

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales · Charity number 223946

Details

Other names SILLOTH NURSING AND RESIDENTIAL CARE HOME

Status Registered

Legal form Trust

Registered 1963-10-08

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

Contact

Address Silloth Nursing And
Residential Care Home
Convalescent Home
Silloth
Wigton Cumbria
CA7 4JH

Phone 01697331493

Email officeadmin@sillothnursinghome.co.uk

Website www.sillothnursinghome.co.uk

Activities

Objects: FOR THE PURPOSE OF A SANATORIUM OR CONVALESCENT INSTITUTION, FOR THE NATIVES OF EITHER OF THE COUNTIES OF CUMMBERLAND AND WESTMORLAND, AND OTHERS.

Activities: The main objectives of the charity continues to focus on delivering a range of extensive care services within the fee structure, including the provision of post operative convalescence, short and long stay nursing/residential care. The following Core Values of Care are fundamental to our philosophy: Privacy, Dignity, Rights, Independence, Choice, Fulfilment, Security, Respect and Equality.

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** CUMBERLAND AND WESTMORLAND AND OTHERS.
- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,113,963	£1,967,891	£1,986,665	82
2024-03-31	£1,903,381	£1,854,150	£1,835,578	81
2023-03-31	£1,772,245	£1,729,048	£1,784,093	75
2022-03-31	£1,580,997	£1,591,342	£1,742,872	72
2021-03-31	£1,487,469	£1,600,516	£1,749,946	63

Trustees

Name	Role	Appointed
Catriona Duthie		2022-11-10
David Hurst		2019-09-12
Dr RODNEY MARSHALL JONES		2011-01-06
IAN BROWN		1991-11-14
Jean Hodgson Fearon		2015-10-08
Linda Faulder		2022-09-22
Lynn Devine		2024-12-12
ROBERT GEORGE KILLEN		2009-09-10
ROBERT MARK WHARTON		2001-07-12
TIMOTHY HENRY CARTMELL		1983-04-14

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales - Charity number 223946

Accounts

Charity registration number 223946 (England and Wales)

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R M Wharton - Honorary Treasurer Mr D J D Arter Mr T H Cartmell Dr R M Jones Mr R Killen Canon B Rothwell Mrs J H Fearon Mr D Hurst Mr I W Brown - Chair Mrs L Faulder - Vice Chair Ms C Duthie Mrs L Devine	(Appointed 12 December 2024)
Patrons	Lord Melvyn Bragg of Wigton Mrs Anne Coulthard Mrs Connie Anderson	
Charity secretary	Mrs D Harrison	
Charity number	223946	
Principal address	The Convalescent Home Silloth Wigton Cumbria CA7 4JH	
Auditor	Saint & Co. Sterling House Wavell Drive Rosehill Carlisle CA1 2SA	
Bankers	Cumberland Building Society Station Road Silloth Wigton Cumbria CA7 4AE	
	HSBC Bank Plc 29 English Street Carlisle Cumbria CA3 8JX	

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Charity's objectives, as set out in its Trust Deed, are that the Home should be used for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the former counties of Cumberland and Westmorland and others. When planning our activities for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit, in particular, the specific guidance on fee charging, and the guidance on the charitable purposes of the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, and the advancement of health.

The main objectives and activities focus on the care services delivered and are undertaken to further our charitable purposes for the public benefit.

Strategies for achieving aims and objectives

The strategies employed to achieve the Charity's objectives are:

- providing post operative convalescence, short and long stay nursing and residential care.
- delivering a range of extensive care services within the fee structure.
- a continued training programme for all staff, ensuring a highly trained and motivated workforce
- compliance with all health and safety measures, care home legislation and registration requirements.

Public benefit

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

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Care services

The Charity has addressed the risk that the availability of benefits to the public could be restricted because nursing and residential fees are charged. However, we also offer our services to residents who do not pay for their care by themselves, but who are funded by the Local Authority. Therefore, the Trustees are confident that potential beneficiaries are not excluded because of their ability to pay for care fees.

The Trustees review fees annually. In common with other care homes, fees are based on a client's assessed needs and funded through a variety of sources, ranging from self-funding to local authority and health service provision. People who qualify for Free Nursing Care are assessed by a representative of the Cumbria Clinical Commissioning Group and receive a 'Funded Nursing Care Contribution' towards their fees or, in some circumstances, may receive total funding through the National Health Service.

Care Fees include all care and accommodation costs, food and drink, heating and light, a three monthly footcare service, laundry done on the premises, basic toiletries as well as other staff services. The Home's care services do not differentiate between those delivered to people funded through private means or through the local authority.

Invitations are regularly extended to our residents' family members and to local people who are elderly and living alone, to join our residents for meals, activities and outings.

Staff

Staff employment is only confirmed after rigorous checks have been made through a successful completion of a DBS application with the National Care Association.

All new members of staff are given induction training in line with the National Minimum Standards and the Care Act 2014. Also included in the programme is the Gold Standards Framework training. This involves all care service requirements, including health and safety training and an introduction to the Home's policies and procedures. The Manager and Training Co-ordinator ensure that members of staff are given the opportunity of further training and development throughout their time at the Home. New members of staff who have no formal qualifications are given the opportunity to undertake both the in-house Care Certificate and a vocational qualification.

Care Home Legislation

The Trustees are mindful of the legislation pertaining to the care of vulnerable people and the upkeep of their accommodation. The Home is properly insured, and the required periodic maintenance checks are made on the fabric of the building and the equipment used in the care of residents and patients.

Volunteers

We are forever indebted to the nursing home's League of Friends, who freely give of their time to raise funds for the benefit of residents and the Home. The League of Friends' hold a monthly coffee morning in Christ Church to which all are welcome.

Achievements and performance

Significant activities and achievements against objectives

The Care Quality Commission last carried out an inspection in August 2019 when the Home was awarded the official rating of Outstanding for the second time.

We continue to provide an outstanding level of Care for End of Life with individuals and families now choosing Silloth Nursing Home as an alternative to hospitals and hospices.

Emergency lighting was fitted to the rear of the building in October 2024 to create an illuminated walkway for emergency evacuations.

Our Staff training programmes continue and to date around 78% of care staff have received mandatory and statutory training covering the required standards. Lakes College have now moved to classroom-based training only, therefore options for online provision for vocational qualifications are being explored. We remain grateful to all of our staff for their hard work and continued commitment, many of whom have been with us for over 10 years.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Personnel

There were no retirements during the financial year, and the Trustees will be forever grateful to all former employees for their loyal service over the years.

Long Service Awards were awarded to RGN Christine Jackson, Laundress Beverley Collins and Secretary Dawn Harrison all of whom have completed 10 years' service.

Every year we thank our Staff for their hard work; this year is no exception. We are so grateful for the continuing sacrifices our staff have made this year, going beyond the normal realms of their employment. They have coped so well with the pressure, extra duties, extreme working conditions, the sadness and anguish that their vocation can bring.

Our sincere thanks go once again to Matron Lianne Searby, Sister Fiona Milne and all staff for another year of dedicated care for our Residents. We thank Dawn Harrison, Carrie Henderson and Jacqui Jewell for their hard work throughout the year.

Thanks are also due to Dr. Darren Hymers and his colleagues at Silloth Group Medical Practice for continuing to provide a service of excellent medical care.

Frequent consultations took place throughout the year with the Care Quality Commission and other external agencies, including the Department of Social Services, Mental Health Team, District Nursing Team and Public Health England. We are grateful for the guidance and advice given to the nursing home.

Donations

We are grateful to the Longcake Charity for their continued support to the Home and for all the donations over the years including £900 this year.

Donations included £540 from a fundraising event held at the Rugby Club, £500 from the Christmas Lunch team and a legacy of £1,237 from the estate of the late Alice Baxter.

The Home is thankful for all donations received during the year and in particular all those given by individuals in memory of their loved ones.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The Home's main funding source, income from nursing and residential care fees, increased from £1,869,004 in 2024 to £2,071,265. This included Local Authority and NHS Cumbria funding. Turnover for the year, including care fees, donations, fundraising and investment income, totalled £2,119,811; an increase of £216,430 on the previous year.

