cost of listed investments at 31 December 2023	19,528,250	17,138,196

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	2023 Total £	2022 Total £
At 1 January 2023				
. Base value of the permanent endowment	11,905,444	—	11,905,444	11,905,444
. Unapplied total return	—	13,533,294	13,533,294	15,168,055
Total	11,905,444	13,533,294	25,438,738	27,073,499
Movements during the year:				
. Investment income	—	738,038	738,038	697,986
. Investment managers fees	—	(164,144)	(164,144)	(195,856)
. Realised and unrealised gains/(losses)	—	952,469	952,469	(938,905)
	11,905,444	15,059,927	26,965,371	26,646,724
Extraction of income from total return	—	(1,270,089)	(1,270,089)	(1,197,986)
At 31 December 2023	11,905,444	13,789,838	25,695,282	25,438,738

When adopting total return accounting with effect from 1 January 2022, in the absence of reliable records of the original donations, the Trustee considered that the market values of the investments as recorded as at 31 December 2003 were appropriate to be considered as the initial value of the trust for investment. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual original donations was considered to be prudent.

During the year, a transfer of £1,270,089 (2022: £1,197,986) was made from the unapplied total return to unrestricted funds.

Notes to the accounts 31 December 2023

8 Debtors

	2023 £	2022 £
Patient debtors	5,182	14,667
Prepayments and accrued income	194,783	325,655
	199,965	340,322

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	74,397	57,218
Other creditors	27,850	23,231
Accruals	134,543	137,096
Amounts due to the Worshipful Company of Carpenters (note 13)	20,000	20,303
	256,790	237,848

10 Endowment funds

The funds of the charity include permanently endowed funds which were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Analysis of net assets between funds

	General funds £	Endowment funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	239,649	3,327,110	3,566,759
Investments	983,969	26,190,012	27,173,981
Net current assets	(465,591)	500,404	34,813
Total net assets	758,027	30,017,526	30,775,553

	General funds £	Endowment funds £	Total 2022 £
<i>Fund balances at 31 December 2022 are represented by:</i>			
<i>Tangible fixed assets</i>	<i>258,690</i>	<i>3,395,842</i>	<i>3,654,532</i>
<i>Investments</i>	<i>781,242</i>	<i>25,963,738</i>	<i>26,744,980</i>
<i>Net current assets</i>	<i>(247,511)</i>	<i>500,134</i>	<i>252,623</i>
<i>Total net assets</i>	<i>792,421</i>	<i>29,859,714</i>	<i>30,652,135</i>

12 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the "Carpenters' Company Pension and Assurance Scheme" which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers' contribution rate was 28.3% of pensionable pay and the employees' contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2022 - £nil).

A triennial valuation was carried out as at 1 July 2021 and showed that the market value of the scheme's assets was £4,707,000 and that the ongoing funding level was 120%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- ♦ RPI 3.3% p.a.
- ♦ Earnings increases 5.0% p.a.
- ♦ Discount rate 3.9% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon a full actuarial valuation of the scheme as at 1 July 2021 updated to 30 June 2023 by a qualified independent actuary using FRS 102 guidelines and relates to the scheme as a whole.

	30 June 2023 £	30 June 2022 £
Total market value of assets	2,345,000	3,350,000
Present value of scheme liabilities	(2,904,000)	(3,473,000)
(Deficit)/ surplus in the scheme – net pension(liability)/asset	(559,000)	(123,000)

13 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- ♦ Building Crafts College: No. 312856
- ♦ Carpenters' Company Charitable Trust: No. 276996
- ♦ Norton Folgate Trust: No. 230990

General administrative expenses and salaries allocated from the Worshipful Company of Carpenters to the charity during the year amounted to £40,042 (2022 - £39,538). The balance due to the Worshipful Company of Carpenters at the year end was £20,000 (2022 - £20,303). Expenses of £1,965 (2022 - £1,600) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Surveyor costs in connection with Rustington Convalescent Home of £3,800 were paid to Mr R C Galbraith during the year (2022: £4,501 to Mr R C Galbraith and James Boatman Chartered Surveyors). Mr J W Preston is an Equity Partner of James Boatman Chartered Surveyors. Mr R C Galbraith and Mr J W Preston are Members of the Committee of Management.

Other than the transactions stated above there were no other related party transactions during the year requiring disclosure.

Accounts

**Rustington
Convalescent
Home**

Annual Report and Accounts

31 December 2022

Charity Registration Number
216865

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Legal and administrative information

Trustee	The Worshipful Company of Carpenters
<i>Court members</i>	
The Master	Brigadier M J Meardon
Senior Warden	Dr A Zimble
Middle Warden	Dr L D G Grossman
Junior Warden	Mr S G Corbett
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Rev Dr W P Povey
	Mr H M Lancaster
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
	Mr M H W Neal
	Mr A M Gregory-Smith
	Mrs R F Bower
	His Hon P W Birts
	The Lord Flight, of Worcester
Deputy Master	Mr M J Morrison
<i>Committee of Management</i>	
Chairman	Mr M H W Neal
	Rev Dr W P Povey
	Dr C N Birts
	Mr R H Eveleigh
	Mr M O P May
	Mr F M Wheeler
	Mr R Galbraith
Ex-officio members	<i>The Master of the Company</i>
	Brigadier M J Meardon
	<i>The Junior Warden</i>
	Mr S G Corbett
	<i>Treasurer</i>
	Mr M J Samuel
Secretary	Brigadier T J Gregson

Legal and administrative information

Home Manager	Mrs J Haynes
Registered address	Carpenters' Hall 1 Throgmorton Avenue London EC2N 2JJ
Home address	Sea Road Rustington Littlehampton BN16 2LZ
Charity registration number	216865
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

Trustee's report Year to 31 December 2022

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, a Past Master of the Worshipful Company of Carpenters, and endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission (CQC) as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

Trustee's report Year to 31 December 2022

Structure, governance and management (continued)

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management

Mr M H W Neal (Chairman)
Rev Dr W P Povey
Dr C N Birts
Miss H M Bower (resigned May 2022)
Mr R H Eveleigh
Mr M O P May
Mr J W Preston (resigned August 2022)
Mr F Wheeler (appointed May 2022)
Mr R Galbraith (appointed August 2022)

Ex officio members

Brigadier M J Meardon (Master)
Mr S G Corbett (appointed 3 August 2022)
Dr L D G Grossman (resigned 3 August 2022)
Mr M J Samuel (Treasurer)

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2021 - £nil). Expenses of £1,600 (2021 - £335) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Financial Controller of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Structure, governance and management (continued)

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Structure, governance and management (continued)

Risk management (continued)

- ◆ The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. The COVID policies are important for the protection of Service Users, Home staff, tradespeople and visitors to the Home. It should be noted that the Home's insurance company, in line with many insurance companies nationally, has withdrawn insurance cover for COVID-related issues other than for Employers' Liability Insurance. All policies have been externally reviewed.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 13 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit.

Since the reopening of the Home on 1 June 2021, after the pandemic, occupancy has been managed on a prudent basis.

Testing of staff and Service Users continued during 2022. Inevitably, many staff did record a positive result and the appropriate action was taken on each occasion.

During 2022, a planned refurbishment and upgrade of the exterior facades has been carried out to stop the ingress of rainwater to the south and west facing elevations. This has largely been successful with the result that all the rooms should be available in the Spring 2023. Indeed, occupancy is gradually increasing at the Home. It is also envisaged that a programme of interior decoration will take place to modernise and brighten the bedrooms.

Trustee's report Year to 31 December 2022

Achievements and performance (continued)

Care Quality Commission

Monthly onsite visits by members of the Committee of Management to the Home were resumed in May 2022, proof of vaccination and a negative covid lateral flow test were required prior to entry.

The last full CQC inspection was June 2016. There was a targeted Infection Control inspection February 2022.

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as needed and/or legislation dictates.

Policies and Procedures

All policies were reviewed/ updated within the Home during 2022 and a number were also reviewed by a member of the Committee.

Staffing

Staffing remains stable. All staff are fully vaccinated against Covid, this includes any new staff joining the Team.

Staff have undertaken professional development and mandatory training throughout the year.

Training

Training took place in the Safeguarding of Vulnerable Adults, including discussing the relevant issues in the Mental Capacity and Equality and Diversity Acts. Health and Safety, Infection Control, Moving and Handling and Fire Safety.

