

**HONEYWOOD HOUSE NURSING HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

HONEYWOOD HOUSE NURSING HOME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

S M White
V A White
P R Johnson (Retired Policeman)
I G Blackwell
D White

Charity number 221746

Principal address

Honeywood House
Horsham Road
Rowhook
Horsham
West Sussex
England
RH12 3QD

Auditor

Anova
The Barn, Meadow Court
Faygate Lane
Faygate
Horsham
West Sussex
RH12 4SJ

Bankers

National Westminster Bank Plc
77 High Street
Goldaming
Surrey
GU7 1AR

Solicitors

DMH Stallard LLP
1st Floor Womersley House
The Guildway
Old Portsmouth Road
Guildford
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HONEYWOOD HOUSE NURSING HOME

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HONEYWOOD HOUSE NURSING HOME

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JANUARY 2022

The trustees present their annual report and financial statements for the year ended 31 January 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, 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) (effective 1 January 2019)".

Objectives and activities

The objectives of the charity, which have been applied during the year, are set out in the Trust Deed. Such objectives require the trustees to apply the property, Honeywood House, as a nursing home for the members of the public requiring long or short term care.

It is the overall philosophy of Honeywood House that each resident should be viewed as an individual with basic rights of privacy, dignity and respect. The aims of the nursing care are - to endeavour to provide a homely, caring, safe and tranquil environment - to implement and maintain a planned approach to nursing care where emphasis is placed on the promotion of independence wherever possible, but able to identify self-care deficits when they arise. It is the Home's responsibility to prepare and encourage genuine teamwork within this multi-disciplinary setting. Finally, the importance of maintaining a quality of living and all that can be done to help until life's end is recognised. The trustees are required to levy a charge for the provision of such services of an amount, which they in their absolute discretion consider fair and reasonable.

The accommodation is full board and welfare facilities such as a library, general shopping, hairdressing, chiropody, physiotherapy, visiting optician and dentist and personal laundry are provided. A communion service is held monthly. Musical entertainment, Pantomimes, Magicians & animal Therapy is provided on a regular basis. A fulltime activity Co-Ordinator & her team are also employed to deliver activities & outings In-House daily.

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

Achievements and performance

The charity's philosophy of providing a high standard of nursing care and kind attention according to its objectives was continued throughout the year. This has enabled the Nursing Home to maintain an excellent reputation within the community.

The Home has continued its registered membership with the Care Quality Commission (CQC), the National Care Homes Association (NCHA) and the West Sussex Partners in Care (WSPiC).

The Home continues its association with Citation and Quality Compliance System (QCS) with regard to policies and procedures for Health & Safety & Employment Law.

Staff are continually kept up to date on Health and Safety, Moving and Handling, Protection of Vulnerable Adults, Fire Safety, Wound Care, Infection Control, First Aid & Care of the Dying, Equality & Diversity, Diet & Nutrition, MCA & DOLS, Dementia, Medication and Data Protection & Governance. They receive tuition from professional trainers in-house and on-line training is available from Gateway, Laser and Citation e-courses. We continue to use Crawley College for Health & Social care training and all new Health Care Assistants complete the Care Certificate.

The trustees have ensured that Honeywood House continues to be maintained to the highest standard, and in the year to 31 January 2022 and in the forthcoming year, the nursing home continues to be upgraded and maintained inside and outside with various refurbishment having taken place last year. Bedrooms continue to be refurbished as they become vacant ready for new residents.

HONEYWOOD HOUSE NURSING HOME

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Current year achievements include:

- Installation of a new hot water system to supply rooms 1,1A, 2, rear toilet block and office.
- Acquisition of a garden building for use as an In-House charity shop.
- New PVC double glazed windows in room 10.
- Acquisition of an air conditioning unit for room 4.
- New fridge purchased for the Pantry & a Heated Trolley for the kitchen plus additional storage racking to kitchen cellar.
- Purchase of a new sit on Mower for the upkeep of the grounds.
- Lounge area re-carpeted.

There is an on-going refurbishment plan to continue in making the Home a better place with further works planned for the coming year.

Various fundraising events continue to help the running of the minibus and outings for our residents.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The total income receivable from residents amounts to £1,541,749 (2021 - £1,431,032). Resident's occupancy numbers increased in the year.

The total expenditure in the year reduced by 4.9% (2021 - 11.6% increase). Trustee, staff and agency cost account for 64.6% (2021 - 76.2%) of total charity expenditure. Food, provisions, medical and patient care consumables also account for 5.8% (2021 - 6.8%) of total charity expenditure.

The surplus for the year was £152,763 compared to a deficit in 2021 of £20,261.

