

**HONEYWOOD HOUSE NURSING HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

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
Surrey
GU3 1LR

HONEYWOOD HOUSE NURSING HOME

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HONEYWOOD HOUSE NURSING HOME

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The trustees present their annual report and financial statements for the year ended 31 January 2023.

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, Pantomines, 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 2023 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 2023

The nursing home is now using Nourish Digital which is registered under the ICO for License & Data Protection to record all the resident's care, nursing procedures & medical files on. All the nursing home's Quality Assurance & Health & Safety documentation is also recorded on this system.

The nursing home has also invested in E Mar for the nursing staff to record all medication given plus it automatically audits the whole procedure & stock levels of medication.

The Nursing home is compliant with the National Data opt-out Policy also.

Current year achievements include:

- New carpet to the reception area & main staircase
- Hand dryers to the staff room & staff toilet
- New Aluminium double glazed windows to the main staircase in reception
- New PVC double glazed windows to room 3, 3a, & 3b.
- New PVC double glazed windows to the Hairdressing Salon & Downstairs wet room.

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. Where the need arises for large capital expenditure, the trustees consider ways in which it can build up a surplus including seeking grants, and spreading costs over a period of time where possible.

The total income receivable from residents amounts to £1,696,501 (2022 - £1,541,749). Resident's occupancy numbers increased in the year.

The total expenditure in the year increased by 13.1% (2022 - 4.9% decrease). Trustee, staff and agency cost account for 75.9% (2022 - 64.6%) of total charity expenditure. Food, provisions, medical and patient care consumables also account for 9.1% (2022 - 5.8%) of total charity expenditure.

The surplus for the year was £71,949 compared to a surplus in 2022 of £152,763.

At the balance sheet date, general funds held amounted to £295,645 (2022 - £223,696).

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

HONEYWOOD HOUSE NURSING HOME

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

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.

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.

S M White
Trustee

17 October 2023

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 2023 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 2023 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

25 October 2023

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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>									
Donations and legacies	3	2,313	-	-	2,313	6,213	-	-	6,213
Charitable activities	4	1,696,501	-	-	1,696,501	1,541,749	-	-	1,541,749
Other trading activities	5	756	-	-	756	400	-	-	400
Investments	6	929	-	-	929	23	-	-	23
Other income	7	21,344	-	-	21,344	62,546	-	-	62,546
Total income		1,721,843	-	-	1,721,843	1,610,931	-	-	1,610,931
<u>Expenditure on:</u>									
Raising funds	8	1,140,238	-	-	1,140,238	1,041,648	-	-	1,041,648
Charitable activities	10	509,656	-	-	509,656	416,520	-	-	416,520
Total expenditure		1,649,894	-	-	1,649,894	1,458,168	-	-	1,458,168
Net income for the year/ Net movement in funds		71,949	-	-	71,949	152,763	-	-	152,763
Fund balances at 1 February 2022		223,696	1,400,000	1,000,000	2,623,696	70,933	1,400,000	1,000,000	2,470,933
Fund balances at 31 January 2023		295,645	1,400,000	1,000,000	2,695,645	223,696	1,400,000	1,000,000	2,623,696

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	2,532,839		2,513,343	
Current assets					
Stocks	15	2,692		3,202	
Debtors	16	56,989		46,031	
Cash at bank and in hand		341,342		283,788	
		<u>401,023</u>		<u>333,021</u>	
Creditors: amounts falling due within one year	17	<u>(238,217)</u>		<u>(222,668)</u>	
Net current assets			162,806		110,353
Total assets less current liabilities			<u>2,695,645</u>		<u>2,623,696</u>
Capital funds					
Endowment funds - general			1,000,000		1,000,000
Income funds					
Restricted funds			1,400,000		1,400,000
Unrestricted funds			295,645		223,696
			<u>2,695,645</u>		<u>2,623,696</u>

The financial statements were approved by the Trustees on 17 October 2023

S M White
Trustee

HONEYWOOD HOUSE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	22		103,889		161,881
Investing activities					
Purchase of tangible fixed assets		(47,264)		(33,961)	
Investment income received		929		23	
Net cash used in investing activities			(46,335)		(33,938)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			57,554		127,943
Cash and cash equivalents at beginning of year			283,788		155,845
Cash and cash equivalents at end of year			341,342		283,788

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

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.

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.

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.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

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.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

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.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies (Continued)

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
	2023	2022
	£	£
Donations and gifts	2,313	6,213

4 Charitable activities

	Nursing home	Nursing home
	2023	2022
	£	£
Income from residents	1,696,501	1,541,749

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Fundraising events	756	400

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	929	23
	<u> </u>	<u> </u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Government grants	21,344	62,546
	<u> </u>	<u> </u>

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Trading costs</u>		
Other trading activities (see note 9)	1,140,238	1,041,648
	<u> </u>	<u> </u>
	1,140,238	1,041,648
	<u> </u>	<u> </u>

9 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Opening stock	3,202	2,692
Purchases of food, provisions and medical goods	87,841	72,961
Closing stock	(2,692)	(3,202)
Staff costs	989,804	906,583
Laundry & cleaning	52,537	50,491
Newspapers, magazines etc.	120	648
Patient care consumables	9,426	11,474
	<u> </u>	<u> </u>
	1,140,238	1,041,647
	<u> </u>	<u> </u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

