

Bushell House

Report and Financial Statements

**For The Year Ended
31 December 2020**

Bushell House

Contents

	Page
Trustees and Advisers	1
Trustees' Annual Report	2
Independent Auditor's Report to the Trustees	6
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12
Schedule 1 - Summary of investments	22

Bushell House

Trustees and Advisors

For the year ended 31 December 2020

Trustees

Co-optative:

Mr I Brown
Mrs J Bleasdale
Miss C S Booth
(resigned 26 January 2020)
Mr C D Carefoot
Mr P McDade
Mr J Fish
Mr M Richardson
Mrs W Evans

Chair
Vice-Chair

Ex Officio:

Reverend S Cooper Vicar of Goosnargh

Reverend S Haigh Vicar of Preston

Nominative:

Mr K Hudson Preston City Council
Mr G J Davies Preston City Magistrate

Key Management Personnel:

General Manager

Ms R Marrow

Deputy Manager

Ms J Hesketh

Principal office

Bushell House
Mill Lane
Goosnargh
Preston
PR3 2BJ

Charity number

221797

Auditors

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Investment agents

Close Asset Management Ltd
10 Exchange Square
Primrose Street
London
EC2A 2BY

Bushell House

Trustees' Annual Report

For the year ended 31 December 2020

The Trustees present their report and the audited accounts for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, 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 (FRS102) published in October 2019.

Structure, governance and management

Bushell House is a registered charity currently regulated by a Scheme of the Charity Commissioners dated 13 May 1977 (as altered on 8 February 2002).

The body of Trustees shall consist of eleven competent persons, being two Ex-Officio Trustees, three Nominative Trustees and six Co-optative Trustees.

The Ex-Officio Trustees shall be the Rector for the area of the United Benefice of Preston (St John and St George) and the Vicar of the Parish of St Mary the Virgin, Goosnargh.

The Nominative Trustees shall be appointed for four years, one from each of the following:

- County Council of Lancashire
- Preston City Council
- Justices of the Peace of Petty Sessional Division of Preston

Co-optative Trustees are appointed for a term of five years. Any competent Trustee may be re-appointed. A Chairman is appointed annually.

The Charity is managed by a Board of Trustees. They meet quarterly to determine operational matters and future strategy. Bushell House is inspected each month by two Trustees. One Trustee makes a written pastoral report, which is available to the Care Quality Commission. The other Trustee looks at the internal and external fabric of the building. Copies of both reports are held on file and exceptional findings are presented to the Board's quarterly meetings. The day to day management of the residential home is entrusted to the Manager and her staff with support from relevant professional advisors. All employees are given basic and advanced training.

A Financial Report is made to the Quarterly Trustees' Meeting. Various management functions are allocated an annual budget; the trustees manage these functions within budget, would be consulted on these functions by the Manager and would report progress to the trustee's quarterly meeting. There is now a vice chairman and subcommittee of four trustees who undertake data gathering and any urgent issues before making suggestions to the Board meeting. The trustees have specific areas of expertise such as the garden, advertising, the building, finance, and IT.

Key management personnel remuneration

The trustees consider the board of trustees, general manager and deputy manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

Bushell House

Trustees' Annual Report

For the year ended 31 December 2020

The pay of the charity's staff is reviewed annually and normally increased in accordance with average earnings. The remuneration is bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. A staff council meets twice a year around April for salary review and any general issues, and in October for general issues.

Recruitment of Trustees

Under the (1977) Scheme, trustees are required to be "competent persons". Trustees are constantly alert to identify such men and women with relevant competencies, common sense, judgement and integrity and who are also willing to bear the significant legal and financial responsibilities of progressive trustees. Local, younger people able to commit the necessary time to discharge trustees' duties diligently remain elusive to identify. The Trustees are always looking to encourage new Trustees for as and when members retire.

Training of Trustees

New trustees are familiarised with their duties by reference to induction materials, newsletters and advisory booklets published periodically by the Charity Commission.

Risk management

The Trustees have examined the major strategic and operational risks which the charity faces and confirm that the systems are in place to ensure good risk management. Staff undertake both mandatory and voluntary training courses in order to keep up to date with legislation, and procedures are in place to ensure that the quality of service expected continues to be provided.

The Trustees and staff aspire to, and achieve, the highest operational standards consistent with the expectations of the Care Standards regulations. They constantly review their business aims to ensure compliance with all regulatory requirements.