At the balance sheet date, general funds held amounted to £223,696 (2021 - £70,933).

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees are continuing to explore possible options to develop a brownfield site within the grounds of the property in order to provide cash funds in the future.

Structure, governance and management

The charity is governed by its Trust Deed dated 1st December 1959.

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

S M White

V A White

P R Johnson (Retired Policeman)

I G Blackwell

D White

Appointment of trustees is governed by the Trust Deed. The board of trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. Suitable candidates would be interviewed and a training course would be made available.

None of the trustees has any beneficial interest in the charity. All of the trustees are members of the charity and guarantee to contribute £1 in the event of a winding up.

HONEYWOOD HOUSE NURSING HOME

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

The trustees of the charity are legally responsible for the overall management and control of the nursing home. The day to day running of the nursing home is delegated to the full-time registered manager Ivy Blackwell, and the general manager Sandra White, who are supported by fully trained nursing staff on duty 24 hours a day and domestic and maintenance staff. Weekly visits are made by a doctor and physiotherapist.

Statement of trustees' responsibilities

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

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

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

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

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

The trustees' report was approved by the Board of Trustees.

I G Blackwell

Trustee

Dated: 29 November 2022

HONEYWOOD HOUSE NURSING HOME

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

Opinion

We have audited the financial statements of Honeywood House Nursing Home (the 'charity') for the year ended 31 January 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

HONEYWOOD HOUSE NURSING HOME

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - b) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - c) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - d) the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in. The key laws and regulations we considered in this context included the Care Quality Commission, Charities Act 2011, Charities SORP and employment legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

HONEYWOOD HOUSE NURSING HOME

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with the Care Quality Commission and other regulatory bodies, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

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

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Cleghorn FCA BSc (Hons) (Senior Statutory Auditor)
for and on behalf of Anova

29 November 2022

Chartered Accountants
Statutory Auditor

The Barn, Meadow Court
Faygate Lane
Faygate
Horsham
West Sussex
RH12 4SJ

Anova is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HONEYWOOD HOUSE NURSING HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
	Notes								
<u>Income and endowments from:</u>									
Donations and legacies	3	6,213	-	-	6,213	28,621	-	-	28,621
Charitable activities	4	1,541,749	-	-	1,541,749	1,431,032	-	-	1,431,032
Other trading activities	5	400	-	-	400	245	-	-	245
Investments	6	23	-	-	23	63	-	-	63
Other income	7	62,546	-	-	62,546	38,938	-	-	38,938
Total income		1,610,931	-	-	1,610,931	1,498,899	-	-	1,498,899
<u>Expenditure on:</u>									
Raising funds	8	1,041,648	-	-	1,041,648	1,161,120	-	-	1,161,120
Charitable activities	10	416,520	-	-	416,520	373,040	-	-	373,040
Total resources expended		1,458,168	-	-	1,458,168	1,534,160	-	-	1,534,160
Net incoming/(outgoing) resources		152,763	-	-	152,763	(35,261)	-	-	(35,261)
<u>Other recognised gains and losses</u>									
Revaluation of tangible fixed assets		-	-	-	-	-	15,000	-	15,000
Net movement in funds		152,763	-	-	152,763	(35,261)	15,000	-	(20,261)
Fund balances at 1 February 2021		70,933	1,400,000	1,000,000	2,470,933	106,194	1,385,000	1,000,000	2,491,194
Fund balances at 31 January 2022		223,696	1,400,000	1,000,000	2,623,696	70,933	1,400,000	1,000,000	2,470,933

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

HONEYWOOD HOUSE NURSING HOME

BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		2,513,343		2,513,981
Current assets					
Stocks	15	3,202		2,692	
Debtors	16	46,031		69,714	
Cash at bank and in hand		283,788		155,845	
			333,021		228,251
Creditors: amounts falling due within one year	17	(222,668)		(271,299)	
Net current assets/(liabilities)			110,353		(43,048)
Total assets less current liabilities			2,623,696		2,470,933
Capital funds					
Endowment funds - general	19		1,000,000		1,000,000
Income funds					
General restricted funds		1,400,000		1,385,000	
Revaluation reserve		-		15,000	
	20		1,400,000		1,400,000
Unrestricted funds			223,696		70,933
			2,623,696		2,470,933

The financial statements were approved by the Trustees on 29 November 2022

I G Blackwell
Trustee

HONEYWOOD HOUSE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24		161,881		106,182
Investing activities					
Purchase of tangible fixed assets		(33,961)		(40,546)	
Investment income received		23		63	
Net cash used in investing activities			(33,938)		(40,483)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			127,943		65,699
Cash and cash equivalents at beginning of year			155,845		90,146
Cash and cash equivalents at end of year			283,788		155,845