Mandatory training sessions are ongoing.

Maintenance

The clock tower and the south and west facades that face the prevailing wind have undergone a programme of rainwater ingress prevention. The few west facing bedrooms that had been affected by water ingress and damp have now been redecorated and are back in use.

Buildings and land

The garden is an important feature of the Home. A condition report of the trees in the garden was drafted in 2022 and any recommendations have been acted on. The condition of the trees was considered to be excellent and only minor tree work was required.

Trustee's report Year to 31 December 2022

Financial review

Total income for the year amounted to £1,121,612 (2021 - £915,068). Patient fee income was £390,787 (2021 - £153,725). Income from investments increased by £80,523 to £715,446 (2021 - £634,923). The Home did not receive any furlough scheme grants in 2022 (2021 - £107,132).

During the year the Home incurred charitable expenditure of £1,582,870 (2021 - £1,148,099), of which around 43% related to staff costs.

Net expenditure for the year before investment gains and losses amounted to £658,674 (2021 - £390,159).

Realised and unrealised losses on listed investments amounted to £979,517 (2021 – gains £3,362,005) and there was an increase in the value of investment properties of £15,000 (2021 - £30,000) resulting in a net decrease in funds of £1,623,191 (2021 – increase £3,001,846).

Financial position

The balance sheet shows total reserves of £30,652,135 (2021 - £32,275,326).

These include a permanent endowment fund of £29,859,714 (2021 - £31,548,207).

Of the unrestricted funds of £792,421 (2021 - £727,119) is represented by tangible fixed assets resulting in free reserves of £533,731 (2021 - £457,742).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £533,731 represents three months' expenditure and therefore is below the target level. However, with the implementation of a Total Return Policy for the charity's permanent endowment investments, additional reserves are available to supplement free reserves if necessary.

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £25,760,956 (2021 - £27,203,398) which is managed by Newton Investment Management Limited. In addition it has investments of £404,367 (2021 - £444,980) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee.

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

Financial review (continued)

Investment policy (continued)

The Trustee, by resolution and believing that this approach is in the best interests of the charity, adopted a total return approach to the listed investment endowment funds in accordance with the requirements of the Charity Commission. This approach was applied from 1 January 2021 when the value of the endowment funds at 31 December 2003 of £11,905,444 was used as a proxy for the original value of the endowment funds. In adopting this policy the listed investment permanent endowment funds will not be permitted to fall below the original value of £11,905,444. The original investment value is recorded in the balance sheet as the 'trust for investment' with subsequent realised and unrealised gains and undistributed income as 'unapplied total return'. The fund reconciliation is disclosed in note 7 to the accounts.

The charity also holds two investment properties which are used to generate rental income.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's responsibilities statement

The Trustee is responsible for preparing the Trustee's report and accounts 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 Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustee's report Year to 31 December 2022

Trustee's responsibilities statement (continued)

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is 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.

Approved by the Committee of Management and the Trustee and signed on their behalf on 5 April 2023 by:



M H W Neal

Chairman of the Committee of Management and Member of the Court

5 / 4 / 23

Independent auditor's report 31 December 2022

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustee

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

In preparing the accounts, the Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Independent auditor's report 31 December 2022

Auditor's responsibilities for the audit of the accounts (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- ◆ assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- ◆ reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- ◆ making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the accounts and reviewing minutes for indications of non-compliance; and
- ◆ reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement within the accounts while performing our audit in accordance with applicable auditing standards. Irregularities may involve a collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent auditor's report 31 December 2022

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9 May 2023

Statement of financial activities 31 December 2022

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2022 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2021 funds £
Income from:							
Donations and legacies		13,226	—	13,226	19,219	—	19,219
Investment income	1	17,460	697,986	715,446	18,140	616,783	634,923
Charitable activities							
· Provision of convalescence care		390,787	—	390,787	153,725	—	153,725
Other income							
· Government grants		—	—	—	107,132	—	107,132
· Other income		2,153	—	2,153	69	—	69
Total income		423,626	697,986	1,121,612	298,285	616,783	915,068
Expenditure on:							
Cost of raising funds							
· Investment management fees		1,560	195,856	197,416	26,236	130,892	157,128
Charitable activities							
· Provision of convalescence care	2	1,514,138	68,732	1,582,870	1,079,367	68,732	1,148,099
Total expenditure		1,515,698	264,588	1,780,286	1,105,603	199,624	1,305,227
Net (expenditure) income before gains and losses on investments		(1,092,072)	433,398	(658,674)	(807,318)	417,159	(390,159)
Net (losses) gains on revaluation of investment properties	7	—	15,000	15,000	—	30,000	30,000
Net (losses) gains on listed investments	7	(40,612)	(938,905)	(979,517)	76,634	3,285,371	3,362,005
Net (expenditure) income for the year		(1,132,684)	(490,507)	(1,623,191)	(730,684)	3,732,530	3,001,846
Transfer between funds	7	1,197,986	(1,197,986)	—	766,783	(766,783)	—
Net movement in funds		65,302	(1,688,493)	(1,623,191)	36,099	2,965,747	3,001,846
Reconciliation of funds:							
Fund balances brought forward at 1 January 2022		727,119	31,548,207	32,275,326	691,020	28,582,460	29,273,480
Fund balances carried forward at 31 December 2022		792,421	29,859,714	30,652,135	727,119	31,548,207	32,275,326

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	6		3,654,532		3,733,951
Investments	7		26,744,980		28,158,378
			<u>30,399,512</u>		<u>31,892,329</u>
Current assets					
Debtors	8	340,322		259,856	
Cash at bank and in hand		<u>150,149</u>		<u>246,791</u>	
		490,471		506,647	
Liabilities					
Creditors: amounts falling due within one year	9	(237,848)		(123,650)	
Net current assets			252,623		382,997
Total net assets			<u>30,652,135</u>		<u>32,275,326</u>
The funds of the charity					
Capital funds:					
Endowment funds	10		29,859,714		31,548,207
Income funds:					
Unrestricted funds					
. General funds			<u>792,421</u>		<u>727,119</u>
Total charity funds			<u>30,652,135</u>		<u>32,275,326</u>

Approved by the Trustee on 5 April 2023 and signed on its behalf by:

M. H. W. Neal

M H W Neal
Chairman of the Committee of Management
and member of the Court

5/4/23

Statement of cash flows 31 December 2022

	Notes	2022 £	2021 £
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	1,205,462	(889,622)
Cash inflow from investing activities:			
Dividends and interest from investments		697,986	616,783
Purchase of tangible fixed assets		(38,047)	(11,732)
Proceeds from the disposal of listed investments		4,173,638	4,062,641
Purchase of listed investments		(3,591,106)	(3,691,334)
Net cash provided by investing activities		1,242,471	976,358
Change in cash and cash equivalents in the year		37,009	86,736
Cash and cash equivalents at 1 January 2022	B	984,194	897,458
Cash and cash equivalents at 31 December 2022	B	1,021,203	984,194

Notes to the cash flow statement for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(1,623,191)	3,001,846
Adjustments for:		
Depreciation charge	117,466	121,631
Losses (gains) on listed investments	979,517	(3,362,005)
Gains on investment properties	(15,000)	(30,000)
Dividends and interest from investments	(697,986)	(616,783)
(Increase) decrease in debtors	(80,466)	5,787
Increase (decrease) in creditors	114,198	(10,098)
Net cash used in operating activities	(1,205,462)	(889,622)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	150,149	246,791
Cash held by investment managers	871,054	737,403
Total cash and cash equivalents	1,021,203	984,194

C Reconciliation of net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash and cash equivalents	984,194	37,009	1,021,203

Principal accounting policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2022 with comparative information presented for the year ended 31 December 2021.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared 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) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- ◆ the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- ◆ the fair value of investment properties; and
- ◆ property redevelopment costs treated as prepayments.

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies 31 December 2022

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

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

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.

Monies receivable from the Government's Coronavirus Job Retention Scheme were recognised when the charity had entitlement to the income.

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Nursing, catering and domestic staff costs
 - ◇ Establishment costs, including depreciation
 - ◇ Maintenance of grounds
 - ◇ Administration costs i.e. costs of directly administering and supporting the Home's operations
 - ◇ Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2022

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- ♦ Freehold buildings 50 years
- ♦ Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 December 2022

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. The charity has adopted a total return approach to its permanent endowment listed investments and accordingly income and gains on these investments are added to the unapplied total return fund which is available for transfer to unrestricted funds, when required.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

Notes to the accounts 31 December 2022

1 Investment income

	Total 2022 £	Total 2021 £
Income from listed investments	697,986	616,783
Income from investment properties	17,460	18,140
Total funds	715,446	634,923

Following the implementation of the total return policy (see note 7), income from listed investments forms part of the permanent endowment fund. The income from investment properties is unrestricted.