The global Covid-19 pandemic will have a significant impact on a number of organisations and the Trustees have put in place new risk management processes to minimise the impact of the virus on employees and residents. The charity continues to follow both national and local Government guidelines and rules in order to keep residents and staff safe.

Objectives and activities and public benefit

Bushell House charity came into being on 7 July 1743 under the provisions of the Will of William Bushell (1690-1735) for the purpose of maintaining, supporting and providing for elderly people from the area of benefit. The charity operates a Residential Home using the late Mr Bushell's home and, although the original house has been extensively altered since 1743, the objects and activities have remained substantially unchanged since foundation. However, on 8 February 2002, the Charity Commission approved amendments to the scheme:

The area of benefit shall be the Boroughs of the County of Lancashire and the area covered by the unitary authorities of Blackpool and Blackburn with Darwen.

The Trustees shall continue to maintain an extraordinary repair fund.

The Trustees may consider applicants for residence who are members of the churches which are themselves members of Churches Together in England or its succeeding body/bodies.

The Trustees shall have power to provide indemnity insurance for themselves out of the income of the Charity.

The Trustees may apply surplus income of the charity in relieving persons who are in conditions of need, hardship and distress. The Trustees have had due regard and have read the guidance on public benefit published by the Charities Commission.

Achievements and performance

During the financial year there was an average occupancy of 77% (2020: 87%). During the year, the House took measures to minimise the risk of infection arising from Covid-19. As a direct consequence of the pandemic, the House closed to new admissions for much of 2020, which led to a reduction in occupancy. Additionally, one of the rooms within the House was repurposed as a staff changing facility. In order to ensure the safety of all residents and staff, more staff hours were worked during the year, which led to increased expenditure on staffing and associated oncosts.

The major achievements during the year include maintaining 5 Star RDB status. The charity was also highly rated on its infection control measures by the Care Quality Commission (CQC). During the year, the charity undertook repair work to the fire escape and side access gate pillars which were significant but necessary expenses.

The charity continues to provide a number of social activities for residents including participation in local events and with support from Friends of Bushell House who help raise much needed funds in a variety of ways.

Investment policy and performance

The Trustees are advised by Close Asset Management Ltd, who have day to day discretion in the management of the portfolio. An investment panel representing the Trustees meets half yearly with the investment advisers to review portfolio performance and set policy.

Currently the investment policy adopted is to achieve an income of at least £40,000 from investment plus capital appreciation at least equivalent to the rate of inflation from a balanced portfolio designed to generate both income and growth.

The income generated on all investments, including bank deposits awaiting reinvestment for 2019, was 2.6% (2019: 4.2%).

The investment panel has reviewed its instructions to Close Asset Management Ltd and the portfolio performance and is satisfied with both. The panel is happy with the low risk portfolio and its yield.

Financial review

Surplus funds are necessarily invested to provide income to support the operation of the Home. In future this necessity must be reduced. Whilst there is an extraordinary Repair Fund, alterations to the Home will be met out of reserves unless exceptional. The house is a grade II* listed building and may, in theory, gain financial aid for repairs.

The statement of financial activities shows net expenditure of £76,375 (2019: net income of £184,324), which includes net investment losses of £91,678 (2019: net investment gains of £109,849). Post year end, the investment value had increased by £19,127 up to 31 March 2021. The balance of unrestricted funds at 31 December 2020 was £1,057,846 and the balance of restricted funds £1,050,864, a total of £2,108,710 (2019: £2,185,085). The make-up of these funds is shown in note 11. Fee levels are generally above DSS and Income Support rates but below most local comparators.

Reserves Policy

The Trustees have considered the level of free reserves which they should hold in order to safeguard the future of the charity. In their opinion, reserves should be sufficient to ensure that the charity could operate for 12 months in the event that there was an exceptional loss of income. Currently, this amounts to £962,080.

Unrestricted reserves at 31 December 2020 amounted to £1,057,846. Excluding designated funds and tangible fixed assets, £927,949 are 'free reserves'. This is equivalent to 11.6 months of running costs, whilst this does not currently meet the reserves objective, the Trustees are satisfied that the current level of reserves are appropriate for the charity.

Bushell House

Trustees' Annual Report

For the year ended 31 December 2020

Reserves Policy (continued)

The Trustees continue to assist residents unable to meet the full cost of fees. As shown on pages 19 and 20 of the accounts, the charity has a restricted fund for extraordinary repairs.