Expenditure increased by £113,741 on the previous year, from £1,854,150 to £1,967,891. Staff costs will rise in the next financial year in accordance with the National Living Wage, as well as cost of living rises.

The Trustees are mindful of the upkeep of the premises; room refurbishment continues to be carried out as required.

The end of year resulted in a trading surplus of £151,087 arising from:

Total Incoming Resources 2024-2025	£2,119,811
Less Total Expenditure 2024-2025	(£1,967,891)
Gain/(Loss) on investments	(£833)
	<hr/>
	£151,087

Finances have been affected during the past several years. The Home will now focus on rebuilding reserves financed by future operating surpluses.

This year we were fortunate to be able to hold two fundraising events, the strawberry teas held in July which raised £750, and the Christmas Fete raised £980. It was lovely to welcome back large numbers of visitors to the Home; it is hoped that at least one event can be organised each year.

Total funds of the charity at the year end are £1,986,665.

The charity's current level of unrestricted free reserves (total funds less the amount held in tangible fixed assets and restricted funds) is £904,573. Included in these reserves there are designated funds of £37,617 for repair & refurbishment, training and patient amenities leaving £866,956 of freely available general unrestricted reserve. Restricted funds at the year end totalled £91,599 and endowment funds were £28,753. Tangible fixed assets of £961,741 are held for use by charity (unrestricted fund £961,741, restricted fund £nil) and can only be realised by the disposal of these assets.

Reserves policy

The Management Committee has examined the Charity's requirements for reserves, in light of the main risks to the organisation. Our major operational risk is the possibility of the failure to provide a service, which would result in relocating residents and patients. This would have a severe impact on the Charity. The Trustees estimated that it could take three to five months to relocate clients, and the need to meet running costs and staff contractual obligations during this time, were identified as a significant factor. The Management Committee has therefore established a policy whereby the unrestricted funds held by the charity should account for at least six months of the average annual expenditure. The reserves are needed to meet the working capital of the Charity, and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of reserves available to the Charity of £866,956 are below the anticipated level of £1,000,000. The Trustees remain confident that the Home had adequate reserves to support the operating costs. The Management Committee's policy is to increase reserves to the level required. This policy is reviewed annually.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Investment policy

Investment income recorded an increase over the financial year from £16,423 to £18,065 at 31st March.

In January 2025 the home re-invested £85,000 in a 1 year fixed term account with the Hampshire Trust Bank. The investment matures in January 2026.

The performance of the Home's investments is continually monitored by the Finance Committee. The Trustees agreed that the specialised unit trust designed for the charity sector, continues to meet the Home's requirements for the time being.

Major risks

The Management Committee has a risk management strategy, which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- vetting procedures as required by law for the protection of vulnerable people.

The Committee is responsible for the management of the risks faced by the home. Our risk register is reviewed annually, and the Trustees review any new risks identified during the year, on an ongoing basis. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the consistent quality of nursing and residential services. These procedures are under constant review.

Risks are identified, assessed and controls established throughout the year. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Management Committee.

Plans for future periods

Looking to the future, the Management Committee has examined the circumstances facing the Charity and its future income and expenditure patterns. The Committee has therefore designated £25,000 for general refurbishment and repairs, £5,000 for training and £4,000 for beds. Staff training remains paramount.

The Trustees are committed to continual staff training and development and continue to review our training programme to ensure that courses remain relevant to the Home's requirements. A strong emphasis is therefore placed on courses pertaining to the Home's delivery of care, health and safety, and legislative requirements. Our training programme for the coming year continues to focus on: Palliative Care, National Vocational Qualifications in Care, Safety of Vulnerable Adults, Dementia, Fire Safety Awareness, Food Hygiene, Dignity, Nutrition, Tissue Viability, Health and Safety, First Aid Infection Control and Data Security and digital care plans.

Plans are in place to introduce Digital Care Plans to the Home, part funding was secured from the NHS to assist with initial costs, it is expected that the new system will be live towards the end of July 2025.

IDL will be carrying out work to improve the flow of water through the building with the installation of twin booster pumps and the boilers will be replaced to improve energy efficiencies.

The key objectives when determining future plans remain:

1. To maintain the current high standard of care
2. To maintain client accommodation and the nursing home to a high standard
3. To provide equipment and mobility aids where required
4. To continue to review staff training requirements
5. To meet legislative requirements pertaining to the running of the Home.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management

Governing document

The Silloth Nursing and Residential Care Home is a registered charity, number 223946. Its full name is the Cumberland and Westmorland Convalescent Institution, and it was established by trust deed on 1 May, 1862 for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the Counties of Cumberland and Westmorland and others.

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

Mr R M Wharton - Honorary Treasurer

Mr D J D Arter

Mr T H Cartmell

Dr R M Jones

Mr R Killen

Mr G Wilkinson

(Deceased 17 February 2025)

Canon B Rothwell

Mrs J H Fearon

Mr D Hurst

Mr I W Brown - Chair

Mrs L Faulder - Vice Chair

Ms C Duthie

Mrs L Devine

(Appointed 12 December 2024)

Recruitment and appointment of trustees

The members of Committee are the Trustees of the charity. Members are elected as a vacancy occurs by unanimous vote of the existing board. The Charity's work focuses on vulnerable people and the Management Committee seeks to ensure that their needs are appropriately reflected through the diversity of its members. The Trustees keep the skill requirements under review and the more traditional business and medical skills are well represented on the Committee.

Organisational structure

The general running of the Charity is devolved to the Management Committee, which can have 16 members. The Trustees meet on the second Thursday of each month and there are sub-committees covering finance and housekeeping. Details of the current members are given on page 1 of these accounts.

We were sad to lose a valuable member of the Management Committee in February 2025 when Graham Wilkinson passed away. Graham was appointed as a Trustee in September 2009 and provided many years of advice and guidance.

The day-to-day running of the Home is delegated to the Manager, Mrs Lianne Searby who is supported by the relevant employees of the Charity.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Induction and training of trustees

The induction process for any newly appointed Trustee comprises an initial meeting with the Chairman and members of the Management Committee. Induction training includes an introduction to the sub-committees, objectives, policies and procedures of the Home. Trustees are required to read the relevant Charity Commission information and familiarise themselves with the activity of the Home and its legislative requirements.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 10 of the accounts. Trustees are required to disclose all relevant interests and register them with the Management Committee and, in accordance with the Home's policy, withdraw from decisions where a conflict of interest arises. Trustees who are involved in the running of and sit on the board of independent trusts who have dealings with the charity are disclosed in note 21 of the accounts.

Remuneration policy

The Management Committee considers that they, together with the Manager, Committee Secretary and Senior Qualified Staff constitute the home's Key Management Personnel. Members of the Committee give of their time freely. Pay and remuneration of personnel is set on the recommendation of the Finance Committee and forwarded to the full Committee for possible alteration and subsequent ratification. This procedure is kept under annual review.

A number of criteria are used in setting pay:

- nature of the role and responsibilities
- retention of key personnel
- nursing/care home sector average salary for comparable positions
- competitive salaries in the region
- trends in pay across the nursing/care home sector

Relationship with related parties

The Charity has a close relationship with the Holme Cultram Sea Dyke Charity, which provides funding for people in need of emergency respite care who live within the boundaries of the Ancient Parish of Holme Cultram.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

Auditor

Saint & Co. will be proposed for reappointment as auditors of the trust at the forthcoming Annual General meeting.

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

Mr I W Brown - Chair

Trustee

30 July 2025

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

Opinion

We have audited the financial statements of Cumberland and Westmorland Convalescent Institution (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 March 2025 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 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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 requires 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.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- to address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as Charity Commission and the charity's legal advisors.

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

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

A further description of our responsibilities 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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.