2 Provision of convalescence care

	Total 2022 £	Total 2021 £
Residential, nursing and establishment costs		
Staff costs	687,983	539,350
Catering	56,278	21,014
Pharmacy	11,618	—
Administration (including staff costs)	207,180	180,015
Establishment		
· Depreciation, rent, rates etc	212,494	193,860
· Cyclical maintenance	298,875	112,494
Grounds (including staff costs)	26,922	23,342
Expenses allocated by Worshipful Company of Carpenters	39,538	35,738
Professional fees	20,382	22,626
Governance costs		
· Auditor's remuneration	21,600	19,660
Total funds	1,582,870	1,148,099

All expenditure in 2022 and 2021 was unrestricted except for depreciation of £68,732 (2021 - £68,731), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2022 £	2021 £
Staff costs (note 4)	792,816	640,046
Auditor's remuneration (including VAT)	21,600	19,660
Depreciation	117,466	121,631

Notes to the accounts 31 December 2022

4 Staff costs and Trustee's and Committee of Management remuneration

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	637,612	511,213
Social security costs	46,565	34,639
Other pension costs	56,973	51,477
Other staff costs	51,666	42,717
	792,816	640,046
Staff costs per function were as follows:		
Nursing	412,820	255,557
Administration	104,833	100,696
Catering and domestic	275,163	283,793
	792,816	640,046

No employees earned over £60,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2021 – none).

The average number of employees during the year analysed by function was as follows:

	2022 Average Number	2021 Average Number
Nursing	21	14
Administration	2	2
Catering and domestic	23	27
	46	43

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2021 - £nil). Expenses of £1,600 (2021 - £335) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £95,235 (2021 - £91,450). This includes relevant costs allocated from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2022

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 January 2022	467,000	3,436,611	459,196	4,362,807
Additions	—	—	38,047	38,047
At 31 December 2022	<u>467,000</u>	<u>3,436,611</u>	<u>497,243</u>	<u>4,400,854</u>
Depreciation				
At 1 January 2022	—	439,037	189,819	628,856
Charge for year	—	68,732	48,734	117,466
At 31 December 2022	<u>—</u>	<u>507,769</u>	<u>238,553</u>	<u>746,322</u>
Net book values				
At 31 December 2022	<u>467,000</u>	<u>2,928,842</u>	<u>258,690</u>	<u>3,654,532</u>
At 31 December 2021	<u>467,000</u>	<u>2,997,574</u>	<u>269,377</u>	<u>3,733,951</u>

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2022 fixed asset investments comprised:

	2022 £	2021 £
Freehold investment property	525,000	510,000
Listed investments and cash held for re-investment	26,219,980	27,648,378
	<u>26,744,980</u>	<u>28,158,378</u>
	2022 £	2021 £
Freehold investment property		
Market value at 1 January 2022	510,000	480,000
Gain on revaluation	15,000	30,000
Market value at 31 December 2022	<u>525,000</u>	<u>510,000</u>

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

Notes to the accounts 31 December 2022

7 Investments (continued)

	2022 £	2021 £
Listed investments		
Market value at 1 January 2022	26,910,975	23,920,277
Additions at cost	3,591,106	3,691,334
Disposals at book value (proceeds: £4,173,638, gains: £30,804)	(4,142,834)	(3,945,351)
Net unrealised investment (losses) gains	(1,010,321)	3,244,715
Market value at 31 December 2022	25,348,926	26,910,975
Cash held by investment managers for re-investment	871,054	737,403
	26,219,980	27,648,378
Cost of listed investments at 31 December 2022	17,138,196	17,292,480

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	2022 Total £	2021 Total £
At 1 January 2022				
. Base value of the permanent endowment	11,905,444	—	11,905,444	11,905,444
. Unapplied total return	—	15,168,055	15,168,055	12,163,576
Total	11,905,444	15,168,055	27,073,499	24,069,020
Movements during the year:				
. Investment income	—	697,986	697,986	616,783
. Investment managers fees	—	(195,856)	(195,856)	(130,892)
. Realised and unrealised (losses) gains	—	(938,905)	(938,905)	3,285,371
	—	14,731,280	26,646,724	17,840,282
Extraction of income from total return	—	(1,197,986)	(1,197,986)	(766,783)
At 31 December 2022	11,905,444	13,533,294	25,438,738	27,073,499

When adopting total return accounting with effect from 1 January 2021, in the absence of reliable records of the original donations, the Trustee considered that the market values of the investments as recorded as at 31 December 2003 were appropriate to be considered as the initial value of the trust for investment. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual original donations was considered to be prudent.

During the year, a transfer of £1,197,986 (2021: £766,783) was made from the unapplied total return to unrestricted funds.

Notes to the accounts 31 December 2022

8 Debtors

	2022 £	2021 £
Patient debtors	14,667	7,457
Prepayments and accrued income	325,655	252,399
	340,322	259,856

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	57,218	13,228
Other creditors	23,231	20,795
Accruals	137,096	71,699
Amounts due to the Worshipful Company of Carpenters (note 13)	20,303	17,928
	237,848	123,650

10 Endowment funds

The funds of the charity include permanently endowed funds which were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Analysis of net assets between funds

	General funds £	Endowment funds £	Total 2022 £
Fund balances at 31 December 2022			
are represented by:			
Tangible fixed assets	258,690	3,395,842	3,654,532
Investments	781,242	25,963,738	26,744,980
Net current assets	(247,511)	500,134	252,623
Total net assets	792,421	29,859,714	30,652,135
	General funds £	Endowment funds £	Total 2021 £
Fund balances at 31 December 2021			
are represented by:			
Tangible fixed assets	269,377	3,464,574	3,733,951
Investments	574,879	27,583,499	28,158,378
Net current assets	(117,137)	500,134	382,997
Total net assets	727,119	31,548,207	32,275,326

12 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the "Carpenters' Company Pension and Assurance Scheme" which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers' contribution rate was 28.3% of pensionable pay and the employees' contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2021 - £nil).

A triennial valuation was carried out as at 1 July 2021 and showed that the market value of the scheme's assets was £4,707,000 and that the ongoing funding level was 120%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- ◆ RPI 3.3% p.a.
- ◆ Earnings increases 5.0% p.a.
- ◆ Discount rate 3.9% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon a full actuarial valuation of the scheme as at 1 July 2021 updated to 30 June 2022 by a qualified independent actuary using FRS 102 guidelines and relates to the scheme as a whole.

	30 June 2022 £	30 June 2021 £
Total market value of assets	3,350,000	4,707,000
Present value of scheme liabilities	(3,473,000)	(4,128,000)
(Deficit)/ surplus in the scheme – net pension(liability)/asset	(123,000)	579,000

13 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- ◆ Building Crafts College: No. 312856
- ◆ Carpenters' Company Charitable Trust: No. 276996
- ◆ Norton Folgate Trust: No. 230990

General administrative expenses and salaries allocated from the Worshipful Company of Carpenters to the charity during the year amounted to £39,538 (2021 - £35,738). The balance due to the Worshipful Company of Carpenters at the year end was £20,303 (2021 - £17,928). Expenses of £1,600 (2021 - £335) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Other than the transactions stated above there were no other related party transactions during the year requiring disclosure.