Plans for future periods

The Trustees are always looking to raise the profile of Bushell House by word of mouth as well as social media and other advertising routes and this remains a key objective for 2021. The charity will continue to work to ensure that the residents and staff of Bushell House are kept safe from the impact of the Covid-19 pandemic and the House started allowing visitors from March 2021.

During the year the Trustees have designated £10,000 towards replacing the roof, which will in due course require repair and replacement. The central heating boilers have been assessed and their replacement is also included in our future plans and a further £10,000 has been designated this year to fund this replacement in due course.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual 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 & 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 period. 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 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping 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 Charities (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.

Auditors

A resolution to re-appoint MHA Moore and Smalley for the ensuing year will be proposed at the Annual General Meeting.

This report was approved by the charity on 08/09/2021 and signed on its behalf



I Brown – Chairman of the Board of Trustees

Independent Auditor's Report to the Trustees

For the year ended 31 December 2020

Opinion

We have audited the financial statements of Bushell House (the 'charity') for the year ended 31 December 2020 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Independent Auditor's Report to the Trustees

For the year ended 31 December 2020

Other information

The other information comprises the information included in the trustees 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, except to the extent otherwise explicitly stated in our report, 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
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 regulations made under section 154 of that Act.

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.

Independent Auditor's Report to the Trustees

For the year ended 31 December 2020

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management, in particular in relation to future performance in light of the impact of Covid-19;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Reviewing correspondence with the Care Quality Commission and the Charities Commission; and
- Reviewing board minutes.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

MHA Moore and Smalley

MHA Moore and Smalley
Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

08/09/2021

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Bushell House

Statement of Financial Activities

For the year ended 31 December 2020

	Note	Restricted Funds			2020 Total £	2019 Total £
		Land and Buildings £	Other Restricted Funds £	Unrestricted Funds £		
Income from						
Donations and legacies		-	-	2,015	2,015	1,644
Investments		-	10	32,561	32,571	45,177
Charitable activities:						
Residential care fees		-	-	871,409	871,409	936,361
Grant income		-	71,388	-	71,388	-
Total Income	2	-	71,398	905,985	977,383	983,182
Expenditure on						
Raising funds:						
Investment management fees		-	-	6,531	6,531	7,027
Charitable activities:						
Residential care costs	3	-	46,762	908,787	955,549	901,680
Total Expenditure		-	46,762	915,318	962,080	908,707
Net income/(expenditure) before other gains and losses		-	24,636	(9,333)	15,303	74,475
Net (losses) / gains on investments		-	-	(91,678)	(91,678)	109,849
Net income / (expenditure) for the year		-	24,636	(101,011)	(76,375)	184,324
Transfers between funds		-	(9,620)	9,620	-	-
Net movement in funds		-	15,016	(91,391)	(76,375)	184,324
Reconciliation of funds:						
Balances brought forward		865,450	170,398	1,149,237	2,185,085	2,000,761
Balances carried forward	11	865,450	185,414	1,057,846	2,108,710	2,185,085

All of the above amounts relate to continuing activities.

Bushell House

Balance Sheet

As at 31 December 2020

		Restricted Funds				
	Note	Land and Buildings £	Other Restricted Funds £	Unrestricted Funds £	2020 Total £	2019 Total £
Fixed assets						
Tangible assets	7	865,450	-	29,596	895,046	887,855
Investments	8	-	163,366	997,881	1,161,247	1,234,016
		<u>865,450</u>	<u>163,366</u>	<u>1,027,477</u>	<u>2,056,293</u>	<u>2,121,871</u>
Current assets						
Debtors	9	-	15,573	29,835	45,408	33,891
Cash at bank and in hand		-	6,475	69,876	76,351	68,144
		<u>-</u>	<u>22,048</u>	<u>99,711</u>	<u>121,759</u>	<u>102,035</u>
Liabilities						
Creditors falling due within one year	10	-	-	69,342	69,342	38,821
		<u>-</u>	<u>-</u>	<u>69,342</u>	<u>69,342</u>	<u>38,821</u>
Net current assets		<u>-</u>	<u>22,048</u>	<u>30,369</u>	<u>52,417</u>	<u>63,214</u>
Net assets		<u>865,450</u>	<u>185,414</u>	<u>1,057,846</u>	<u>2,108,710</u>	<u>2,185,085</u>
Total funds of the charity	11	<u>865,450</u>	<u>185,414</u>	<u>1,057,846</u>	<u>2,108,710</u>	<u>2,185,085</u>