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Charity information

Honeywood House Nursing Home is an unincorporated charity. The principal address is Rowhook, Horsham, West Sussex, RH12 3QD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

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

Impact of COVID-19

The COVID-19 pandemic resulted in severe disruption to the trading and investment environment in the UK and globally commencing March 2020. Care homes have been particularly impacted by the pandemic due to the vulnerability of their residents. The charity has taken the necessary steps to protect its residents and staff (such as restricting access to visitors and providing 'COVID safe' areas and PPE for staff) and as at the reporting date the occupancy levels remain at (or around) capacity. It is considered that the financial impact on the charity's activities in the year ended 31 January 2022 has been minimal.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

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

1.4 Income

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

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

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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

Nursing home accommodation fee income from residents are invoiced monthly in advance and give rise to deferred income as at the year end. These are recognised accordingly within these financials.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Expenditure

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Held at valuation
Fixtures and fittings	20% on cost

The charity has adopted a policy to revalue its freehold property at least every five years by a suitably qualified person, independent of Honeywood House Nursing Home with the most recent valuation carried out on 1 November 2021 by Barrett Corp Harrington.

As the asset is held at valuation rather than cost it has not been deemed necessary to depreciate the asset.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies (Continued)

1.11 Taxation

The charity is exempt from tax on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	6,213	28,621

4 Charitable activities

	Nursing home	Nursing home
	2022	2021
	£	£
Income from residents	1,541,749	1,431,032

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	400	245

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	23	63

7 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Government grants	62,546	38,938

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Trading costs		
Other trading activities (see note 9)	1,041,648	1,161,120
	1,041,648	1,161,120

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

9 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Opening stock	2,692	2,821
Purchases of food, provisions and medical goods	72,961	79,899
Closing stock	(3,202)	(2,692)
Staff costs	906,583	1,014,271
Laundry & cleaning	50,491	40,762
Newspapers, magazines etc.	648	1,541
Patient care consumables	11,474	24,518
	<u>1,041,647</u>	<u>1,161,120</u>

10 Charitable activities

	Nursing home 2022	Nursing home 2021
	£	£
Agency staff salaries	36,185	30,979
Rates and water	9,858	8,132
Insurance	12,015	10,682
Light and heat	44,763	39,802
Sundries	176	727
Garden maintenance costs	6,570	7,922
Repairs and maintenance costs	41,080	50,187
Fire alarm and security costs	2,145	666
Subscriptions	6,931	3,099
	<u>159,723</u>	<u>152,196</u>
Share of support costs (see note 11)	241,955	199,360
Share of governance costs (see note 11)	14,842	21,484
	<u>416,520</u>	<u>373,040</u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

11 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Trustees' remuneration, social security and pension	160,838	-	160,838	-	124,235
Depreciation	34,599	-	34,599	-	35,449
Motor expenses	1,426	-	1,426	-	2,117
Travelling expenses	6,431	-	6,431	-	7,132
Office costs	13,949	-	13,949	-	10,278
Entertainment	5,454	-	5,454	-	1,872
Bank and credit card charges	769	-	769	-	816
Computer, website and software costs	3,981	-	3,981	-	3,203
Staff related expenses	3,810	-	3,810	-	3,413
Advertising	1,542	-	1,542	-	919
Accountancy fees	9,156	-	9,156	-	9,926
Audit fees	-	3,600	3,600	-	3,000
Legal and professional	-	11,076	11,076	-	18,484
Other interest payable	-	166	166	-	-
	<u>241,955</u>	<u>14,842</u>	<u>256,797</u>	<u>21,484</u>	<u>220,844</u>
Analysed between Charitable activities	<u>241,955</u>	<u>14,842</u>	<u>256,797</u>	<u>21,484</u>	<u>220,844</u>

Governance costs includes payments to the auditors of £3,600 (2021- £3,000) for audit fees.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

12 Trustees

During the year, the following trustees received remuneration, social security and pension contributions as follows:

	2022 £	2021 £
S M White - Remuneration	30,745	33,327
S M White - Social Security	3,017	3,372
S M White - Pension	734	811
I G Blackwell - Remuneration	49,927	46,922
I G Blackwell - Overtime	16,998	29,194
I G Blackwell - Social Security	8,010	9,277
I G Blackwell - Pension	1,317	1,332
D G White - Remuneration	44,182	-
D G White - Social Security	4,808	-
D G White - Pension	1,100	-
	<u>160,838</u>	<u>124,235</u>

S White is employed by the charity as a General Manager and I Blackwell is employed as the Registered Manager. Permission to employ trustees to occupy these specific roles has been obtained from The Charity Commission in the past. Before awarding these roles a market salary benchmark review is carried out and other candidates are considered.