RUSTINGTON CONVALESCENT HOME (CARPENTERS COMPANY)

England & Wales - Charity number 216865

Accounts

**Rustington
Convalescent
Home**

Annual Report and Accounts

31 December 2021

Charity Registration Number
216865

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Legal and administrative information

Trustee	The Worshipful Company of Carpenters
<i>Court members</i>	
The Master	Mr M J Morrison
Senior Warden	Brigadier M J Meardon
Middle Warden	Dr A Zimble
Junior Warden	Dr L D G Grossman
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr P A Luton
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Rev Dr W P P
	Mr H M Lancaster
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
	Mr M H W Neal
	Mr A M Gregory-Smith
	Mrs R F Bower
	His Hon P W Birts
Deputy Master	The Lord Flight, of Worcester
<i>Committee of Management</i>	
Chairman	Mr M H W Neal
	Rev Dr W P Povey
	Dr C N Birts
	Miss H M Bower
	Mr R H Eveleigh
	Mr M O P May
	Mr J W Preston
Ex-officio members	<i>The Master of the Company</i>
	Mr M J Morrison
	<i>The Junior Warden</i>
	Dr L D G Grossman
	<i>Treasurer</i>
	Mr M J Samuel
Secretary	Brigadier T J Gregson

Legal and administrative information

Home Manager	Mrs J Haynes
Registered address	Carpenters' Hall 1 Throgmorton Avenue London EC2N 2JJ
Home address	Sea Road Rustington Littlehampton BN16 2LZ
Charity registration number	216865
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

Trustee's report Year to 31 December 2021

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, Past Master of the Worshipful Company of Carpenters, and liberally endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission (CQC) as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

Trustee's report Year to 31 December 2021

Structure, governance and management (continued)

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management

Mr M H W Neal (Chairman from 4 August 2021)
Rev Dr W P Povey (Chairman until 4 August 2021)
Dr C N Birts
Miss H M Bower
Mr R H Eveleigh
Mr M O P May
Mr J W Preston

Ex officio members

Mr M J Morrison (Master)
Dr L D G Grossman (appointed 4 August 2021)
Dr A Zimble (resigned 4 August 2021)
Mr M J Samuel (Treasurer)

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2020 - £nil). Expenses of £335 (2020 - £194) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Financial Controller of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Structure, governance and management (continued)

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- ♦ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Structure, governance and management (continued)

Risk management (continued)

- ◆ The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. The new COVID policies are important for the protection of Service Users, Home staff, tradespeople and visitors to the Home. It should be noted that the Home's insurance company, in line with many insurance companies nationally, has withdrawn insurance cover for COVID-related issues other than for Employers' Liability Insurance. All policies have been externally reviewed.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 14 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit. This was amply demonstrated by the major upgrade of the Home in 2019 and its re-opening on 3 February 2020. With the onset of COVID-19 in March 2020, the Trustee had no alternative other than to agree to close the Home to new enquiries from Service Users from 20 March 2020. The Home was closed on 1 April 2020.

While the Home was closed, the staff were retained and a programme of training was implemented. This involved gaining expertise in using lateral flow tests and recording PCR test data. All staff were kept abreast of new policies drafted specifically for the pandemic. This was to prove invaluable as the lockdowns continued into 2021 and the Home headed for a partial opening. Staff were instructed in the use of PPE and handwashing, infection control and COVID swabbing. Training took place in the safeguarding of vulnerable adults, including discussing the relevant issues in the Mental Capacity and Equality and Diversity Acts. Health and Safety, fire safety and fire drills were all reviewed.

Trustee's report Year to 31 December 2021

Achievements and performance (continued)

In addition, the Home and its garden were fully maintained. Improvements to the Home's IT, computer system and Wi-Fi were also carried out.

The Home reopened on 1 June 2021 on the basis of 50% occupancy. This was considered to be a prudent level so that social distancing could be maintained in public areas. Testing of staff and Service Users continued unabated and the recording of test results has been meticulous. Inevitably, a few members of staff did record a positive result and the appropriate action was taken on each occasion with the result that there was no spread of COVID in the Home among staff or Service Users. As the virulence of COVID and its variants recedes and the lockdowns are suspended, it is hoped that the Home will be fully re-opened so that the newly modernised Home can be appreciated.

Care Quality Commission

Monthly virtual visits by members of the Committee of Management were held with the Home Manager by Zoom. Access to the Home was strictly only for staff members, essential maintenance contractors and Service Users who had tested negative for COVID. The last CQC inspection was carried out in June 2016. Julia Haynes has liaised with the Inspectorate since reopening but there has been no on-site visit during 2021.

Policies and Procedures

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as needed and/or legislation dictates.

The closure gave an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England have been introduced. All policies have been externally reviewed.

Staffing

Members of staff were retained under HM Government Coronavirus Job Retention Scheme until it ended on 30 September 2021 and were subsequently fully employed.

As described above, the staff have undertaken professional development training. All staff have been fully vaccinated.

Staffing remains buoyant and their commitment during the pandemic and the subsequent partial opening has been much appreciated by the Trustee.

Training

Mandatory training sessions are ongoing.

Maintenance

The Home clock and its tower are undergoing refurbishment. A programme of rainwater ingress prevention to all facades that face the prevailing wind is being considered and planned.

Achievements and performance (continued)

Buildings and land

It remains the intention of the Trustee to sell the land that is surplus to requirements on the north side of the Home. Negotiations are in progress with an interested party.

The Trustee considers that the newly upgraded facilities of the Home are for public benefit and have been substantially modernised so as to future-proof for care provision into the next decades.

Financial review

Total income for the year amounted to £915,068 (2020 - £871,767). Patient fee income was only £153,725 (2020 - £73,478) due to the temporary closure of the Home because of COVID-19 restrictions. Income from investments increased by £64,309 to £634,923 (2020 - £570,614). The Home also claimed £107,132 in furlough scheme grants (2020 - £221,829).

During the year the Home incurred charitable expenditure of £1,148,099 (2020 - £1,060,604), of which almost half related to staff costs.

Net expenditure for the year before investment gains and losses amounted to £390,159 (2020 - £334,718).

Realised and unrealised gains on listed investments amounted to £3,362,005 (2020 - £538,766) and there was an increase in the value of investment properties of £30,000 (2020 - £25,000) resulting in a net increase in funds of £3,001,846 (2020 - £229,048).

Financial position

The balance sheet shows total reserves of £32,275,326 (2020 - £29,273,480).

These include a permanent endowment fund of £31,548,207 (2020 - £28,582,460).

Of the unrestricted funds of £727,119, £269,377 (2020 - £316,022) is represented by tangible fixed assets. The designated maintenance fund of £282,000 as at 31 December 2020 was released in the year resulting in free reserves of £457,742 (2020 - £92,998).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £457,742 represents three months' expenditure and therefore is below the target level. However, with the implementation of a Total Return Policy for the charity's permanent endowment investments, additional reserves are available to supplement free reserves if necessary.

Trustee's report Year to 31 December 2021

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £27,203,398 (2020 - £24,069,020) which is managed by Newton Investment Management Limited. In addition it has investments of £444,980 (2020 - £668,347) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee.

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

The Trustee, by resolution and believing that this approach is in the best interests of the charity, adopted a total return approach to the listed investment endowment funds in accordance with the requirements of the Charity Commission. This approach was applied from 1 January 2021 when the value of the endowment funds at 31 December 2003 of £11,905,444 was used as a proxy for the original value of the endowment funds. In adopting this policy the listed investment permanent endowment funds will not be permitted to fall below the original value of £11,905,444. The original investment value is recorded in the balance sheet as the 'trust for investment' with subsequent realised and unrealised gains and undistributed income as 'unapplied total return'. The fund reconciliation is disclosed in note 7.

The charity also holds two investment properties which are used to generate rental income.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's responsibilities statement

The Trustee is responsible for preparing the Trustee's report and accounts 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 Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

Trustee's report Year to 31 December 2021

Trustee's responsibilities statement (continued)

- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is 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.