Saint & Co.
Chartered Accountants & Statutory Auditor
Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA
30 July 2025

Saint & Co. 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year						
		Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025	Total 2024
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	11,141	2,507	-	13,648	11,765
Charitable activities	4	2,088,098	-	-	2,088,098	1,875,193
Investments	5	14,724	3,341	-	18,065	16,423
Total income		2,113,963	5,848	-	2,119,811	1,903,381
Expenditure on:						
Charitable activities	6	1,967,891	-	-	1,967,891	1,853,920
Other	11	-	-	-	-	230
Total expenditure		1,967,891	-	-	1,967,891	1,854,150
Net gains/(losses) on investments	12	572	-	(1,405)	(833)	2,254
Net incoming/(outgoing) resources before transfers		146,644	5,848	(1,405)	151,087	51,485
Net incoming/(outgoing) resources before transfers		146,644	5,848	(1,405)	151,087	51,485
Gross transfers between funds		5,027	(5,027)	-	-	-
Net movement in funds		151,671	821	(1,405)	151,087	51,485
Fund balances at 1 April 2024		1,714,642	90,778	30,158	1,835,578	1,784,093
Fund balances at 31 March 2025		1,866,313	91,599	28,753	1,986,665	1,835,578

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
	Notes				
Income from:					
Donations and legacies	3	11,765	-	-	11,765
Charitable activities	4	1,875,193	-	-	1,875,193
Investments	5	13,830	2,593	-	16,423
Total income		<u>1,900,788</u>	<u>2,593</u>	<u>-</u>	<u>1,903,381</u>
Expenditure on:					
Charitable activities	6	1,852,274	1,646	-	1,853,920
Other	11	230	-	-	230
Total expenditure		<u>1,852,504</u>	<u>1,646</u>	<u>-</u>	<u>1,854,150</u>
Net gains/(losses) on investments	12	(249)	-	2,503	2,254
Net incoming/(outgoing) resources before transfers		48,035	947	2,503	51,485
Gross transfers between funds		5,562	(5,562)	-	-
Net movement in funds		53,597	(4,615)	2,503	51,485
Fund balances at 1 April 2023		<u>1,661,045</u>	<u>95,393</u>	<u>27,655</u>	<u>1,784,093</u>
Fund balances at 31 March 2024		<u><u>1,714,642</u></u>	<u><u>90,778</u></u>	<u><u>30,158</u></u>	<u><u>1,835,578</u></u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	14		961,741		983,365
Investments	15		42,827		43,660
			<u>1,004,568</u>		<u>1,027,025</u>
Current assets					
Debtors	17	165,764		174,350	
Cash at bank and in hand		907,108		702,345	
		<u>1,072,872</u>		<u>876,695</u>	
Creditors: amounts falling due within one year	18	(90,775)		(68,142)	
Net current assets			<u>982,097</u>		<u>808,553</u>
Total assets less current liabilities			<u>1,986,665</u>		<u>1,835,578</u>
Net assets excluding pension liability			<u>1,986,665</u>		<u>1,835,578</u>
The funds of the charity					
Endowment funds	21		28,753		30,158
Restricted income funds	22		91,599		90,778
Unrestricted funds			1,866,313		1,714,642
			<u>1,986,665</u>		<u>1,835,578</u>

The financial statements were approved by the trustees on 30 July 2025

Mr R M Wharton - Honorary Treasurer
Trustee

Mr I W Brown - Chair
Trustee

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	27		186,698		72,926
Investing activities					
Investment income received		18,065		16,423	
Net cash generated from investing activities			18,065		16,423
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			204,763		89,349
Cash and cash equivalents at beginning of year			702,345		612,996
Cash and cash equivalents at end of year			907,108		702,345

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Convalescent Home, Silloth, Wigton, CA7 4JH, Cumbria.

1.1 Accounting convention

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors 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.

Permanent endowment funds exist where the Charity receives a gift or legacy under the terms of which the capital may not be expended. The income may be restricted or unrestricted, depending on the terms of the original gift.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

Donated goods are measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

Donated facilities and services are recognised in the accounts when received if the value can be reliably measured.

No amounts are included for the contribution of general volunteers.

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.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activities costs includes direct residential care home costs and management and administration expenditure

Direct residential care home costs include all costs associated with operating the primary activities of the charity, these being the running of the residential care home. The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes. Management and administration expenditure includes cost of administration staff wages, running of the office and any legal fees and depreciation on office.

Governance costs

This is expenditure incurred in relation to audit, accountancy and legal fees.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

Land and building improvements and major items of equipment are capitalised within these accounts. Fixed assets costing less than £10,000 are not capitalised, but written off to the Income and Expenditure Account as incurred. This is a departure from section 17 of FRS102 but is justified on the grounds that the assets are generally replacements of existing equipment. Assets not capitalised under this policy are disclosed in the notes to these accounts.

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:

Property improvements	2% reducing balance
Plant and equipment	15% reducing balance
Land	No depreciation

Freehold land is not depreciated.

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

1.9 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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 Employee benefits

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.

1.12 Retirement benefits

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

1.13 Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	10,847	2,507	13,354	11,446	-	11,446
Membership fees	240	-	240	290	-	290
Other	54	-	54	29	-	29
	<u>11,141</u>	<u>2,507</u>	<u>13,648</u>	<u>11,765</u>	<u>-</u>	<u>11,765</u>

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from charitable activities		
Services provided under contract	2,071,265	1,869,004
Ancillary trading income	2,140	1,758
Other income	14,693	4,431
	<u>2,088,098</u>	<u>1,875,193</u>

5 Income from investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Interest receivable	14,724	3,341	18,065	13,830	2,593	16,423
	<u>14,724</u>	<u>3,341</u>	<u>18,065</u>	<u>13,830</u>	<u>2,593</u>	<u>16,423</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

6 Expenditure on charitable activities

	Direct Costs 2025 £	Direct Costs 2024 £
Direct costs		
Staff costs	1,372,119	1,268,405
Depreciation and impairment	21,623	22,477
Equipment lease	22,165	23,385
Clinical waste, cleaning & refuse	43,051	51,393
Provisions, surgery & dispensary	138,374	139,927
Premises costs	99,473	81,280
Repairs and maintenance	62,235	62,064
General expenses	10,960	12,202
	<u>1,770,000</u>	<u>1,661,133</u>
Share of support and governance costs (see note 7)		
Support	188,652	176,260
Governance	9,239	16,527
	<u>1,967,891</u>	<u>1,853,920</u>
Analysis by fund		
Unrestricted funds	1,967,891	1,852,274
Restricted funds	-	1,646
	<u>1,967,891</u>	<u>1,853,920</u>

7 Support costs allocated to activities

	2025 £	2024 £
Staff costs	158,870	147,042
Office costs	8,349	6,898
Other staff costs	6,098	7,707
Sundry expenses	15,335	14,613
Governance costs	9,239	16,527
	<u>197,891</u>	<u>192,787</u>
Analysed between:		
Direct Costs	<u>197,891</u>	<u>192,787</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7	Support costs allocated to activities	(Continued)	
		2025	2024
		£	£
	Governance costs comprise:		
	Audit fees	3,030	2,886
	Accountancy	3,105	2,876
	Legal and professional	3,104	10,765
		<u>9,239</u>	<u>16,527</u>
		<u><u>9,239</u></u>	<u><u>16,527</u></u>
8	Net movement in funds	2025	2024
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable to the charity's auditor:		
	- for the audit of the charity's financial statements	3,030	2,886
	- for other financial services	3,105	2,694
	Depreciation of owned tangible fixed assets	21,623	22,477
	Loss on disposal of tangible fixed assets	-	230
	Operating lease rental	20,356	23,385
		<u>20,356</u>	<u>23,385</u>
		<u><u>20,356</u></u>	<u><u>23,385</u></u>
9	Trustees		
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
10	Employees		
	The average monthly number of employees during the year was: 82 (2024: 81)		
		2025	2024
		Number	Number
	Nursing, caring services and domestic	80	79
	Clerical and administration	2	2
		<u>82</u>	<u>81</u>
		<u><u>82</u></u>	<u><u>81</u></u>
	Employment costs	2025	2024
		£	£
	Wages and salaries	1,392,732	1,287,809
	Social security costs	97,144	89,180
	Other pension costs	41,113	38,458
		<u>1,530,989</u>	<u>1,415,447</u>
		<u><u>1,530,989</u></u>	<u><u>1,415,447</u></u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Employees

(Continued)

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total remuneration paid to key management personnel for services provided to the charity was £91,461 (2024: £91,133).

