

# **Bushell House**

## **Report and Financial Statements**

**For The Year Ended  
31 December 2022**

**Bushell House**

**Contents**

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	Page
Trustees and Advisers	1
Trustees' Annual Report	2
Independent Auditor's Report to the Trustees	7
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13
Schedule 1 - Summary of Investments	23

# Bushell House

## Trustees and Advisors

For the year ended 31 December 2022

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### Trustees

#### Co-optative:

Mr I Brown	Chair
Mrs J Bleasdale	Vice-Chair
Mr M Anson	
Mr C D Carefoot	
Mr P McDade (resigned 21 February 2023)	
Mr J Fish	
Mr M Richardson (resigned 3 April 2023)	

#### Ex Officio:

Reverend S Cooper (resigned 13 July 2022)	Vicar of Goosnargh
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Reverend G Stewart (appointed 27 April 2023)	Vicar of Goosnargh
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Reverend S Haigh	Vicar of Preston
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#### 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 2022**

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The Trustees present their report and the audited accounts for the year ended 31 December 2022. 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 when complete, shall consist of eleven competent persons, being two Ex-Officio Trustees, three Nominative Trustees and six Co-optative Trustees. The Trustees are actively looking to recruit additional Trustees, in line with the Trust Deed.

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.

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 has had a significant impact on a number of organisations and the Trustees have put in place risk management processes to minimise the impact of any 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.

The trustees are mindful of the current economic environment in particular the rising costs of utilities. The trustees are reviewing these costs on an annual basis to ensure that the charity gets the best possible deal, rather than entering into longer term fixed price contracts.

#### **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.

#### **Objectives and activities and public benefit (continued)**

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 83% (2021: 80%). During both the current and previous year, the House took measures to minimise the risk of infection arising from Covid-19. During 2021, the House reopened to new admissions and occupancy has continued to rise in 2022.

There is currently a rolling programme to repair and replace windows where needed and this is a high-cost expense. Also, in the current year we negotiated a further three years on our phone contract with reductions of 5% in the first year, 10% second year then finally 15% in third year when we will need to look at our options. It is also noted that the staff at Bushell House have done a brilliant job under very testing and difficult times.

The major achievements during the year include maintaining 5 Star RDB status as well as the replacement of the old boilers.

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 2021, was 2.7% (2021: 3.6%).

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 £108,441 (2021: net income of £171,293), which includes net investment losses of £64,934 (2021: net investment gains of £101,266). The balance of unrestricted funds at 31 December 2022 was £1,135,167 and the balance of restricted funds £1,036,395, a total of £2,171,562 (2021: £2,280,003). 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 £1,163,483

Unrestricted reserves at 31 December 2022 amounted to £1,135,167. Excluding designated funds and tangible fixed assets, £951,331 are 'free reserves'. This is equivalent to 9.8 months of running costs, which is below the Trustees' policy, the Trustees are satisfied that the current level of reserves are appropriate for the charity and are carefully managing costs to ensure reserves are maintained at an appropriate level.

The Trustees continue to assist residents unable to meet the full cost of fees. As shown on pages 20 to 22 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 2023.

During the year the Trustees have again designated £10,000 towards replacing the roof, which will in due course require repair and replacement. At the time of signing these financial statements, we are looking at the roof and inspections and quotes are being arranged.

**Trustees' Annual Report**

**For the year ended 31 December 2022**

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**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
- 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 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 14/09/2023 ..... and signed on its behalf



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**I Brown – Chairman of the Board of Trustees**



## Independent Auditor's Report to the Trustees

For the year ended 31 December 2022

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### Opinion

We have audited the financial statements of Bushell House (the 'charity') for the year ended 31 December 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 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

## **Independent Auditor's Report to the Trustees**

**For the year ended 31 December 2022**

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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 6, 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.

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 current economic climate;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Reviewing the systems for recording revenue and to ensure income has been recognised in the correct period;
- Reviewing correspondence with the Care Quality Commission and the Charities Commission; and
- Reviewing board minutes.

**Independent Auditor's Report to the Trustees**

**For the year ended 31 December 2022**

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We identified the following areas as those most likely to have a material impact on the financial statements: employment law and compliance with the Charities Act.