Approved by the Committee of Management and the Trustee and signed on their behalf on 6 April 2022 by:



M H W Neal

Chairman of the Committee of Management and Member of the Court

Independent auditor's report 31 December 2021

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure 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 accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Independent auditor's report 31 December 2021

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustee

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

In preparing the accounts, the Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- ♦ assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- ♦ reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- ♦ making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the financial statements and reviewing minutes for indications of non-compliance; and
- ♦ reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement within the accounts while performing our audit in accordance with applicable auditing standards. Irregularities may involve a collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent auditor's report 31 December 2021

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



Statement of financial activities 31 December 2021

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2021 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2020 funds £
Income from:							
Donations and legacies		19,219	—	19,219	4,975	—	4,975
Investment income	1	18,140	616,783	634,923	570,614	—	570,614
Charitable activities							
· Provision of convalescence care		153,725	—	153,725	73,478	—	73,478
Other income							
· Government grants		107,132	—	107,132	221,829	—	221,829
· Other income		69	—	69	871	—	871
Total income		298,285	616,783	915,068	871,767	—	871,767
Expenditure on:							
Cost of raising funds							
· Investment management fees		26,236	130,892	157,128	145,881	—	145,881
Charitable activities							
· Provision of convalescence care	2	1,079,367	68,732	1,148,099	992,741	67,863	1,060,604
Total expenditure		1,105,603	199,624	1,305,227	1,138,622	67,863	1,206,485
Net (expenditure) income before gains and losses on investments		(807,318)	417,159	(390,159)	(266,855)	(67,863)	(334,718)
Net gains on revaluation of investment properties	7	—	30,000	30,000	—	25,000	25,000
Net gains on listed investments	7	76,634	3,285,371	3,362,005	54,384	484,382	538,766
Net (expenditure) income for the year		(730,684)	3,732,530	3,001,846	(212,471)	441,519	229,048
Transfer between funds	7	766,783	(766,783)	—	—	—	—
Net movement in funds		36,099	2,965,747	3,001,846	(212,471)	441,519	229,048
Reconciliation of funds:							
Fund balances brought forward at 1 January 2021		691,020	28,582,460	29,273,480	903,491	28,140,941	29,044,432
Fund balances carried forward at 31 December 2021		727,119	31,548,207	32,275,326	691,020	28,582,460	29,273,480

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		3,733,951		3,843,850
Investments	7		28,158,378		25,217,367
			<u>31,892,329</u>		<u>29,061,217</u>
Current assets					
Debtors	8	259,856		265,643	
Cash at bank and in hand		246,791		80,368	
		<u>506,647</u>		<u>346,011</u>	
Liabilities					
Creditors: amounts falling due within one year	9	(123,650)		(133,748)	
Net current assets			382,997		212,263
Total net assets			<u>32,275,326</u>		<u>29,273,480</u>
The funds of the charity					
Capital funds:					
Endowment funds	10		31,548,207		28,582,460
Income funds:					
Unrestricted funds					
. General funds		727,119		409,020	
. Designated funds	11	—		282,000	
			<u>727,119</u>		<u>691,020</u>
Total charity funds			<u>32,275,326</u>		<u>29,273,480</u>

Approved by the Trustee on 6 April 2022 and signed on its behalf by:

M. H. W. Neal

M H W Neal
Chairman of the Committee of Management
and member of the Court

Statement of cash flows 31 December 2021

	Notes	2021 £	2020 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(889,622)	(903,741)
Cash inflow from investing activities:			
Dividends and interest from investments		616,783	577,351
Purchase of tangible fixed assets		(11,732)	(495,250)
Proceeds from the disposal of listed investments		4,062,641	5,062,232
Purchase of listed investments		(3,691,334)	(4,468,905)
Net cash provided by investing activities		976,358	675,428
Change in cash and cash equivalents in the year		86,736	(228,313)
Cash and cash equivalents at 1 January 2021	B	897,458	1,125,771
Cash and cash equivalents at 31 December 2021	B	984,194	897,458

Notes to the cash flow statement for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	3,001,846	229,048
Adjustments for:		
Depreciation charge	121,631	128,553
Gains on listed investments	(3,362,005)	(538,766)
Gains on investment properties	(30,000)	(25,000)
Dividends and interest from investments	(616,783)	(570,614)
Decrease (increase) in debtors	5,787	(23,174)
Decrease in creditors	(10,098)	(103,788)
Net cash used in operating activities	(889,622)	(903,741)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	246,791	80,368
Cash held by investment managers	737,403	817,090
Total cash and cash equivalents	984,194	897,458

C Reconciliation of net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash and cash equivalents	897,458	86,736	984,194

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2021 with comparative information presented for the year ended 31 December 2020.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared 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) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- ◆ the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- ◆ the fair value of investment properties; and
- ◆ property redevelopment costs treated as prepayments.

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts, including consideration of the impact of COVID-19 on the charity's operations and finances.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies 31 December 2021

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

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

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.

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income.

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Nursing, catering and domestic staff costs
 - ◇ Establishment costs, including depreciation
 - ◇ Maintenance of grounds
 - ◇ Administration costs i.e. costs of directly administering and supporting the Home's operations
 - ◇ Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2021

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- ♦ Freehold buildings 50 years
- ♦ Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 December 2021

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. The charity has adopted a total return approach to its permanent endowment listed investments and accordingly income and gains on these investments are added to the unapplied total return fund which is available for transfer to unrestricted funds, when required.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

Notes to the accounts 31 December 2021

1 Investment income

	Total 2021 £	Total 2020 £
Income from listed investments	616,783	561,618
Income from investment properties	18,140	8,996
Total funds	634,923	570,614

Following the implementation of the total return policy in the year (see note 7), All income from listed investments forms part of the permanent endowment fund in 2021. All investment income in 2020 and the income from investment properties in 2021 is unrestricted.

2 Provision of convalescence care

	Total 2021 £	Total 2020 £
Residential, nursing and establishment costs		
Staff costs	539,350	506,975
Catering	21,014	9,595
Pharmacy	—	184
Administration (including staff costs)	180,015	181,854
Establishment		
. Depreciation, rent, rates etc	193,860	191,225
. Cyclical maintenance	112,494	95,471
Grounds (including staff costs)	23,342	23,948
Worshipful Company of Carpenters expenses	35,738	23,652
Professional fees	22,626	7,780
Governance costs		
. Auditor's remuneration	19,660	19,920
Total funds	1,148,099	1,060,604

All expenditure in 2021 and 2020 was unrestricted except for depreciation of £68,731 (2020 - £67,863), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2021 £	2020 £
Staff costs (note 4)	640,046	605,535
Auditor's remuneration (including VAT)	19,660	19,920
Depreciation	121,631	128,553

4 Staff costs and Trustee's and Committee of Management remuneration

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	511,213	493,627
Social security costs	34,639	28,215
Other pension costs	51,477	51,897
Other staff costs	42,717	31,796
	640,046	605,535
Staff costs per function were as follows:		
Nursing	255,557	226,666
Administration	100,696	98,560
Catering and domestic	283,793	280,309
	640,046	605,535

No employees earned over £60,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2020 – none).

The average number of employees during the year analysed by function was as follows:

	2021 Average Number	2020 Average Number
Nursing	14	14
Administration	2	2
Catering and domestic	27	27
	43	43

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2020 - £nil). Expenses of £335 (2020 - £194) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £91,450 (2020 - £91,352). This includes relevant costs covered by the management charge from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2021

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 January 2021	467,000	3,431,134	452,941	4,351,075
Additions	—	5,477	6,255	11,732
At 31 December 2021	<u>467,000</u>	<u>3,436,611</u>	<u>459,196</u>	<u>4,362,807</u>
Depreciation				
At 1 January 2021	—	370,306	136,919	507,225
Charge for year	—	68,731	52,900	121,631
At 31 December 2021	<u>—</u>	<u>439,037</u>	<u>189,819</u>	<u>628,856</u>
Net book values				
At 31 December 2021	<u>467,000</u>	<u>2,997,574</u>	<u>269,377</u>	<u>3,733,951</u>
At 31 December 2020	<u>467,000</u>	<u>3,060,828</u>	<u>316,022</u>	<u>3,843,850</u>

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2021 fixed asset investments comprised:

	2021 £	2020 £
Freehold investment property	510,000	480,000
Listed investments and cash held for re-investment	<u>27,648,378</u>	<u>24,737,367</u>
	<u>28,158,378</u>	<u>25,217,367</u>
	2021 £	2020 £
Freehold investment property		
Market value at 1 January 2021	480,000	455,000
Gain on revaluation	<u>30,000</u>	<u>25,000</u>
Market value at 31 December 2021	<u>510,000</u>	<u>480,000</u>

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

Notes to the accounts 31 December 2021

7 Investments (continued)

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	23,920,277	23,974,838
Additions at cost	3,691,334	4,468,905
Disposals at book value (proceeds: £4,062,641, gains: £117,290)	(3,945,351)	(5,172,856)
Net unrealised investment gains	3,244,715	649,390
Market value at 31 December 2021	26,910,975	23,920,277
Cash held by investment managers for re-investment	737,403	817,090
	27,648,378	24,737,367
Cost of listed investments at 31 December 2021	17,292,480	17,186,368

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	Total £
At 1 January 2021			
. Base value of the permanent endowment	11,905,444	—	11,905,444
. Unapplied total return	—	12,163,576	12,163,576
Total	11,905,444	12,163,576	24,069,020
Movements during the year:			
. Investment income		616,783	616,783
. Investment managers fees		(130,892)	(130,892)
. Realised and unrealised gains		3,285,371	3,285,371
		15,934,838	27,840,282
Extraction of income from total return		(766,783)	(766,783)
At 31 December 2021	11,905,444	15,168,055	27,073,499

When adopting total applied return with effect from 1 January 2021, in the absence of reliable records of the original donations, the Trustee considered that the market values of the investments as recorded as at 31 December 2003 were appropriate to be considered as the initial value of the trust for investment. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual original donations was considered to be prudent.