Termination payments totalling £nil (2024: £2,887) were made in the reporting period.

There were no employees whose annual remuneration was more than £60,000.

11 Other expenditure

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net loss on disposal of tangible fixed assets	-	230
	<u> </u>	<u> </u>

12 Gains and losses on investments

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Gains/(losses) arising on:						
Revaluation of investments	572	(1,405)	(833)	(249)	2,503	2,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Tangible fixed assets

	Property improvements £	Plant and equipment £	Land £	Total £
Cost				
At 1 April 2024	1,453,250	108,425	5,200	1,566,875
At 31 March 2025	1,453,250	108,425	5,200	1,566,875
Depreciation and impairment				
At 1 April 2024	490,934	92,577	-	583,511
Depreciation charged in the year	19,246	2,377	-	21,623
At 31 March 2025	510,180	94,954	-	605,134
Carrying amount				
At 31 March 2025	943,070	13,471	5,200	961,741
At 31 March 2024	962,316	15,849	5,200	983,365

The home considers that the market value of the land is in excess of the cost £5,200 included in the accounts. All assets are used primarily for direct charitable expenses. Accordingly depreciation of £21,623 has been charged to Direct Charitable Expenditure. The following assets were acquired during the year but, under the terms of the trust's accounting policy, not capitalised:-

	£
Carpets and flooring	3,594
Equipment renewals	14,912

15 Fixed asset investments

	Unlisted investments £	Other Investments £	Total £
Cost or valuation			
At 1 April 2024	43,540	120	43,660
Valuation changes	(833)	-	(833)
At 31 March 2025	42,707	120	42,827
Carrying amount			
At 31 March 2025	42,707	120	42,827
At 31 March 2024	43,540	120	43,660

Fixed asset investments revalued

Listed investments have been valued at publicly available market value, generally on the mid-market price at the close of business at the year end.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15	Fixed asset investments		(Continued)
	Fixed asset investments not carried at market value		
	Other investments have been valued at cost, as there is no readily available market value.		
16	Financial instruments		
		2025	2024
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	42,707	43,540
		<u> </u>	<u> </u>
17	Debtors		
		2025	2024
		£	£
	Amounts falling due within one year:		
	Trade debtors	145,450	158,176
	Prepayments and accrued income	20,314	16,174
		<u> </u>	<u> </u>
		165,764	174,350
		<u> </u>	<u> </u>
18	Creditors: amounts falling due within one year		
		2025	2024
		£	£
	Notes		
	Other taxation and social security	23,741	23,614
	Deferred income	6,779	8,135
	Trade creditors	33,842	26,003
	Other creditors	1,843	4,875
	Accruals	24,570	5,515
		<u> </u>	<u> </u>
		90,775	68,142
		<u> </u>	<u> </u>
19	Deferred income		
		2025	2024
		£	£
	Arising from fee income	6,779	8,135
		<u> </u>	<u> </u>
	Deferred income is included in the financial statements as follows:		
		2025	2024
		£	£
	Deferred income is included within:		
	Current liabilities	6,779	8,135
		<u> </u>	<u> </u>
	Movements in the year:		

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19	Deferred income	(Continued)	
	Deferred income at 1 April 2024	8,135	3,903
	Released from previous periods	(8,135)	(3,903)
	Resources deferred in the year	6,779	8,135
		<u>6,779</u>	<u>8,135</u>
	Deferred income at 31 March 2025	<u>6,779</u>	<u>8,135</u>

The amount included in deferred income relates to fee income for the next financial year.

20	Retirement benefit schemes	2025	2024
	Defined contribution schemes	£	£
	Charge to profit or loss in respect of defined contribution schemes	41,113	38,458
		<u>41,113</u>	<u>38,458</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Contributions amounting to £1,843 (2024: £2,862) were payable to the scheme at the year end and are included within other creditors.

21 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2024	Gains and losses	At 31 March 2025
	£	£	£
Permanent endowments	30,158	(1,405)	28,753
	<u>30,158</u>	<u>(1,405)</u>	<u>28,753</u>
Previous year:	At 1 April 2023	Gains and losses	At 31 March 2024
	£	£	£
Permanent endowments	27,655	2,503	30,158
	<u>27,655</u>	<u>2,503</u>	<u>30,158</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Endowment funds

(Continued)

The holding of 1476 Charities Official Investment Fund units are held as part of the permanent endowment of the home. The income shares were gifts from G Moore (946) and R Carruthers (530). The Trustees may use the dividends paid to the home for general purposes.

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Hampshire Trust	86,831	3,196	-	(5,027)	85,000
Sea Dyke Fund	3,947	2,652	-	-	6,599
	<u>90,778</u>	<u>5,848</u>	<u>-</u>	<u>(5,027)</u>	<u>91,599</u>
	<u><u>90,778</u></u>	<u><u>5,848</u></u>	<u><u>-</u></u>	<u><u>(5,027)</u></u>	<u><u>91,599</u></u>
Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Hampshire Trust	90,029	2,364	-	(5,562)	86,831
Sea Dyke Fund	3,718	229	-	-	3,947
Dr Hutton Legacy	1,646	-	(1,646)	-	-
	<u>95,393</u>	<u>2,593</u>	<u>(1,646)</u>	<u>(5,562)</u>	<u>90,778</u>
	<u><u>95,393</u></u>	<u><u>2,593</u></u>	<u><u>(1,646)</u></u>	<u><u>(5,562)</u></u>	<u><u>90,778</u></u>

The Dr Hutton legacy was used to purchase various items of equipment for the home, the expenditure each year relates to the depreciation on those assets.

The Hampshire Trust Account was set up as an investment opportunity and offered the best interest rates for the amount deposited. The transfer this year relates to the interest earned on this fund which was not re-invested and is deemed to be unrestricted.

The remaining restricted funds are used to fund respite fees for those who qualify.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2025
	£	£	£	£	£	£
General repairs	25,000	-	(11,080)	11,080	-	25,000
Bed fund	4,000	-	-	-	-	4,000
Training fund	5,000	2,800	(596)	(2,204)	-	5,000
Patients amenities	2,982	2,135	(1,500)	-	-	3,617
General funds	1,677,660	2,109,029	(1,954,715)	(3,849)	572	1,828,696
	<u>1,714,642</u>	<u>2,113,963</u>	<u>(1,967,891)</u>	<u>5,027</u>	<u>572</u>	<u>1,866,313</u>
Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£	£
General repairs	25,000	-	(2,400)	2,400	-	25,000
Bed fund	4,000	-	(6,728)	6,728	-	4,000
Training fund	5,000	-	(859)	859	-	5,000
Patients amenities	3,410	2,985	(3,413)	-	-	2,982
General funds	1,623,635	1,897,803	(1,839,104)	(4,425)	(249)	1,677,660
	<u>1,661,045</u>	<u>1,900,788</u>	<u>(1,852,504)</u>	<u>5,562</u>	<u>(249)</u>	<u>1,714,642</u>

24 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025
	£	£	£	£
At 31 March 2025:				
Tangible assets	961,741	-	-	961,741
Investments	14,074	-	28,753	42,827
Current assets/(liabilities)	890,498	91,599	-	982,097
	<u>1,866,313</u>	<u>91,599</u>	<u>28,753</u>	<u>1,986,665</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
Tangible assets	983,365	-	-	983,365
Investments	13,502	-	30,158	43,660
Current assets/(liabilities)	717,775	90,778	-	808,553
	<u>1,714,642</u>	<u>90,778</u>	<u>30,158</u>	<u>1,835,578</u>

25 Operating lease commitments

Lessee

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:

	2025 £	2024 £
Within one year	15,946	23,786
Between two and five years	19,685	34,125
	<u>35,631</u>	<u>57,911</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

26 Related party transactions

Transactions with related parties

The following trustees are involved in the running of and sit on the board of independent trusts who also have dealings with this charity:-

Mr D Hurst - Holme Cultram Sea Dyke Charity (Hon. Member)

Canon B Rothwell - The Longcake Charity

Mrs L Faulder - League of Friends (Silloth Nursing Home)

Mrs J Fearon - League of Friends (Silloth Nursing Home)

The aggregate of donations without conditions from trustees and related parties totalled £4,370 (2024: £2,900)

One trustee had a family member who was residents at the home during the year, no preferential rates or terms have been received by the trustee.