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](http://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

18/09/2023

.....

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 2022

		Restricted Funds				
	Note	Land and Buildings £	Other Restricted Funds £	Unrestricted Funds £	2022 Total £	2021 Total £
<b>Income from</b>						
Donations and legacies		-	-	680	680	2,937
Investments		-	537	34,111	34,648	42,053
Charitable activities:						
Residential care fees		-	-	1,062,174	1,062,174	931,388
Grant income		-	2,226	20,248	22,474	71,933
<b>Total Income</b>	<b>2</b>	-	2,763	1,117,213	1,119,976	1,048,311
<b>Expenditure on</b>						
Raising funds:						
Investment management fees		-	-	7,482	7,482	7,528
Charitable activities:						
Residential care costs	<b>3</b>	-	10,779	1,145,222	1,156,001	970,756
<b>Total Expenditure</b>		-	10,779	1,152,704	1,163,483	978,284
<b>Net (expenditure) / income before other gains and losses</b>		-	(8,016)	(35,491)	(43,507)	70,027
Net (losses) /gains on investments		-	-	(64,934)	(64,934)	101,266
<b>Net (expenditure) / income for the year</b>		-	(8,016)	(100,425)	(108,441)	171,293
Transfers between funds		-	(6,392)	6,392	-	-
<b>Net movement in funds</b>		-	(14,408)	(94,033)	(108,441)	171,293
<b>Reconciliation of funds:</b>						
Balances brought forward		865,450	185,353	1,229,200	2,280,003	2,108,710
<b>Balances carried forward</b>	<b>11</b>	865,450	170,945	1,135,167	2,171,562	2,280,003

All of the above amounts relate to continuing activities.

# Bushell House

## Balance Sheet

As at 31 December 2022

		Restricted Funds				
	Note	Land and Buildings £	Other Restricted Funds £	Unrestricted Funds £	2022 Total £	2021 Total £
<b>Fixed assets</b>						
Tangible assets	7	865,450	-	94,563	960,013	887,573
Investments	8	-	163,903	1,075,037	1,238,940	1,300,425
		<u>865,450</u>	<u>163,903</u>	<u>1,169,600</u>	<u>2,198,953</u>	<u>2,187,998</u>
<b>Current assets</b>						
Debtors	9	-	-	27,091	27,091	31,132
Cash at bank and in hand		-	7,042	12,220	19,262	100,563
		<u>-</u>	<u>7,042</u>	<u>39,311</u>	<u>46,353</u>	<u>131,695</u>
<b>Liabilities</b>						
Creditors falling due within one year	10	-	-	(73,744)	(73,744)	39,690
		<u>-</u>	<u>-</u>	<u>(73,744)</u>	<u>(73,744)</u>	<u>39,690</u>
<b>Net current assets</b>		<u>-</u>	<u>7,042</u>	<u>(34,433)</u>	<u>(27,391)</u>	<u>92,005</u>
<b>Net assets</b>		<u>865,450</u>	<u>170,945</u>	<u>1,135,167</u>	<u>2,171,562</u>	<u>2,280,003</u>
<b>Total funds of the charity</b>	11	<u>865,450</u>	<u>170,945</u>	<u>1,135,167</u>	<u>2,171,562</u>	<u>2,280,003</u>

14/09/2023

These accounts were approved by the Trustees on ..... and signed on their behalf by:



I Brown - Trustee

## Bushell House

### Cash Flow Statement

For the year ended 31 December 2022

	2022	2021
	£	£
Net (expenditure) / income for the year	(108,441)	171,293
Adjustments for:		
Investment income	(34,648)	(42,053)
Loss / (Gain) on investments	64,934	(101,266)
Loss on sale of tangible fixed assets	2,982	-
Depreciation	11,552	11,440
Decrease in debtors	4,041	14,276
Increase / (Decrease) in creditors	34,054	(29,652)
<b>Net cash (utilised by) / provided by operating activities</b>	<b>(25,526)</b>	<b>24,038</b>
<b>Cash flows from investing activities:</b>		
Investment income	34,648	42,053
Purchase of tangible fixed assets	(86,974)	(3,967)
Purchase of investments	(91,691)	(331,740)
Proceeds from sale of investments	112,006	311,374
Increase in cash held as investments	(23,764)	(17,546)
<b>Cash (used in) / provided by investing activities</b>	<b>(55,775)</b>	<b>174</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(81,301)</b>	<b>24,212</b>
Cash and cash equivalents at the beginning of the year	100,563	76,351
<b>Cash and cash equivalents at the end of the year</b>	<b>19,262</b>	<b>100,563</b>