During the year, a transfer of £766,783 was made from the unapplied total return to unrestricted funds.

Notes to the accounts 31 December 2021

8 Debtors

	2021 £	2020 £
Patient debtors	7,457	—
Prepayments and accrued income	219,313	235,939
Other debtors	33,086	29,704
	259,856	265,643

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,228	7,178
Other creditors	20,795	54,326
Accruals	71,699	54,379
Amounts due to the Worshipful Company of Carpenters (note 14)	17,928	17,865
	123,650	133,748

10 Endowment funds

The funds of the charity include permanently endowed funds which were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Designated fund

The income funds of the charity included a designated fund which had been set aside out of unrestricted funds by the Trustee to provide for building maintenance expenditure. This was fully released to the general fund in 2021.

12 Analysis of net assets between funds

	General funds £	Endowment funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	269,377	3,464,574	3,733,951
Investments	574,879	27,583,499	28,158,378
Net current assets	(117,137)	500,134	382,997
Total net assets	727,119	31,548,207	32,275,326

12 Analysis of net assets between funds (continued)

	General funds £	Designated funds £	Endowment funds £	Total 2020 £
<i>Fund balances at 31 December 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	316,022	—	3,527,828	3,843,850
<i>Investments</i>	668,347	—	24,549,020	25,217,367
<i>Net current (liabilities) assets</i>	(575,349)	282,000	505,612	212,263
<i>Total net assets</i>	<u>409,020</u>	<u>282,000</u>	<u>28,582,460</u>	<u>29,273,480</u>

13 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the "Carpenters' Company Pension and Assurance Scheme" which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers' contribution rate was 28.3% of pensionable pay and the employees' contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2020 - £nil).

A triennial valuation was carried out as at 1 July 2018 and showed that the market value of the scheme's assets was £5,006,000 and that the ongoing funding level was 124%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- ◆ RPI 3.1% p.a.
- ◆ Earnings increases 3.1% p.a.
- ◆ Discount rate 2.6% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon a full actuarial valuation of the scheme as at 1 July 2018 updated to 30 June 2021 by a qualified independent actuary using FRS 102 guidelines and relates to the scheme as a whole.

13 Pension commitments (continued)

	30 June 2021 £	30 June 2020 £
Total market value of assets	4,707,000	4,467,000
Present value of scheme liabilities	(4,128,000)	(4,747,000)
Surplus/(deficit) in the scheme – net pension asset/(liability)	579,000	(280,000)

14 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- ◆ Building Crafts College: No. 312856
- ◆ Carpenters' Company Charitable Trust: No. 276996
- ◆ Norton Folgate Trust: No. 230990

General administrative expenses and salaries recharged by the Worshipful Company of Carpenters to the charity during the year amounted to £35,738 (2020 - £23,652). The balance due to the Worshipful Company of Carpenters at the year end was £17,928 (2020 - £17,865). Expenses of £335 (2020 - £194) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Other than the transactions stated above there were no other related party transactions during the year requiring disclosure.

RUSTINGTON CONVALESCENT HOME (CARPENTERS COMPANY)

England & Wales - Charity number 216865

Accounts

**Rustington
Convalescent
Home**

Annual Report and Accounts

31 December 2020

Charity Registration Number
216865

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Legal and administrative information

Trustee	The Worshipful Company of Carpenters
<i>Court members</i>	
The Master	Mr M Morrison
Senior Warden	Brigadier M J Meardon
Middle Warden	Dr A Zimblar
Junior Warden	Dr L D G Grossman (appointed 22 September 2020)
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr P A Luton
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Rev Dr W P Povey
	Mr H M Lancaster
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
	Mr M H W Neal
	Mr A M Gregory-Smith
	Mrs R Bower
	His Hon P W Birts QC
Deputy Master	The Lord Flight, of Worcester
<i>Committee of Management</i>	
Chairman	Rev Dr W P Povey
	Dr C N Birts
	Miss H M Bower
	Mr R H Eveleigh
	Mr M O P May
	Mr J W Preston
	Mr M H W Neal
Ex-officio members	<i>The Master of the Company</i>
	Mr M Morrison
	<i>The Junior Warden</i>
	Dr L D G Grossman
	<i>Treasurer</i>
	Mr M J Samuel
Secretary	Brigadier T J Gregson MBE
Home Manager	Mrs J Haynes

Legal and administrative information

Registered address	Carpenters' Hall 1 Throgmorton Avenue London EC2N 2JJ
Home address	Sea Road Rustington Littlehampton BN16 2LZ
Charity registration number	216865
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

Trustee's report Year to 31 December 2020

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, Past Master of the Worshipful Company of Carpenters, and liberally endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

Trustee's report Year to 31 December 2020

Structure, governance and management (continued)

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management	Appointed/resigned
Rev Dr W P Povey (Chairman)	
Dr C N Birts	
Miss H M Bower	
Mr R H Eveleigh	
Mr M O P May	
Mr J W Preston	
Mr M H W Neal	
<i>Ex officio members</i>	
Mr M Morrison	Appointed 22 September 2020
The Lord Flight, of Worcester	Resigned 22 September 2020
Dr L D G Grossman	Appointed 22 September 2020
Dr A Zimble	Resigned 22 September 2020
Mr M J Samuel (Treasurer)	

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2019 - £nil). Expenses of £194 (2019 - £1,469) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Financial Controller of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Structure, governance and management (continued)

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Structure, governance and management (continued)

Risk management (continued)

- ◆ The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. The new COVID policies are important for the protection of Service Users, Home staff, tradespeople and visitors to the Home. It should be noted that the Home's insurance company, in line with many insurance companies nationally, has withdrawn insurance cover for COVID-related issues other than for Employers' Liability Insurance. All policies have been externally reviewed.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 14 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit. In the furtherance of that public benefit, it undertook a major upgrade of the Home, the detail of which appeared in the Trustee's Annual Report for the year ended 31 December 2019. Having received the Home back from the contractors in mid-December 2019, the Home was made ready in early 2020 for the reception of Service Users. A Newsletter, prepared by the Home's marketing advisers, was circulated widely to encourage potential Service Users to book a convalescent or respite stay, and the Home re-opened fully on 3 February 2020.

Achievements and performance (continued)

However, by this date, cases of infection with the novel coronavirus SARS-CoV-2 which causes the coronavirus disease COVID-19, first identified in the Chinese city of Wuhan in late 2019, were identified in the United Kingdom. By 15 March, the number of confirmed cases in the UK exceeded 100 with a first fatality reported. As days went by, the COVID-19 situation deteriorated, cases escalated, fatalities increased. Non-emergency surgery ceased in most National Health Service hospitals to enable them to cope with the surge of COVID patients, and the NHS commandeered many private hospitals to give COVID support. The World Health Organisation declared the international COVID situation a pandemic. Consequently, there was no call for post-operative convalescence, so Service User numbers plummeted. The Trustee determined that, with a deadly virus sweeping the community, in the light of emerging Government policy and medical advice, it was no longer tenable to admit new Service Users. The last post-operative Service Users were admitted on 20 March, and the Home was closed on 1 April, when they had completed their stay. The UK steadily moved into a lockdown position, and the Home has remained closed.

Notwithstanding these vicissitudes, at the appropriate moment the Trustee will re-open the Home, and despite the reduction of both Service User and investment income, the Trustee is of the opinion that the charity continues to be a going concern. Recognising the pressure on income, towards the end of 2020 it commenced a process of consultation with professional advisers regarding introducing a Total Return Policy for the Trust's investment portfolio, in accordance with the Charity Commission's published permissive Advice of 1 November 2013.

Care Quality Commission

The Home had an unannounced inspection from the Care Quality Commission on 2 and 8 June 2016. The Home was rated overall 'Good' in all five areas reviewed by the Commission's inspectors, and the Commission's report, published 24 August 2016, identified elements that are described as 'Outstanding'. We also maintained our Environmental Health Food Hygiene rating of 5 again following the inspection in January 2020.