These accounts were approved by the Trustees on 08/09/2021 and signed on their behalf by:



I Brown - Trustee

Bushell House

Cash Flow Statement

For the year ended 31 December 2020

	2020	2019
	£	£
Net (expenditure) / income for the year	(76,375)	184,324
Adjustments for:		
Investment income	(32,571)	(45,177)
Loss / (Gain) on investments	91,678	(109,849)
Depreciation	12,051	16,177
(Increase) / Decrease in debtors	(11,517)	2,723
Increase / (Decrease) in creditors	30,521	(13,003)
Net cash provided by operating activities	13,787	35,195
Cash flows from investing activities:		
Investment income	32,571	45,177
Purchase of tangible fixed assets	(19,242)	(48,162)
Purchase of investments	(331,656)	(160,389)
Proceeds from sale of investments	326,389	73,012
Increase in cash held as investments	(13,642)	49,226
Cash used in investing activities	(5,580)	(41,136)
Change in cash and cash equivalents in the year	8,207	(5,941)
Cash and cash equivalents at the beginning of the year	68,144	74,085
Cash and cash equivalents at the end of the year	76,351	68,144

1 Accounting policies

Basis of accounting and general information

Bushell House is an unincorporated charity, and the principal office address is Mill Lane, Goosnargh, Preston, PR3 2BJ. Details of the nature of the charity's operations can be found in the trustees' annual report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The accounts have been prepared under the historical cost convention as modified by the inclusion of investments at market value. The accounts are prepared in £ sterling and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The global Covid-19 pandemic will have a significant impact on a number of organisations. The trustees are responding to the challenges currently being faced as a result of this pandemic and together with management have put in place new risk management processes to minimise the impact of the virus on employees and residents. The management team are reviewing operational and staffing impacts caused by the outbreak on a regular basis and the charity has taken advantage of the government's support schemes and keeps the situation under regular review.

In light of the measures implemented and following a review of the financial forecasts, together with funds held, the trustees have concluded that it remains appropriate to prepare these financial statements on the going concern basis as the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is allocated against the fund, together with a fair allocation of management and support costs.

1 Accounting policies (continued)

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. Investment income and income from residential care fees are recognised in the period they are receivable. For legacies, entitlement is the earlier of the charity being notified of a specific impending distribution or the legacy being received.

The charity receives government grants in respect of Coronavirus Job Retention Scheme and Infection Control Fund. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Expenditure

All expenditure, which includes irrecoverable VAT, is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised. Fixtures and equipment are included at cost less depreciation. No depreciation has been provided for on the freehold building which is included at cost. It is the charity's practice to maintain the building in a continual state of sound repair. Accordingly, the trustees consider in view of the length of the life of the asset and its residual value any depreciation would be immaterial. A transfer is shown each year from the unrestricted fund to the land and buildings unrestricted fund equal to the capital improvements to L&B in the year

Depreciation is provided as follows to write off the cost of the assets over their expected useful lives:

Fixtures and equipment - 20% on cost

At each reporting period 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).

Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies (continued)

Debtors

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

Creditors

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

Cash at bank and in hand

Cash at bank and in hand represents cash held on deposit with banks and cash in hand.

Pension costs and employee benefits

The charity operates defined contribution pension schemes for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the SOFA.

The costs of short-term employee benefits are recognised as a liability and an expense.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets or financial liabilities.

2 Income

All income in the previous year was unrestricted, with the exception of £58 restricted income from investments.

Income from central government grants in respect of the Coronavirus Job Retention Scheme of £15,601 (2019: £nil) was recognised during the year.

Income from local government grants in respect of infection control funding of £55,787 (2019: £nil) was recognised during the year.

Notes to the Financial Statements

For the year ended 31 December 2020

3 Residential care costs

	2020	2019
	£	£
Wages and salaries	666,192	641,035
Other staff costs	15,589	15,415
Provision and upkeep	59,442	61,343
Fuel and lighting	35,451	33,392
Repairs and maintenance	101,511	74,630
Rates and water	10,707	9,585
Insurance	19,600	17,661
Telephone	9,557	4,005
Printing, stationery and advertising	3,301	5,747
Human resources consultancy	6,149	3,133
Activity expenses	416	2,275
Quality assurance, registration and regulatory	8,713	9,200
Accountancy and administrative assistance	1,250	995
Legal and professional fees	420	2,112
Preparation of statutory accounts	2,900	2,775
Audit of statutory accounts	2,300	2,200
Donation		-
Depreciation of fixtures	12,051	16,177
	955,549	901,680

All of the above expenditure is directly attributable to the provision of residential care.