## Notes to the Financial Statements

For the year ended 31 December 2022

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### 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 has had a significant impact on a number of organisations. The trustees have responded to the challenges faced as a result of this pandemic and together with management have put in place risk management processes to minimise the impact of any virus on employees and residents. The management team are reviewing operational and staffing impacts caused by the outbreak on a regular basis.

The trustees have monitored and continue to monitor the financial situation and the general running of the home via regular communication between the financial administrator and house manager and the Chairman.

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.

## Notes to the Financial Statements

For the year ended 31 December 2022

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### 1 Accounting policies (continued)

#### 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.

#### 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, Infection Control Fund, Lateral Flow Funding, Vaccination Grant and Workforce Capacity Grant. 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      -      5% - 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).



## Notes to the Financial Statements

For the year ended 31 December 2022

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### 1 Accounting policies (continued)

#### 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.

#### 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 year was unrestricted, with the exception of £2,226 (2021: £71,933) of restricted grant income and £537 (2021: £nil) of investment income, as detailed below.

Income from central government grants in respect of the Coronavirus Job Retention Scheme of £nil (2021: £7,282) was recognised during the year.

Income from local government grants in respect of infection control funding of £22,474 (2021: £64,651) was recognised during the year.

Income from Close Wealth Deposit interest of £537 (2021: £nil) was recognised during the year.

**Notes to the Financial Statements**

**For the year ended 31 December 2022**

**3 Residential care costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>798,119</b>	707,018
Other staff costs	<b>55,567</b>	17,258
Provision and upkeep	<b>71,628</b>	60,958
Fuel and lighting	<b>36,671</b>	36,414
Repairs and maintenance	<b>104,479</b>	79,392
Rates and water	<b>9,875</b>	8,913
Insurance	<b>21,530</b>	20,391
Telephone	<b>8,888</b>	8,170
Printing, stationery and advertising	<b>4,194</b>	3,316
Human resources consultancy	<b>7,582</b>	3,415
Activity expenses	<b>67</b>	313
Quality assurance, registration and regulatory	<b>10,496</b>	6,455
Accountancy and administrative assistance	<b>371</b>	1,313
Legal and professional fees	<b>-</b>	(10)
Preparation of statutory accounts	<b>3,900</b>	2,900
Audit of statutory accounts	<b>8,100</b>	3,100
Depreciation of fixtures	<b>11,552</b>	11,440
Loss on disposal of fixed assets	<b>2,982</b>	-
	<b>1,156,001</b>	970,756

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

Expenditure on charitable activities was made up of £1,145,222 (2021: 925,604) from unrestricted funds with £10,779 (2021: £45,152) from restricted funds.

**Notes to the Financial Statements**

**For the year ended 31 December 2022**

**4 Wages and salaries**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>710,731</b>	635,953
Social security costs	<b>50,539</b>	38,238
Pension costs	<b>36,849</b>	32,827
	<b>798,119</b>	707,018

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

The average number of employees during the year was:	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Care	<b>39</b>	41
Management and administration	<b>3</b>	3
	<b>42</b>	44

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 £93,999 (2021: £80,330).

**5 Governance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>12,000</b>	6,000
	<b>12,000</b>	6,000

During the year the trustees received no remuneration, benefits in kind or reimbursed expenses (2021: £nil). There were no transactions with related parties.

**6 Auditors' remuneration**

Amounts paid to the auditors constituted an audit fee of £8,100 (2021: £3,100) and fees for the preparation of statutory accounts of £3,900 (2021: £2,900).