10 Charitable activities

	Nursing home 2023 £	Nursing home 2022 £
Agency staff salaries	100,055	36,185
Rates and water	10,318	9,858
Insurance	15,305	12,015
Light and heat	52,949	44,763
Sundries	549	176
Garden maintenance costs	8,645	6,570
Repairs and maintenance costs	52,551	41,080
Fire alarm and security costs	2,358	2,145
Subscriptions	7,750	6,931
	<hr/>	<hr/>
	250,480	159,723
Share of support costs (see note 11)	245,183	241,955
Share of governance costs (see note 11)	13,993	14,842
	<hr/>	<hr/>
	509,656	416,520
	<hr/>	<hr/>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

11 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Trustees' remuneration, social security and pension	163,160	-	163,160	160,838	160,838
Depreciation	27,767	-	27,767	34,599	34,599
Motor expenses	2,039	-	2,039	1,426	1,426
Travelling expenses	6,285	-	6,285	6,431	6,431
Office costs	19,022	-	19,022	13,949	13,949
Entertainment	8,217	-	8,217	5,454	5,454
Bank and credit card charges	763	-	763	769	769
Computer, website and software costs	976	-	976	3,981	3,981
Staff related expenses	3,482	-	3,482	3,810	3,810
Advertising	4,108	-	4,108	1,542	1,542
Accountancy fees	9,364	-	9,364	9,156	9,156
Audit fees	-	5,100	5,100	-	3,600
Legal and professional	-	8,893	8,893	-	11,076
Other interest payable	-	-	-	-	166
	<u>245,183</u>	<u>13,993</u>	<u>259,176</u>	<u>241,955</u>	<u>256,797</u>
Analysed between Charitable activities	<u>245,183</u>	<u>13,993</u>	<u>259,176</u>	<u>241,955</u>	<u>256,797</u>

Governance costs includes payments to the auditors of £5,100 (2022- £3,600) for audit fees.

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

12 Trustees

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

	2023 £	2022 £
S M White - Remuneration	33,914	30,745
S M White - Social Security	3,619	3,017
S M White - Pension	525	734
I G Blackwell - Remuneration	50,544	49,927
I G Blackwell - Overtime	24,620	16,998
I G Blackwell - Social Security	9,650	8,010
I G Blackwell - Pension	1,321	1,317
D G White - Remuneration	34,927	44,182
D G White - Social Security	3,765	4,808
D G White - Pension	274	1,100
	<u>163,159</u>	<u>160,838</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 2023

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Support staff (excluding agency staff)	40	40
Trustee and management staff	3	3
	<u>43</u>	<u>43</u>

Employment costs (excluding agency staff costs)

	2023 £	2022 £
Wages and salaries	1,039,687	965,648
Social security costs	92,588	81,653
Other pension costs	20,688	20,120
	<u>1,152,963</u>	<u>1,067,421</u>

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

	2023 Number	2022 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
	<u>1</u>	<u>-</u>

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 February 2022	2,400,000	485,580	2,885,580
Additions	-	47,264	47,264
	<u>2,400,000</u>	<u>532,844</u>	<u>2,932,844</u>
At 31 January 2023	2,400,000	532,844	2,932,844
Depreciation and impairment			
At 1 February 2022	-	372,238	372,238
Depreciation charged in the year	-	27,767	27,767
	<u>-</u>	<u>400,005</u>	<u>400,005</u>
At 31 January 2023	-	400,005	400,005
Carrying amount			
At 31 January 2023	<u>2,400,000</u>	<u>132,839</u>	<u>2,532,839</u>
At 31 January 2022	<u>2,400,000</u>	<u>113,343</u>	<u>2,513,343</u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

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

	2023 £	2022 £
Finished goods and goods for resale	2,692	3,202

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	45,270	34,344
Prepayments and accrued income	11,719	11,687
	56,989	46,031

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		38,437	35,949
Deferred income	18	93,267	90,696
Trade creditors		22,954	20,499
Other creditors		14,614	11,711
Accruals and deferred income		68,945	63,813
		238,217	222,668

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

18 Deferred income

	2023 £	2022 £
Arising from residents income received in advance	93,267	90,696

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	93,267	90,696
Movements in the year:		
Deferred income at 1 February 2022	90,696	114,979
Released from previous periods	-	(24,283)
Resources deferred in the year	2,571	-
Deferred income at 31 January 2023	93,267	90,696

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 January 2023 are represented by:							
Tangible assets	132,839	1,400,000	1,000,000	2,532,839	113,343	1,400,000	2,513,343
Current assets/(liabilities)	162,806	-	-	162,806	110,353	-	110,353
	<u>295,645</u>	<u>1,400,000</u>	<u>1,000,000</u>	<u>2,695,645</u>	<u>223,696</u>	<u>1,400,000</u>	<u>2,623,696</u>

HONEYWOOD HOUSE NURSING HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

20 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:

	2023 £	2022 £
Within one year	5,911	3,571
Between two and five years	13,133	-
In over five years	-	16,703
	<u>19,044</u>	<u>20,274</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

22 Cash generated from operations

	2023 £	2022 £
Surplus for the year	71,950	152,763
Adjustments for:		
Investment income recognised in statement of financial activities	(929)	(23)
Depreciation and impairment of tangible fixed assets	27,767	34,599
Movements in working capital:		
Decrease/(increase) in stocks	510	(510)
(Increase)/decrease in debtors	(10,958)	23,683
Increase/(decrease) in creditors	12,978	(24,348)
Increase/(decrease) in deferred income	2,571	(24,283)
Cash generated from operations	<u>103,889</u>	<u>161,881</u>

23 Analysis of changes in net funds

The charity had no debt during the year.