Expenditure on charitable activities was made up of £908,787 (2019: £901,680) from unrestricted funds with £46,762 (2019: £nil) from restricted funds.

Notes to the Financial Statements

For the year ended 31 December 2020

4 Wages and salaries

	2020	2019
	£	£
Wages and salaries	597,672	575,794
Social security costs	35,930	32,942
Pension costs	32,590	32,299
	666,192	641,035

There are no individual salaries in excess of £60,000 per annum.

The average number of employees during the year was:

	2020	2019
	No	No
Care	39	43
Management and administration	3	3
	42	46

The key management personnel of the charity comprise the Trustees, the General Manager, and the Deputy Manager. The total employee benefits of the key management personnel, including employer National Insurance and pension contributions, were £74,392 (2019: £68,126).

5 Governance costs

	2020	2019
	£	£
Auditors' remuneration	5,200	4,975
	5,200	4,975

During the year the trustees received no remuneration, benefits in kind or reimbursed expenses (2019: £nil). There were no transactions with related parties.

6 Auditors' remuneration

Amounts paid to the auditors constituted an audit fee of £2,300 (2019: £2,200) and fees for the preparation of statutory accounts of £2,900 (2019: £2,775).

Bushell House

Notes to the Financial Statements

For the year ended 31 December 2020

7 Fixed assets

	Freehold Land and Buildings £	Fixtures and Equipment £	Total £
Cost			
At 1 January 2020	865,450	129,431	994,881
Additions	-	19,242	19,242
Disposals	-	(7,819)	(7,819)
At 31 December 2020	865,450	140,854	1,006,304
Depreciation			
At 1 January 2020	-	107,026	107,026
Charge for the year	-	12,051	12,051
Eliminated on disposal	-	(7,819)	(7,819)
At 31 December 2020	-	111,258	111,258
Net book value			
At 31 December 2020	865,450	29,596	895,046
At 31 December 2019	865,450	22,405	887,855

8 Investments

	Unrestricted £	Restricted £	Total £
Market value at 1 January 2020	1,070,660	163,356	1,234,016
Additions at cost	331,656	-	331,656
Disposal proceeds	(326,389)	-	(326,389)
Net investment gains/(losses)	(91,678)	-	(91,678)
Movement in cash held on deposit by investment agents	13,632	10	13,642
Market value at 31 December 2020	997,881	163,366	1,161,247

Notes to the Financial Statements

For the year ended 31 December 2020

8 Investments (continued)

Historical Cost	Total £
Unrestricted	
General fund	935,802
Restricted	
Extraordinary repairs fund (created by order dated 18.4.50 – revised under scheme dated 15.5.77)	163,366
Total Investments (schedule 1)	1,099,168

9 Debtors

	2020	2019
	£	£
Fees receivable	3,402	9,860
Prepayments and accrued income	42,006	24,031
	45,408	33,891

£15,573 (2019: £nil) related to restricted funds and £29,835 (2019: £33,891) related to unrestricted funds.

10 Creditors

	2020	2019
	£	£
Trade creditors	33,160	14,365
Tax and social security	10,569	-
Accruals	25,613	24,456
	69,342	38,821

All creditors related to unrestricted funds in both 2020 and 2019.

Notes to the Financial Statements

For the year ended 31 December 2020

11 Analysis of funds

	At 1 Jan 2020 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 Dec 2020 £
General reserve	1,068,258	905,788	(914,443)	(91,678)	(10,380)	957,545
Designated funds:						
Exceptional repair fund	40,000	-	-	-	-	40,000
Boiler fund	20,000	-	-	-	10,000	30,000
Roof fund	-	-	-	-	10,000	10,000
Residents' amenities fund	20,979	197	(875)	-	-	20,301
Total unrestricted funds	1,149,237	905,985	(915,318)	(91,678)	9,620	1,057,846
Restricted funds						
Land and buildings	865,450	-	-	-	-	865,450
Other restricted funds:						
Coronavirus Job Retention	-	15,601	(15,601)	-	-	-
Infection Control Funds	-	55,787	(31,161)	-	(9,620)	15,006
Extraordinary repair fund	163,356	10	-	-	-	163,366
Pathway fund	7,042	-	-	-	-	7,042
Total restricted funds	1,035,848	71,398	(46,762)	-	(9,620)	1,050,864
Total funds	2,185,085	977,383	(962,080)	(91,678)	-	2,108,710