Policies and Procedures

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as is needed and and/or legislation dictates.

The closure has given an opportunity to review, modify and improve the Home's operational policies. New COVID policies, shaped by advice from Public Health England, have been introduced. All policies have been externally reviewed.

Staffing

During the closure, all members of staff have been retained, with up to 39 staff being fully or flexibly furloughed under the HM Government COVID furlough scheme, continuing until the Home reopens. Some staff left during the year and there are now 38 members of staff, excluding bank staff.

Achievements and performance (continued)

Staffing (continued)

All staff have undertaken continued professional development training, externally moderated, during the closure of the Home. All Home staff and visiting specialists have had a first injection of one of the approved COVID vaccines, and are programmed to have a booster injection by the end of April 2021.

Staffing remains stable and their commitment to the Home is much appreciated by the Trustee.

Training

Mandatory training sessions are ongoing. All care staff bar one hold a National Vocational Qualification (NVQ) in Care at level 2 or 3.

Maintenance

All curtains were cleaned and new blinds purchased before the Home was reopened in early 2020. New furniture was purchased for the new rooms. The car park and terrace were resurfaced with a ramp installed and a new bike shelter was built. Fencing was improved.

Buildings and land

Various items of maintenance of the Home have been completed during the closure. Snagging after the major upgrade continues, with some outstanding issues involving discussion with the contractor.

Early in 2021, the Home's Surveyor identified building issues in the Clock Tower and the Activities Room, and these will be investigated further with a view to remediation. This is expected to be costly.

The Lodge and Lodge Flat, following restoration, are now tenanted.

It remains the intention of the Trustee to sell the land surplus to the requirements of the Home for a housing development, in accordance with the extant Arun District Council planning consent.

The Trustee considers that the facilities of the Home, for the public benefit, have been substantially boosted so as to future-proof for care provision into the next decades.

Financial review

Total income for the year amounted to £871,767 (2019 - £719,662). Patient fee income was only £73,478 (2019 - £1,563) due to the temporary closure of the Home because of COVID-19 restrictions. In 2019, patient income was even lower due to the temporary closure of the Home for refurbishment works. Income from investments decreased by £143,246 to £570,614 (2019 - £713,860). The Home also claimed £221,829 in furlough scheme grants (2019 – nil).

During the year the Home incurred charitable expenditure of £1,062,036 (2019 - £943,855), of which over half related to staff costs.

Trustee's report Year to 31 December 2020

Financial review (continued)

Net expenditure for the year before investment gains and losses amounted to £334,718 (2019 - £371,796).

Realised and unrealised gains on listed investments amounted to £538,766 (2019 - £3,429,486) and there was an increase in the value of investment properties of £25,000 (2019 – a decrease of £15,000) resulting in a net increase in funds of £229,048 (2019 - £3,042,690).

Financial position

The balance sheet shows total reserves of £29,273,480 (2019 - £29,044,432).

These include a permanent endowment fund of £28,582,460 (2019 - £28,140,941). The income therefrom can be used for the general purposes of the charity and is credited to unrestricted funds.

Of the unrestricted funds, £282,000 (2019 - £282,000) has been designated, or set aside, for building maintenance purposes. A further £316,022 (2019 - £114,076) is represented by tangible fixed assets, leaving free reserves of £92,998 (2019 - £507,415).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £92,998 represents one month's expenditure and therefore is below the target level. The Trustee has commenced a process of consultation with professional advisers regarding introducing a Total Return Policy for the charity's permanently endowment investments.

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £24,069,020 (2019 - £23,583,476) which is managed by Newton Investment Management Limited. In addition it has investments of £668,347 (2019 - £988,962) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee. The investment manager's objective for 2020 was to provide a yield of £650,000 (2019 - £650,000) whilst maintaining the capital value in real terms.

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

The charity also holds two investment properties which are used to generate rental income. They had been vacant since February 2018 due to adjacent building work, but were re-let in July 2020.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's report Year to 31 December 2020

Future plans and post balance sheet events

With the publication of HM Government's Roadmap for the re-opening of England after the current 2021 lockdown, the Trustee will carefully monitor prevalent infection rates and the fulfilment of the promulgated stage dates to arrive at a decision as to when to safely re-open the Home. This will trigger further marketing of the Home.

Trustee's responsibilities statement

The Trustee is responsible for preparing the Trustee's report and accounts 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 Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is 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.

Approved by the Committee of Management and the Trustee and signed on their behalf on 7 April 2021 by:



W P Povey

Chairman of the Committee of Management and Member of the Court

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure 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 accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustee

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

In preparing the accounts, the Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- ◆ assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- ◆ reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- ◆ making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the financial statements and reviewing minutes for indications of non-compliance; and
- ◆ reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement within the accounts while performing our audit in accordance with applicable auditing standards. Irregularities may involve a collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent auditor's report 31 December 2020

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 April 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities 31 December 2020

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2020 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2019 funds £
Income from:							
Donations and legacies		4,975	—	4,975	3,853	—	3,853
Investment income	1	570,614	—	570,614	713,860	—	713,860
Charitable activities							
. Provision of convalescence care		73,478	—	73,478	1,564	—	1,564
Other income							
. Government grants		221,829	—	221,829	—	—	—
. Other income		871	—	871	385	—	385
Total income		871,767	—	871,767	719,662	—	719,662
Expenditure on:							
Cost of raising funds							
. Investment management fees		145,881	—	145,881	147,603	—	147,603
Charitable activities							
. Provision of convalescence care	2	992,741	67,863	1,060,604	927,855	16,000	943,855
Total expenditure		1,138,622	67,863	1,206,485	1,075,458	16,000	1,091,458
Net expenditure before gains and losses on investments		(266,855)	(67,863)	(334,718)	(355,796)	(16,000)	(371,796)
Net gains (losses) on revaluation of investment properties	7	—	25,000	25,000	—	(15,000)	(15,000)
Net gains on listed investments	7	54,384	484,382	538,766	175,976	3,253,510	3,429,486
Net (expenditure) income and net movement in funds for the year		(212,471)	441,519	229,048	(179,820)	3,222,510	3,042,690
Reconciliation of funds:							
Fund balances brought forward at 1 January 2020		903,491	28,140,941	29,044,432	1,083,311	24,918,431	26,001,742
Fund balances carried forward at 31 December 2020		691,020	28,582,460	29,273,480	903,491	28,140,941	29,044,432

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	6		3,843,850		3,589,153
Investments	7		<u>25,217,367</u>		<u>25,027,438</u>
			29,061,217		28,616,591
Current assets					
Debtors	8	265,643		249,206	
Cash at bank and in hand		<u>80,368</u>		<u>528,171</u>	
		346,011		777,377	
Liabilities					
Creditors: amounts falling due within one year	9	<u>(133,748)</u>		<u>(349,536)</u>	
Net current assets			212,263		427,841
Total net assets			<u>29,273,480</u>		<u>29,044,432</u>
The funds of the charity					
Capital funds:					
Endowment funds	10		28,582,460		28,140,941
Income funds:					
Unrestricted funds					
. General funds		409,020		621,491	
. Designated funds	11	<u>282,000</u>		<u>282,000</u>	
			691,020		903,491
Total charity funds			<u>29,273,480</u>		<u>29,044,432</u>

Approved by the Trustee on 7 April 2021 and signed on its behalf by:



W P Povey
Chairman of the Committee of Management
and member of the Court

Statement of cash flows 31 December 2020

	Notes	2020 £	2019 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(903,741)	(867,816)
Cash inflow from investing activities:			
Dividends and interest from investments		577,351	713,860
Purchase of tangible fixed assets		(495,250)	(2,412,304)
Proceeds from the disposal of listed investments		5,062,232	3,194,973
Purchase of listed investments		(4,468,905)	(2,319,502)
Net cash provided by (used in) investing activities		675,428	(822,973)
Change in cash and cash equivalents in the year		(228,313)	(1,690,789)
Cash and cash equivalents at 1 January 2020	B	1,125,771	2,816,560
Cash and cash equivalents at 31 December 2020	B	897,458	1,125,771

Notes to the cash flow statement for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	229,048	3,042,690
Adjustments for:		
Depreciation charge	128,553	47,770
Gains on listed investments	(538,766)	(3,429,486)
(Gains) losses on investment properties	(25,000)	15,000
Dividends and interest from investments	(570,614)	(713,860)
(Increase) decrease in debtors	(23,174)	191,916
Decrease in creditors	(103,788)	(21,846)
Net cash used in operating activities	(903,741)	(867,816)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	80,368	528,171
Cash held by investment managers	817,090	597,600
Total cash and cash equivalents	897,458	1,125,771

C Reconciliation of net funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash and cash equivalents	1,125,771	(228,313)	897,458

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparative information presented for the year ended 31 December 2019.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared 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) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- ◆ the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- ◆ the fair value of investment properties;
- ◆ property redevelopment costs treated as prepayments; and
- ◆ the Trustee's assessment of the appropriateness of the going concern assumption (see below).