27 Cash generated from operations	2025	2024
	£	£
Surplus for the year	151,088	51,485
Adjustments for:		
Investment income recognised in statement of financial activities	(18,065)	(16,423)
(Gain)/loss on disposal of tangible fixed assets	-	230
Fair value gains and losses on investments	833	(2,254)
Depreciation and impairment of tangible fixed assets	21,623	22,477
Movements in working capital:		
Decrease in debtors	8,586	1,569
Increase in creditors	23,989	11,610
(Decrease)/increase in deferred income	(1,356)	4,232
Cash generated from operations	<u>186,698</u>	<u>72,926</u>

28 Analysis of changes in net funds

The charity had no material debt during the year.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales - Charity number 223946

Accounts

Charity registration number 223946

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R M Wharton - Honorary Treasurer Mr D J D Arter Mr T H Cartmell Dr R M Jones Mr R Killen Mr G Wilkinson Canon B Rothwell Mrs J H Fearon Mr D Hurst Mr I W Brown - Chair Mrs L Faulder - Vice Chair Ms C Duthie
Patrons	Lord Melvyn Bragg of Wigton Mrs Anne Coulthard Mrs Connie Anderson
Charity secretary	Mrs D Harrison
Charity number	223946
Principal address	The Convalescent Home Silloth Wigton Cumbria CA7 4JH
Auditor	Saint & Co. Sterling House Wavell Drive Rosehill Carlisle CA1 2SA
Bankers	Cumberland Building Society Station Road Silloth Wigton Cumbria CA7 4AE HSBC Bank Plc 29 English Street Carlisle Cumbria CA3 8JX

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

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 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Charity's objectives, as set out in its Trust Deed, are that the Home should be used for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the former counties of Cumberland and Westmorland and others. When planning our activities for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit, in particular, the specific guidance on fee charging, and the guidance on the charitable purposes of the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, and the advancement of health.

The main objectives and activities focus on the care services delivered and are undertaken to further our charitable purposes for the public benefit.

Strategies for achieving aims and objectives

The strategies employed to achieve the Charity's objectives are:

- providing post operative convalescence, short and long stay nursing and residential care.
- delivering a range of extensive care services within the fee structure.
- a continued training programme for all staff, ensuring a highly trained and motivated workforce
- compliance with all health and safety measures, care home legislation and registration requirements.

Public benefit

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

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Care services

The Home is registered with the Care Quality Commission for 38 placements and is rated Outstanding, and includes nursing and residential placements under the category 'Old Age', and placements for young disabled adults under the category 'Physical Disability'.

The Charity welcomes people from all walks of life; equal access to our services is an important issue for the Home. No-one is discriminated against on the grounds of race, disability, gender, age, sexual orientation, religion or belief. The Home strives to preserve and maintain the dignity, individuality and privacy of all clients within a warm and caring atmosphere. Recognising that their needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social. The Charity has a holistic approach to care; each client is encouraged to participate in the development of their individual plan of care, in which the involvement of family and friends may be appropriate and is greatly valued. We work closely with General Practitioners and other professions involved in healthcare, in order to assess each individual's needs and help them to understand the procedures and processes involved.

Our 'Moving and Handling' team works closely with clients, identifying their capabilities and helping them to achieve their maximum potential. This service is of particular benefit to our short stay clients, helping to rehabilitate people back into their home environment.

The Charity works closely with residents, families and multiple disciplinary teams to develop improvements in the quality and organisation of care for people approaching the end of their lives.

Fees

The Charity has addressed the risk that the availability of benefits to the public could be restricted because nursing and residential fees are charged. However, we also offer our services to residents who do not pay for their care by themselves, but who are funded by the local authority. Therefore the Trustees are confident that potential beneficiaries are not excluded because of their ability to pay for care fees.

The Trustees review fees annually. In common with other care homes, fees are based on a client's assessed needs and funded through a variety of sources, ranging from self-funding to local authority and health service provision. People who qualify for Free Nursing Care are assessed by a representative of the Cumbria Clinical Commissioning Group and receive a 'Registered Nursing Care Contribution' towards their fees or, in some circumstances, may receive total funding through the National Health Service.

Care Fees include all care and accommodation costs, food and drink, heating and light, a three monthly footcare service, laundry done on the premises, basic toiletries as well as other staff services. The Home's care services do not differentiate between those delivered to people funded through private means or through the local authority.

Invitations are regularly extended to our residents' family members and to local people who are elderly and living alone, to join our residents for meals, activities and outings.

Staff

Staff employment is only confirmed after rigorous checks have been made through a successful completion of a DBS application with the Disclosure and Barring Service.

All new members of staff are given induction training in line with the National Minimum Standards and the Care Act 2014. Also included in the programme is the Gold Standards Framework training. This involves all care service requirements, including health and safety training and an introduction to the Home's policies and procedures. The Manager and Training Co-ordinator ensures that members of staff are given the opportunity of further training and development throughout their time at the Home. New members of staff who have no formal qualifications are given the opportunity to undertake both the Care Certificate and a vocational qualification.

Care Home Legislation

The Trustees are mindful of the legislation pertaining to the care of vulnerable people and the upkeep of their accommodation. The Home is properly insured and the required periodic maintenance checks are made on the fabric of the building and the equipment used in the care of residents and patients.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Volunteers, Gifts in Kind

We are forever indebted to the nursing home's League of Friends, who freely give of their time to raise funds for the benefit of residents and the Home. The League of Friends' now hold a monthly coffee morning in Christ Church to which all are welcome.

Achievements and performance

Significant activities and achievements against objectives

The Care Quality Commission last carried out an inspection in August 2019 when the Home was awarded the official rating of Outstanding for the second time.

We continue to provide an outstanding level of Care for End of Life with individuals and families now choosing Silloth Nursing Home as an alternative to hospitals and hospices.

Our Staff training programmes continue and to date around 78% of care staff have a vocational qualification in Health and Social Care in either Level 2 or 3. New staff are currently either working through the Care Certificate or have enrolled in Diploma Training. We are grateful to all of our staff for their hard work and continued commitment, many of whom have been with us for over 10 years.

Personnel

There were no retirements during the financial year and the Trustees will be forever grateful to all former employees for their loyal service over the years.

Long Service Awards were awarded to RGN Jo Sloan and night Care Assistant Shelley Wilson -10 years of service, Care Assistants Gill Berwick and Alec Dodd for 20 years and Enrolled Nurse Karen Rudd for 30 years.

Every year we thank our Staff for their hard work; this year is no exception. We are so grateful for the continuing sacrifices our staff have made this year, going beyond the normal realms of their employment. They have coped so well with the pressure, extra duties, extreme working conditions, the sadness and anguish that their vocation can bring.

Our sincere thanks go once again to Matron Lianne Searby, Sister Fiona Milne and all staff for another year of dedicated care for our Residents. We thank Dawn Harrison, Carrie Henderson and Jacqui Jewell for their hard work throughout the year.

Thanks are also due to Dr. Darren Hymers and his colleagues at Silloth Group Medical Practice for continuing to provide a service of excellent medical care.

Frequent consultations took place throughout the year with the Care Quality Commission and other external agencies, including the Department of Social Services, Mental Health Team, District Nursing Team and Public Health England. We are grateful for the guidance and advice given to the nursing home.

In 2023 reaccreditation took place for the Gold Standards Framework. The Home has been part of the programme since 2008 achieving Beacon status at each accreditation and also being awarded with Care Home of the Year in 2016. The Home is recognised as a Platinum Home, was again nominated as Care Home of the Year, and is the only Home in the UK to be accredited 5 times.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Donations

We are grateful to the Longcake Charity for their continued support to the Home and for all the donations over the years including £900 this year.

The Community Hub closure donated £500.00 to the Residents' Fund which has ensured that all our residents benefit regardless of ability.

The Beer Festival also wound up during the year and the Home was chosen as one of the beneficiaries of the surplus funds, along with other worthy causes in the Community; we were awarded the sum of £990.