None of the trustees (or any persons connected with them) were paid or reimbursed expenses from the charity during the year.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Support staff (excluding agency staff)	40	52
Trustee and management staff	3	2
	<u>43</u>	<u>54</u>

Employment costs (excluding agency staff costs)

	2022 £	2021 £
Wages and salaries	965,648	1,035,325
Social security costs	81,653	86,024
Other pension costs	20,120	17,157
	<u>1,067,421</u>	<u>1,138,506</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
	<u>-</u>	<u>1</u>

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 February 2021	2,400,000	451,619	2,851,619
Additions	-	33,961	33,961
	<u>2,400,000</u>	<u>485,580</u>	<u>2,885,580</u>
At 31 January 2022	2,400,000	485,580	2,885,580
Depreciation and impairment			
At 1 February 2021	-	337,638	337,638
Depreciation charged in the year	-	34,599	34,599
	<u>-</u>	<u>372,237</u>	<u>372,237</u>
At 31 January 2022	-	372,237	372,237
Carrying amount			
At 31 January 2022	<u>2,400,000</u>	<u>113,343</u>	<u>2,513,343</u>
At 31 January 2021	<u>2,400,000</u>	<u>113,981</u>	<u>2,513,981</u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

14 Tangible fixed assets

(Continued)

Freehold land and buildings, with a carrying amount of £2,400,000, were valued as at 1 November 2021 by Andy Bates Cert CII of Barrett Corp Harrington, independent valuers not connected with the charity.

15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	3,202	2,692

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	34,344	58,681
Prepayments and accrued income	11,687	11,033
	46,031	69,714

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		35,949	62,280
Deferred income	18	90,696	114,979
Trade creditors		20,499	26,529
Other creditors		11,711	11,967
Accruals and deferred income		63,813	55,544
		222,668	271,299

18 Deferred income

	2022 £	2021 £
Arising from residents income received in advance	90,696	114,979

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	90,696	114,979

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

18	Deferred income		(Continued)
	Movements in the year:		
	Deferred income at 1 February 2021	114,979	32,706
	Released from previous periods	(24,283)	-
	Resources deferred in the year	-	82,273
		<hr/>	<hr/>
	Deferred income at 31 January 2022	90,696	114,979
		<hr/>	<hr/>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

19 Endowment funds

There have been no movements on Endowment funds during the year ended 31 January 2021 or 31 January 2020. The fund originated from the Trust Deed dated 1 December 1959 which settled the property, known as Honeywood House Nursing Home and surrounding land.

	Movement in funds					Movement in funds					
	Balance at 1 February 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 February 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 January 2022
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowment	1,000,000	-	-	-	-	1,000,000	-	-	-	-	1,000,000
	1,000,000	-	-	-	-	1,000,000	-	-	-	-	1,000,000

20 Restricted funds

The restricted fund represents the total net increase in value of the property, known as Honeywood House Nursing Home and surrounding land from revaluations carried out in current and prior years. The most recent independent valuation was carried out on 1 November 2021 at a current value of £2,400,000.

	Movement in funds				Movement in funds				
	Balance at 1 February 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 February 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses
	£	£	£	£	£	£	£	£	£
Restricted fund	1,385,000	-	-	15,000	1,400,000	-	-	-	-
	1,385,000	-	-	15,000	1,400,000	-	-	-	-

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Fund balances at 31 January 2022 are represented by:								
Tangible assets	113,343	1,400,000	1,000,000	2,513,343	2,513,981	-	-	2,513,981
Current assets/(liabilities)	110,353	-	-	110,353	(43,048)	-	-	(43,048)
	<u>223,696</u>	<u>1,400,000</u>	<u>1,000,000</u>	<u>2,623,696</u>	<u>2,470,933</u>	<u>-</u>	<u>-</u>	<u>2,470,933</u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	3,571	5,049
In over five years	16,703	23,845
	<u>20,274</u>	<u>28,894</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

24 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	152,763	(35,261)
Adjustments for:		
Investment income recognised in statement of financial activities	(23)	(63)
Depreciation and impairment of tangible fixed assets	34,599	35,449
Movements in working capital:		
(Increase)/decrease in stocks	(510)	129
Decrease/(increase) in debtors	23,683	(35,048)
(Decrease)/increase in creditors	(24,348)	58,703
(Decrease)/increase in deferred income	(24,283)	82,273
Cash generated from operations	<u>161,881</u>	<u>106,182</u>

25 Analysis of changes in net funds

The charity had no debt during the year.