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts, including consideration of the impact of COVID-19 on the charity's operations and finances. The key assumption is that the Home will reopen in June 2021.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

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

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.

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income.

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Nursing, catering and domestic staff costs
 - ◇ Establishment costs, including depreciation
 - ◇ Maintenance of grounds
 - ◇ Administration costs i.e. costs of directly administering and supporting the Home's operations
 - ◇ Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2020

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- ♦ Freehold buildings 50 years
- ♦ Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 December 2020

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

Notes to the accounts 31 December 2020

1 Investment income

	Total 2020 £	Total 2019 £
Income from listed investments	561,618	713,860
Income from investment properties	8,996	—
2020 total funds	570,614	713,860

2 Provision of convalescence care

	Total 2020 £	Total 2019 £
Residential, nursing and establishment costs		
Staff costs	506,975	590,524
Catering	9,595	319
Pharmacy	184	—
Administration (including staff costs)	181,854	126,872
Establishment		
. Depreciation, rent, rates etc	191,225	93,088
. Cyclical maintenance	95,471	42,395
Grounds (including staff costs)	23,948	24,059
Carpenters' Company expenses	23,652	43,744
Professional fees	7,780	5,664
Governance costs		
. Auditor's remuneration	19,920	17,190
2020 total funds	1,060,604	943,855

All expenditure in 2020 and 2019 was unrestricted except for depreciation of £67,863 (2019 - £16,000), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2020 £	2019 £
Staff costs (note 4)	605,535	665,397
Auditor's remuneration (including VAT)	19,920	17,190
Depreciation	128,553	47,770

4 Staff costs and Trustee's and Committee of Management remuneration

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	493,627	542,630
Social security costs	28,215	34,272
Other pension costs	51,897	58,964
Other staff costs	31,796	29,531
	605,535	665,397
Staff costs per function were as follows:		
Nursing	226,666	286,652
Administration	98,560	74,873
Catering and domestic	280,309	303,872
	605,535	665,397

No employee earned over £60,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2019 – none).

The average number of employees during the year analysed by function was as follows:

	2020 Average Number	2019 Average Number
Nursing	14	15
Administration	2	1
Catering and domestic	27	26
	43	42

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2019 - £nil). Expenses of £194 (2019 - £1,469) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £91,352 (2019 - £97,705). This includes relevant costs covered by the management charge from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Refurbish- ment project £	Furniture, fixtures and fittings £	Total £
Cost					
At 1 January 2020	467,000	773,263	2,537,257	369,351	4,146,871
Additions	—	—	358,257	24,993	383,250
Transfers	—	2,657,871	(2,895,514)	237,643	—
Disposals	—	—	—	(179,046)	(179,046)
At 31 December 2020	467,000	3,431,134	—	452,941	4,351,075
Depreciation					
At 1 January 2020	—	302,443	—	255,275	557,718
Charge for year	—	67,863	—	60,690	128,553
Disposals	—	—	—	(179,046)	(179,046)
At 31 December 2020	—	370,306	—	136,919	507,225
Net book values					
At 31 December 2020	467,000	3,060,828	—	316,022	3,843,850
At 31 December 2019	467,000	470,820	2,537,257	114,076	3,589,153

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2020 fixed asset investments comprised:

	2020 £	2019 £
Freehold investment property	480,000	455,000
Listed investments and cash held for re-investment	24,737,367	24,572,438
	25,217,367	25,027,438
	2020 £	2019 £
Freehold investment property		
Market value at 1 January 2020	455,000	470,000
Gain (loss) on revaluation	25,000	(15,000)
Market value at 31 December 2020	480,000	455,000

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

Notes to the accounts 31 December 2020

7 Investments (continued)

	2020 £	2019 £
Listed investments		
Market value at 1 January 2020	23,974,838	21,420,823
Additions at cost	4,468,905	2,319,502
Disposals at book value (proceeds: £5,062,232 losses: £110,624)	(5,172,856)	(2,955,536)
Net unrealised investment gains	649,390	3,190,049
Market value at 31 December 2020	23,920,277	23,974,838
Cash held by investment managers for re-investment	817,090	597,600
	24,737,367	24,572,438
Cost of listed investments at 31 December 2020	17,186,368	16,518,596

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
Unit trusts	1,534,623	1,885,634
Corporate loan stock	417,762	997,626
Equities	19,945,060	19,247,692
Government stock	2,022,832	1,843,886
	23,920,277	23,974,838

	2020 £	2019 £
UK investments	12,171,108	11,899,724
Overseas investments	11,749,169	12,075,114
	23,920,277	23,974,838

8 Debtors

	2020 £	2019 £
Prepayments and accrued income	265,643	249,206
	265,643	249,206

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,178	92,128
Other creditors	54,326	170,116
Accruals	54,379	63,944
Amounts due to the Worshipful Company of Carpenters (note 14)	17,865	23,348
	133,748	349,536

10 Endowment funds

The capital funds of the charity include endowed monies which must be retained indefinitely.

	At 1 January 2020 £	Expenditure £	Investment gains £	At 31 December 2020 £
Permanent endowment funds	28,140,941	(67,863)	509,382	28,582,460

	At 1 January 2019 £	Expenditure £	Investment gains £	At 31 December 2019 £
Permanent endowment funds	24,918,431	(16,000)	3,238,510	28,140,941

The funds were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Designated fund

The income funds of the charity comprise a designated fund which has been set aside out of unrestricted funds by the Trustee to provide for building maintenance expenditure.

12 Analysis of net assets between funds

	General funds £	Designated funds £	Endowment funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	316,022	—	3,527,828	3,843,850
Investments	668,347	—	24,549,020	25,217,367
Net current (liabilities) assets	(575,349)	282,000	505,612	212,263
Total net assets	409,020	282,000	28,582,460	29,273,480
	General funds £	Designated funds £	Endowment funds £	Total 2019 £
<i>Fund balances at 31 December 2019 are represented by:</i>				
Tangible fixed assets	114,076	—	3,475,077	3,589,153
Investments	973,962	—	24,053,476	25,027,438
Net current (liabilities) assets	(466,547)	282,000	612,388	427,841
Total net assets	621,491	282,000	28,140,941	29,044,432

13 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the “Carpenters’ Company Pension and Assurance Scheme” which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers’ contribution rate was 28.3% of pensionable pay and the employees’ contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2019 - £771).

A triennial valuation was carried out as at 1 July 2018 and showed that the market value of the scheme’s assets was £5,006,000 and that the ongoing funding level was 124%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- ♦ RPI 3.1% p.a.
- ♦ Earnings increases 3.1% p.a.
- ♦ Discount rate 2.6% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon a full actuarial valuation of the scheme as at 1 July 2018 updated to 30 June 2020 by a qualified independent actuary using FRS 102 guidelines and relates to the scheme as a whole.

	30 June 2020 £	30 June 2019 £
Total market value of assets	4,467,000	4,944,000
Present value of scheme liabilities	(4,747,000)	(4,591,000)
(Deficit) surplus in the scheme – net pension (liability) asset	(280,000)	353,000

14 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- ◆ Building Crafts College: No. 312856
- ◆ Carpenters' Company Charitable Trust: No. 276996
- ◆ Norton Folgate Trust: No. 230990

General administrative expenses and salaries recharged by the Worshipful Company of Carpenters to the charity during the year amounted to £23,652 (2019 - £43,744). The balance due to the Worshipful Company of Carpenters at the year end was £17,865 (2019 - £23,348). Expenses of £194 (2019 - £1,469) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Other than those transactions stated above there were no other related party transactions during the year requiring disclosure.

15 Capital commitments

At 31 December 2020, the charity had no unaccrued capital commitments in relation to the refurbishment of the Home (2019 - £409,000).