The Home is thankful for all donations received during the year and in particular all those given by individuals in memory of their loved ones.

Financial review

The Home's main funding source, income from nursing and residential care fees, increased from £1,743,400 in 2023 to £1,869,004. This included Local Authority and NHS Cumbria funding. Turnover for the year, including care fees, donations, fundraising and investment income, totalled £1,903,381; an increase of £131,135 on the previous year.

Expenditure increased by £125,101 on the previous year, from £1,729,049 to £1,854,150 Staff costs will rise in the next financial year in accordance with the National Living Wage, as well as cost of living rises.

The Trustees are mindful of the upkeep of the premises; room refurbishment continues to be carried out as required.

The end of year resulted in a trading surplus of £51,485 arising from:

Total Incoming Resources 2023-2024	£1,903,381
Less Total Expenditure 2023-2024	(£1,854,150)
Gain/(Loss) on investments	£2,254
	<hr/>
	£51,485

Finances have been affected during the past several years. The Trustees were thankful during this time for the healthy level of reserves which were available to the Home which assisted with the loss in income and rise in costs. The Home will now focus on rebuilding reserves financed by future operating surpluses.

2023 saw the return of fundraising opportunities for the Home. The August Summer Fete raised £1,485 and the Christmas Fete £1,455. It was lovely to welcome back large numbers of visitors to the Home and it is hoped that at least one annual event can be organised each year.

Total funds of the charity at the year end are £1,835,578.

The charity's current level of unrestricted free reserves (total funds less the amount held in fixed assets and restricted funds) is £731,275. Included in these reserve there are designated funds of £36,982 for repair & refurbishment, training and patient amenities leaving £694,293 of freely available general unrestricted reserve. Restricted funds at the year end totalled £90,778 and endowment funds were £30,158. Tangible fixed assets of £983,365 are held for use by charity (unrestricted fund £983,365, restricted fund £nil) and can only be realised by the disposal of these assets.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Reserves policy

The Management Committee has examined the Charity's requirements for reserves, in light of the main risks to the organisation. Our major operational risk is the possibility of the failure to provide a service which would result in relocating residents and patients. This would have a severe impact on the Charity. The Trustees estimated that it could take three to five months to relocate clients, and the need to meet running costs and staff contractual obligations during this time, were identified as a significant factor. The Management Committee has therefore established a policy whereby the unrestricted funds held by the charity should account for at least six months of the average annual expenditure. The reserves are needed to meet the working capital of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of free reserves available to the Charity of £694,293 is below what is anticipated. The Trustees remain thankful that the Home had adequate reserves to support the operating costs. The Management Committee's policy is to increase these reserves to the level required, by means of annual operating surpluses. This policy is reviewed annually.

Investment policy

Investment income recorded an increase over the financial year from £7,816 to £16,423 at 31st March.

In September 2023 the home re-invested £85,000 in a 1 year fixed term account with the Hampshire Trust Bank. The investment matures in September 2024.

The performance of the Home's investments is continually monitored by the Finance. The Trustees agreed that the specialised unit trust designed for the charity sector, continues to meet the Home's requirements for the time being.

Risk Management

The Management Committee has a risk management strategy which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- vetting procedures as required by law for the protection of vulnerable people.

The Committee is responsible for the management of the risks faced by the home. Our risk register is reviewed annually and the Trustees review any new risks identified during the year, on an ongoing basis. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the consistent quality of nursing and residential services. These procedures are under constant review.

Risks are identified, assessed and controls established throughout the year. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Management Committee.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

Looking to the future, the Management Committee has examined the circumstances facing the Charity and its future income and expenditure patterns. The Committee has therefore designated £25,000 for general refurbishment and repairs, £5,000 for training and £4,000 for beds. Staff training remains paramount.

The Trustees are committed to continual staff training and development, and continue to review our training programme to ensure that courses remain relevant to the Home's requirements. A strong emphasis is therefore placed on courses pertaining to the Home's delivery of care, health and safety, and legislative requirements. Our training programme for the coming year continues to focus on: Palliative Care, National Vocational Qualifications in Care, Safety of Vulnerable Adults, Dementia, Fire Safety Awareness, Food Hygiene, Dignity, Nutrition, Tissue Viability, Health and Safety, First Aid Infection Control and Data Security.

Emergency lighting to the rear of the building will be installed in 2024, with further plans to renew all lighting on the exterior of the building in stages.

The hot water system throughout the building will be improved in 2024, Wilkinson James Consultants are working alongside the Trustees, recommendations have been made and the opportunity to complete has been put forward for tender.

The key objectives when determining future plans remain:

1. To maintain the current high standard of care
2. To maintain client accommodation and the nursing home to a high standard
3. To provide equipment and mobility aids where required
4. To continue to review staff training requirements
5. To meet legislative requirements pertaining to the running of the Home.

Structure, governance and management

Governing document

The Silloth Nursing and Residential Care Home is a registered charity, number 223946. Its full name is the Cumberland and Westmorland Convalescent Institution, and it was established by trust deed on 1 May, 1862 for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the Counties of Cumberland and Westmorland and others.

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

Mrs G Martin - Chair	(Resigned 18 July 2023)
Mr P Allison - Vice Chair	(Resigned 8 February 2024)
Mr R M Wharton - Honorary Treasurer	
Mr D J D Arter	
Mr T H Cartmell	
Dr R M Jones	
Mr R Killen	
Mr G Wilkinson	
Canon B Rothwell	
Mrs J H Fearon	
Mrs J R Day	(Resigned 14 March 2024)
Mr D Hurst	
Mr I W Brown - Chair	
Mrs L Faulder - Vice Chair	
Mrs A Blair	(Resigned 13 April 2023)
Ms C Duthie	

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Recruitment and appointment of Management Committee

The members of Committee are the Trustees of the charity. Members are elected as a vacancy occurs by unanimous vote of the existing board. The Charity's work focuses on vulnerable people and the Management Committee seeks to ensure that their needs are appropriately reflected through the diversity of its members. The Trustees keep the skill requirements under review and the more traditional business and medical skills are well represented on the Committee.

Organisational structure

The general running of the Charity is devolved to the Management Committee, which can have 16 members. The Trustees meet on the second Thursday of each month and there are sub-committees covering finance and housekeeping. Details of the current members are detailed within the legal and administrative information of these accounts.

The day-to-day running of the Home is delegated to the Manager, Mrs. Lianne Searby, who is supported by the relevant employees of the Charity.

Induction and training of trustees

The induction process for any newly appointed Trustee comprises an initial meeting with the Chairman and members of the Management Committee. Induction training includes an introduction to the sub-committees, objectives, policies and procedures of the Home. Trustees are required to read the relevant Charity Commission information and familiarise themselves with the activity of the Home and its legislative requirements.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 10 and 27 of the accounts. Trustees are required to disclose all relevant interests and register them with the Management Committee and, in accordance with the Home's policy, withdraw from decisions where a conflict of interest arises. Trustees who are involved in the running of and sit on the board of independent trusts who have dealings with the charity are disclosed in note 27 of the accounts.

Arrangements for setting key personnel pay and remuneration of key management personnel

The Management Committee considers that they, together with the Manager, Committee Secretary and Senior Qualified Staff constitute the home's Key Management Personnel. Members of the Committee give of their time freely. Pay and remuneration of personnel is set on the recommendation of the Finance Committee and forwarded to the full Committee for possible alteration and subsequent ratification. This procedure is kept under annual review.

A number of criteria are used in setting pay:

- nature of the role and responsibilities
- retention of key personnel
- nursing/care home sector average salary for comparable positions
- competitive salaries in the region
- trends in pay across the nursing/care home sector

Relationship with related parties

The Charity has a close relationship with the Holme Cultram Sea Dyke Charity, which provides funding for people in need of emergency respite care who live within the boundaries of the Ancient Parish of Holme Cultram.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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.

Auditor

Saint & Co. will be proposed for reappointment as auditors of the trust at the forthcoming Annual General meeting.

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

Mr I W Brown - Chair
Trustee

31 July 2024

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

Opinion

We have audited the financial statements of Cumberland and Westmorland Convalescent Institution (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- to address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as Charity Commission and the charity's legal advisors.