Notes to the Financial Statements

For the year ended 31 December 2020

11 Analysis of funds (continued)

	At 1 Jan 2019 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 Dec 2019 £
General reserve	896,308	982,188	(908,647)	109,849	(11,440)	1,068,258
Designated funds:						
Exceptional repair fund	40,000	-	-	-	-	40,000
Boiler fund	10,000	-	-	-	10,000	20,000
Residents' amenities fund	20,103	936	(60)	-	-	20,979
Total unrestricted funds	966,411	983,124	(908,707)	109,849	(1,440)	1,149,237
Restricted funds						
Land and buildings	826,052	-	-	-	39,398	865,450
Other restricted funds:						
Extraordinary repair fund	163,298	58	-	-	-	163,356
Pathway fund	45,000	-	-	-	(37,958)	7,042
Total restricted funds	1,034,350	58	-	-	1,440	1,035,848
Total funds	2,000,761	983,182	(908,707)	109,849	-	2,185,085

Charitable grant fund

This designated fund is set aside to fund residents who need help with funding.

Exceptional repair fund

This designated fund is a fund set aside by the trustees for exceptional repairs.

Boiler fund

This designated fund is a fund set aside by the trustees for replacing the boilers.

Roof fund

This designated fund is a fund set aside by the trustees for replacing the roof.

Residents' amenities fund

This designated fund is generated by donations received and funds generated by the activities of the Friends of Bushell House and will be used for major expenditure which will enhance the quality of life for the residents of Bushell House.

Notes to the Financial Statements

For the year ended 31 December 2020

11 Analysis of funds (continued)

Land and buildings fund

This represents Bushell House land and buildings.

Extraordinary repair fund

These funds represent the capital of the charity as created by order dated 18 April 1950 and revised under scheme of 13 May 1977. It is to be used for extraordinary repair costs.

Coronavirus Job Retention fund

The Coronavirus Job Retention fund relates to funding received from HMRC in the form of a grant which was put in place to retain jobs during the Covid-19 pandemic. The grant has been fully spent during the year on staff wages and associated on costs.

Infection Control fund

The Infection Control fund represents funding from Lancashire County Council which was distributed to charities within the care sector. The transfers in the year of £9,620 is made in respect of loss of income from removing a room within the House for the purposes of staff changing. The balance relates to the unspent funding which will be used in future years to help the charity control infection as a result of the Covid-19 pandemic.

Pathway fund

The pathway fund represents a donation from a former resident to be spent on creating a path in the garden. The balance relates to the unspent funding which will be used in future years for path maintenance.

Bushell House

Schedule 1 – Summary of Investments

For the year ended 31 December 2020

	Cost At 31 Dec 2019	Market value at 31 Dec 2019	Additions/ (disposals) at market value	Gain/(loss) on disposals	Gain/(loss) on retained investments	Cash deposit movement	Cost At 31 Dec 2020	Market value at 31 Dec 2020	2020 Income	2019 Income
	£	£	£	£	£	£	£	£	£	£
UK fixed interest	295,165	311,402	2,974	(2,395)	6,421	-	293,310	318,402	12,599	13,433
Equities	609,962	776,131	(23,885)	(46,034)	(55,659)	-	620,954	650,553	17,963	29,647
Property	24,800	26,125	-	-	(3,625)	-	24,800	22,500	1,625	1,625
Commodities	23,970	24,156	-	-	4,770	-	23,970	28,926	-	-
Alternatives	-	-	51,332	-	4,732	-	51,332	56,064	359	-
Multi-asset	23,205	25,042	(25,154)	112	-	-	-	-	-	371
Cash on deposit	71,160	71,160	-	-	-	13,642	84,802	84,802	10	58
	1,048,262	1,234,016	5,267	(48,317)	(43,361)	13,642	1,099,168	1,161,247	32,556	45,134

During the year investment income of £10 (2019: £58) was attributable to restricted income funds with the balance of £32,546 (2019: £45,076) adding to unrestricted funds.