# Bushell House

## Notes to the Financial Statements

For the year ended 31 December 2022

### 7 Fixed assets

	Freehold Land and Buildings £	Fixtures and Equipment £	Total £
<b>Cost</b>			
At 1 January 2022	865,450	141,941	1,007,391
Additions	-	86,974	86,974
Disposals	-	(15,382)	(15,382)
<b>At 31 December 2022</b>	<b>865,450</b>	<b>213,533</b>	<b>1,078,983</b>
<b>Depreciation</b>			
At 1 January 2022	-	119,818	119,818
Charge for the year	-	11,552	11,552
Eliminated on disposal	-	(12,400)	(12,400)
<b>At 31 December 2022</b>	<b>-</b>	<b>118,970</b>	<b>118,970</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>865,450</b>	<b>94,563</b>	<b>960,013</b>
At 31 December 2021	865,450	22,123	887,573

### 8 Investments

	Unrestricted £	Restricted £	Total £
Market value at 1 January 2022	1,137,059	163,366	1,300,425
Additions at cost	91,691	-	91,691
Disposal proceeds	(112,006)	-	(112,006)
Net investment gains/(losses)	(64,934)	-	(64,934)
Movement in cash held on deposit by investment agents	23,227	537	23,764
<b>Market value at 31 December 2022</b>	<b>1,075,037</b>	<b>163,903</b>	<b>1,238,940</b>

# Bushell House

## Notes to the Financial Statements

For the year ended 31 December 2022

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### 8 Investments (continued)

Historical Cost	Total £
<b>Unrestricted</b>	
General fund	1,075,037
<b>Restricted</b>	
Extraordinary repairs fund (created by order dated 18.4.50 – revised under scheme dated 15.5.77)	163,903
	<hr/>
<b>Total Investments (schedule 1)</b>	<b>1,238,940</b>
	<hr/>

### 9 Debtors

	2022	2021
	£	£
Fees receivable	272	214
Prepayments and accrued income	26,819	30,918
	<hr/>	<hr/>
	<b>27,091</b>	31,132
	<hr/>	<hr/>

£nil (2021: £8,430) related to restricted funds and £27,091 (2021: £22,702) related to unrestricted funds.

### 10 Creditors

	2022	2021
	£	£
Trade creditors	33,072	21,558
Tax and social security	12,632	-
Accruals	28,040	18,132
	<hr/>	<hr/>
	<b>73,744</b>	39,690
	<hr/>	<hr/>

All creditors related to unrestricted funds in both 2022 and 2021.

## Notes to the Financial Statements

For the year ended 31 December 2022

### 11 Analysis of funds

	At 1 Jan 2022 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 Dec 2022 £
<b>General reserve</b>	<b>1,109,262</b>	1,117,183	(1,152,009)	(64,934)	36,392	<b>1,045,894</b>
Designated funds:						
Exceptional repair fund	<b>40,000</b>	-	-	-	-	<b>40,000</b>
Boiler fund	<b>40,000</b>	-	-	-	(40,000)	-
Roof fund	<b>20,000</b>	-	-	-	10,000	<b>30,000</b>
Residents' amenities fund	<b>19,938</b>	30	(695)	-	-	<b>19,273</b>
<b>Total unrestricted funds</b>	<b>1,229,200</b>	1,117,213	(1,152,704)	(64,934)	6,392	<b>1,135,167</b>
<b>Restricted funds</b>						
Land and buildings	<b>865,450</b>	-	-	-	-	<b>865,450</b>
Other restricted funds:						
Infection Control Fund & Lateral Flow Funding	<b>10,555</b>	1,864	(6,027)	-	(6,392)	-
Vaccination Grant	<b>824</b>	-	(824)	-	-	-
Workforce Capacity Grant	<b>3,566</b>	362	(3,928)	-	-	-
Extraordinary repair fund	<b>163,366</b>	537	-	-	-	<b>163,903</b>
Pathway fund	<b>7,042</b>	-	-	-	-	<b>7,042</b>
<b>Total restricted funds</b>	<b>1,050,803</b>	2,763	(10,779)	-	(6,392)	<b>1,036,395</b>
<b>Total funds</b>	<b>2,280,003</b>	1,119,976	(1,163,483)	(64,934)	-	<b>2,171,562</b>