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

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

A further description of our responsibilities 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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.

Saint & Co.

31 July 2024

**Chartered Accountants &
Statutory Auditor**

Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Saint & Co. 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year						
		Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total 2024	Total 2023
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	11,765	-	-	11,765	19,035
Charitable activities	4	1,875,193	-	-	1,875,193	1,745,395
Investments	5	13,830	2,593	-	16,423	7,816
Total income		<u>1,900,788</u>	<u>2,593</u>	<u>-</u>	<u>1,903,381</u>	<u>1,772,246</u>
Expenditure on:						
Raising funds	6	-	-	-	-	20
Charitable activities	7	1,852,274	1,646	-	1,853,920	1,729,029
Other	12	230	-	-	230	-
Total expenditure		<u>1,852,504</u>	<u>1,646</u>	<u>-</u>	<u>1,854,150</u>	<u>1,729,049</u>
Net gains/(losses) on investments	13	(249)	-	2,503	2,254	(1,975)
Net incoming resources before transfers		<u>48,035</u>	<u>947</u>	<u>2,503</u>	<u>51,485</u>	<u>41,222</u>
Net incoming resources before transfers		<u>48,035</u>	<u>947</u>	<u>2,503</u>	<u>51,485</u>	<u>41,222</u>
Gross transfers between funds		5,562	(5,562)	-	-	-
Net movement in funds		<u>53,597</u>	<u>(4,615)</u>	<u>2,503</u>	<u>51,485</u>	<u>41,222</u>
Fund balances at 1 April 2023		1,661,045	95,393	27,655	1,784,093	1,742,871
Fund balances at 31 March 2024		<u><u>1,714,642</u></u>	<u><u>90,778</u></u>	<u><u>30,158</u></u>	<u><u>1,835,578</u></u>	<u><u>1,784,093</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
Income from:					
Donations and legacies	3	14,035	5,000	-	19,035
Charitable activities	4	1,745,395	-	-	1,745,395
Investments	5	6,665	1,151	-	7,816
Total income		<u>1,766,095</u>	<u>6,151</u>	<u>-</u>	<u>1,772,246</u>
Expenditure on:					
Raising funds	6	20	-	-	20
Charitable activities	7	1,727,181	1,848	-	1,729,029
Total expenditure		<u>1,727,201</u>	<u>1,848</u>	<u>-</u>	<u>1,729,049</u>
Net gains/(losses) on investments	13	(887)	-	(1,088)	(1,975)
Net incoming resources before transfers		<u>38,007</u>	<u>4,303</u>	<u>(1,088)</u>	<u>41,222</u>
Gross transfers between funds		2,046	(2,046)	-	-
Net movement in funds		<u>40,053</u>	<u>2,257</u>	<u>(1,088)</u>	<u>41,222</u>
Fund balances at 1 April 2022		<u>1,620,992</u>	<u>93,136</u>	<u>28,743</u>	<u>1,742,871</u>
Fund balances at 31 March 2023		<u><u>1,661,045</u></u>	<u><u>95,393</u></u>	<u><u>27,655</u></u>	<u><u>1,784,093</u></u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	15		983,365		1,006,072
Investments	16		43,660		41,406
			<u>1,027,025</u>		<u>1,047,478</u>
Current assets					
Debtors	18	174,350		175,919	
Cash at bank and in hand		702,345		612,996	
		<u>876,695</u>		<u>788,915</u>	
Creditors: amounts falling due within one year	19	(68,142)		(52,300)	
Net current assets			<u>808,553</u>		<u>736,615</u>
Total assets less current liabilities			<u>1,835,578</u>		<u>1,784,093</u>
Net assets excluding pension liability			<u>1,835,578</u>		<u>1,784,093</u>
The funds of the charity					
Endowment funds	22		30,158		27,655
Restricted income funds	23		90,778		95,393
Unrestricted funds			1,714,642		1,661,045
			<u>1,835,578</u>		<u>1,784,093</u>

The financial statements were approved by the trustees on 31 July 2024

Mr R M Wharton - Honorary Treasurer
Trustee

Mr I W Brown - Chair
Trustee

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	28		72,926		12,631
Investing activities					
Investment income received		16,423		7,816	
Net cash generated from investing activities			16,423		7,816
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			89,349		20,447
Cash and cash equivalents at beginning of year			612,996		592,549
Cash and cash equivalents at end of year			702,345		612,996

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Convalescent Home, Silloth, Wigton, CA7 4JH, Cumbria.

1.1 Accounting convention

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors 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.

Permanent endowment funds exist where the Charity receives a gift or legacy under the terms of which the capital may not be expended. The income may be restricted or unrestricted, depending on the terms of the original gift.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

Donated goods are measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

Donated facilities and services are recognised in the accounts when received if the value can be reliably measured.

No amounts are included for the contribution of general volunteers.

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.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activities costs includes direct residential care home costs and management and administration expenditure

Direct residential care home costs include all costs associated with operating the primary activities of the charity, these being the running of the residential care home. The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes. Management and administration expenditure includes cost of administration staff wages, running of the office and any legal fees and depreciation on office.

Governance costs

This is expenditure incurred in relation to audit, accountancy and legal fees.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

Land and building improvements and major items of equipment are capitalised within these accounts. Fixed assets costing less than £10,000 are not capitalised, but written off to the Income and Expenditure Account as incurred. This is a departure from section 17 of FRS102 but is justified on the grounds that the assets are generally replacements of existing equipment. Assets not capitalised under this policy are disclosed in the notes to these accounts.

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:

Property improvements	2% reducing balance
Plant and equipment	15% reducing balance
Land	No depreciation

Freehold land is not depreciated.

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

1.9 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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 Employee benefits

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.

1.12 Retirement benefits

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

1.13 Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	11,446	-	11,446	13,724	5,000	18,724
Annual subscriptions	290	-	290	290	-	290
Other	29	-	29	21	-	21
	<u>11,765</u>	<u>-</u>	<u>11,765</u>	<u>14,035</u>	<u>5,000</u>	<u>19,035</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from charitable activities		
Sale of goods	-	4
Residential fees	1,869,004	1,743,400
Meals	1,758	1,914
Other income	4,431	77
	<u>1,875,193</u>	<u>1,745,395</u>

5 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Interest receivable	13,830	2,593	16,423	6,665	1,151	7,816
	<u>13,830</u>	<u>2,593</u>	<u>16,423</u>	<u>6,665</u>	<u>1,151</u>	<u>7,816</u>

6 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Membership schemes and social lotteries	-	20
	<u>-</u>	<u>20</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	Direct Costs 2024 £	Direct Costs 2023 £
Direct costs		
Staff costs	1,268,405	1,161,148
Depreciation and impairment	22,477	23,378
Equipment lease	23,385	12,492
Clinical waste, cleaning & refuse	51,393	57,877
Provisions, surgery & dispensary	139,927	137,055
Premises costs	81,280	80,888
Repairs & maintenance	62,064	66,448
General expenses	12,202	16,656
	<u>1,661,133</u>	<u>1,555,942</u>
Share of support and governance costs (see note 8)		
Support	176,260	168,245
Governance	16,527	4,842
	<u>1,853,920</u>	<u>1,729,029</u>
Analysis by fund		
Unrestricted funds	1,852,274	1,727,181
Restricted funds	1,646	1,848
	<u>1,853,920</u>	<u>1,729,029</u>

8 Support costs allocated to activities

	2024 £	2023 £
Staff costs	147,042	138,616
Office costs	6,898	12,452
Other staff costs	7,707	9,270
Advertising	-	120
Sundry expenses	14,613	7,787
Governance costs	16,527	4,842
	<u>192,787</u>	<u>173,087</u>
Analysed between:		
Direct Costs	<u>192,787</u>	<u>173,087</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs allocated to activities	(Continued)	
	2024	2023
	£	£
Governance costs comprise:		
Audit fees	2,886	2,350
Accountancy	2,876	2,492
Legal and professional	10,765	-
	<u>16,527</u>	<u>4,842</u>
	<u><u>16,527</u></u>	<u><u>4,842</u></u>
9 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	2,886	2,350
- for other financial services	2,694	2,492
Depreciation of owned tangible fixed assets	22,477	23,378
Loss on disposal of tangible fixed assets	230	-
Operating lease rental	23,385	21,616
	<u>23,385</u>	<u>21,616</u>
	<u><u>23,385</u></u>	<u><u>21,616</u></u>
10 Trustees		
None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
11 Employees		
The average monthly number of employees during the year was: 81 (2023: 75)		
	2024	2023
	Number	Number
Nursing, caring services and domestic	79	72
Clerical and administration	2	3
	<u>81</u>	<u>75</u>
	<u><u>81</u></u>	<u><u>75</u></u>
Employment costs	2024	2023
	£	£
Wages and salaries	1,287,809	1,196,405
Social security costs	89,180	69,163
Other pension costs	38,458	34,196
	<u>1,415,447</u>	<u>1,299,764</u>
	<u><u>1,415,447</u></u>	<u><u>1,299,764</u></u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Employees

(Continued)

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total remuneration paid to key management personnel for services provided to the charity was £91,133 (2023:£85,797).