**Notes to the Financial Statements**

**For the year ended 31 December 2022**

**11 Analysis of funds (continued)**

	At 1 Jan 2021 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 Dec 2021 £
<b>General reserve</b>	<b>957,545</b>	976,260	(932,651)	101,266	6,842	<b>1,109,262</b>
Designated funds:						
Exceptional repair fund	<b>40,000</b>	-	-	-	-	<b>40,000</b>
Boiler fund	<b>30,000</b>	-	-	-	10,000	<b>40,000</b>
Roof fund	<b>10,000</b>	-	-	-	10,000	<b>20,000</b>
Residents' amenities fund	<b>20,301</b>	118	(481)	-	-	<b>19,938</b>
<b>Total unrestricted funds</b>	<b>1,057,846</b>	976,378	(933,132)	101,266	26,842	<b>1,229,200</b>
<b>Restricted funds</b>						
Land and buildings	<b>865,450</b>	-	-	-	-	<b>865,450</b>
Other restricted funds:						
Coronavirus Job Retention	-	7,282	(7,282)	-	-	-
Infection Control Fund & Lateral Flow Funding	<b>15,006</b>	60,261	(37,870)	-	(26,842)	<b>10,555</b>
Vaccination Grant	-	824	-	-	-	<b>824</b>
Workforce Capacity Grant	-	3,566	-	-	-	<b>3,566</b>
Extraordinary repair fund	<b>163,366</b>	-	-	-	-	<b>163,366</b>
Pathway fund	<b>7,042</b>	-	-	-	-	<b>7,042</b>
<b>Total restricted funds</b>	<b>1,050,864</b>	71,933	(45,152)	-	(26,842)	<b>1,050,803</b>
<b>Total funds</b>	<b>2,108,710</b>	1,048,311	(978,284)	101,266	-	<b>2,280,003</b>

**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. The boilers were replaced during the year and have been capitalised as part of the general fixed asset fund, the previously designated funds were utilised towards the cost of this work.

**Roof fund**

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

## Notes to the Financial Statements

For the year ended 31 December 2022

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### 11 Analysis of funds (continued)

#### **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.

#### **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 was fully spent in the 2021 on staff wages and associated oncosts.

#### **Infection Control fund and lateral flow funding**

The Infection Control fund and lateral flow funding represents funding from Lancashire County Council which was distributed to organisations within the care sector. The transfers in the year of £6,392 (2021: £26,842) is made in respect of loss of income from removing a room within the House for the purposes of staff changing and provision of a safe area for testing to be carried out.

#### **Vaccination grant**

The vaccination grant represents funding from Lancashire County Council which was distributed to organisations within the care sector.

#### **Workforce capacity grant**

The workforce capacity grant represents funding from Lancashire County Council which was distributed to organisations within the care sector to maintain safe staffing capacity.

#### **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 2022

	Cost At 31 Dec 2021	Market value at 31 Dec 2021	Additions/ (disposals) at market value	Gain/(loss) on disposals	Gain/(loss) on retained investments	Cash deposit movement	Cost At 31 Dec 2022	Market value at 31 Dec 2022	2022 Income	2021 Income
	£	£	£	£	£	£	£	£	£	£
UK fixed interest	150,983	155,769	(25,460)	-	(27,557)	-	120,287	102,752	4,654	8,515
Equities	737,397	853,320	(29,211)	(37,858)	(5,821)	-	695,065	780,430	26,154	30,415
Property	35,358	39,650	-	-	(6,337)	-	35,358	33,313	1,597	1,955
Commodities	23,970	28,027	-	-	3,228	-	23,970	31,255	-	-
Alternatives	107,394	121,311	34,356	-	9,411	-	141,750	165,078	1,672	1,166
Cash on deposit	102,348	102,348	-	-	-	23,764	126,112	126,112	537	-
	<u>1,157,450</u>	<u>1,300,425</u>	<u>(20,315)</u>	<u>(37,858)</u>	<u>(27,076)</u>	<u>23,764</u>	<u>1,142,542</u>	<u>1,238,940</u>	<u>34,614</u>	<u>42,051</u>

During the year investment income of £537 (2021: £nil) was attributable to restricted income funds with the balance of £2,763 (2021: £42,051) adding to unrestricted funds.