Termination payments totalling £2,887 were made in the reporting period.

There were no employees whose annual remuneration was more than £60,000.

12 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net loss on disposal of tangible fixed assets	230	-
	<u>230</u>	<u>-</u>

13 Gains and losses on investments

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Gains/(losses) arising on:						
Revaluation of investments	(249)	2,503	2,254	(887)	(1,088)	(1,975)
	<u>(249)</u>	<u>2,503</u>	<u>2,254</u>	<u>(887)</u>	<u>(1,088)</u>	<u>(1,975)</u>

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets

	Property improvements	Plant and equipment	Land	Total
	£	£	£	£
Cost				
At 1 April 2023	1,453,250	119,823	5,200	1,578,273
Disposals	-	(11,397)	-	(11,397)
At 31 March 2024	1,453,250	108,426	5,200	1,566,876
Depreciation and impairment				
At 1 April 2023	471,295	100,906	-	572,201
Depreciation charged in the year	19,639	2,838	-	22,477
Eliminated in respect of disposals	-	(11,167)	-	(11,167)
At 31 March 2024	490,934	92,577	-	583,511
Carrying amount				
At 31 March 2024	962,316	15,849	5,200	983,365
At 31 March 2023	981,955	18,917	5,200	1,006,072

The home considers that the market value of the land is in excess of the cost £5,200 included in the accounts. All assets are used primarily for direct charitable expenses. Accordingly depreciation of £22,477 has been charged to Direct Charitable Expenditure. The following assets were acquired during the year but, under the terms of the trust's accounting policy, not capitalised:-

	£
Carpets and flooring	2,400
Beds	6,728
Equipment renewals	15,534
Grounds and outdoor	469

16 Fixed asset investments

	Unlisted investments	Other investments	Total
	£	£	£
Cost or valuation			
At 1 April 2023	41,286	120	41,406
Valuation changes	2,254	-	2,254
At 31 March 2024	43,540	120	43,660
Carrying amount			
At 31 March 2024	43,540	120	43,660
At 31 March 2023	41,286	120	41,406

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Fixed asset investments (Continued)

Fixed asset investments revalued

Listed investments have been valued at publicly available market value, generally on the mid-market price at the close of business at the year end.

Fixed asset investments not carried at market value

Other investments have been valued at cost, as there is no readily available market value.

17 Financial instruments

	2024	2023
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	43,540	41,286
	<u>43,540</u>	<u>41,286</u>

18 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	158,176	160,179
Other debtors	-	1,559
Prepayments and accrued income	16,174	14,181
	<u>174,350</u>	<u>175,919</u>

19 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	23,614	12,348
Deferred income	8,135	3,903
Trade creditors	26,003	31,348
Other creditors	4,875	-
Accruals	5,515	4,701
	<u>68,142</u>	<u>52,300</u>

20 Deferred income

	2024	2023
	£	£
Arising from fee income	8,135	3,903
	<u>8,135</u>	<u>3,903</u>

Deferred income is included in the financial statements as follows:

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20	Deferred income	(Continued)	
		2024	2023
		£	£
	Deferred income is included within:		
	Current liabilities	8,135	3,903
		<u> </u>	<u> </u>
	Movements in the year:		
	Deferred income at 1 April 2023	3,903	4,763
	Released from previous periods	(3,903)	(4,763)
	Resources deferred in the year	8,135	3,903
		<u> </u>	<u> </u>
	Deferred income at 31 March 2024	8,135	3,903
		<u> </u>	<u> </u>

The amount included in deferred income relates to fee income for the next financial year.

21	Retirement benefit schemes	2024	2023
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	38,458	34,196
		<u> </u>	<u> </u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Contributions amounting to £2,862 (2023: £0) were payable to the scheme at the year end and are included within other creditors.

22	Endowment funds	At 1 April 2023 Gains and losses		At 31 March 2024
		£	£	£
	Permanent endowments			
		27,655	2,503	30,158
		<u> </u>	<u> </u>	<u> </u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Endowment funds (Continued)

Previous year:	At 1 April 2022 Gains and losses		At 31 March 2023
	£	£	£
Permanent endowments			
1476 COIF shares	28,743	(1,088)	27,655

The holding of 1476 Charities Official Investment Fund units are held as part of the permanent endowment of the home. The income shares were gifts from G Moore (946) and R Carruthers (530). The Trustees may use the dividends paid to the home for general purposes.

23 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Sea Dyke Fund	3,718	229	-	-	3,947
Dr Hutton Legacy	1,646	-	(1,646)	-	-
Hampshire trust	90,029	2,364	-	(5,562)	86,831
	<u>95,393</u>	<u>2,593</u>	<u>(1,646)</u>	<u>(5,562)</u>	<u>90,778</u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Sea Dyke Fund	682	5,082	-	(2,046)	3,718
Dr Hutton Legacy	3,494	-	(1,848)	-	1,646
Hampshire trust	88,960	1,069	-	-	90,029
	<u>93,136</u>	<u>6,151</u>	<u>(1,848)</u>	<u>(2,046)</u>	<u>95,393</u>

The Dr Hutton legacy was used to purchase various items of equipment for the home, the expenditure each year relates to the depreciation on those assets.

The Hampshire Trust Account was set up as an investment opportunity and offered the best interest rates for the amount deposited. The transfer this year relates to the interest earned on this fund which was not re-invested and is deemed to be unrestricted.

The remaining restricted funds are used to fund respite fees for those who qualify.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£	£
General repairs	25,000	-	(2,400)	2,400	-	25,000
Bed fund	4,000	-	(6,728)	6,728	-	4,000
Training fund	5,000	-	(859)	859	-	5,000
Patients amenities	3,410	2,985	(3,413)	-	-	2,982
General funds	1,623,635	1,897,803	(1,839,104)	(4,425)	(249)	1,677,660
	<u>1,661,045</u>	<u>1,900,788</u>	<u>(1,852,504)</u>	<u>5,562</u>	<u>(249)</u>	<u>1,714,642</u>

Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£	£
General repairs	25,000	-	(1,372)	1,372	-	25,000
Bed fund	4,000	-	(6,079)	6,079	-	4,000
Training fund	5,000	-	(2,307)	2,307	-	5,000
Patients amenities	1,238	2,172	-	-	-	3,410
M Richardson	-	-	(413)	413	-	-
J Slack	438	237	(791)	116	-	-
E Baxter	-	-	(395)	395	-	-
General funds	1,585,316	1,763,686	(1,715,844)	(8,636)	(887)	1,623,635
	<u>1,620,992</u>	<u>1,766,095</u>	<u>(1,727,201)</u>	<u>2,046</u>	<u>(887)</u>	<u>1,661,045</u>

25 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	2024	2024	2024	2024
	£	£	£	£
At 31 March 2024:				
Tangible assets	983,365	-	-	983,365
Investments	13,502	-	30,158	43,660
Current assets/(liabilities)	717,775	90,778	-	808,553
	<u>1,714,642</u>	<u>90,778</u>	<u>30,158</u>	<u>1,835,578</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

25 Analysis of net assets between funds (Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:				
Tangible assets	1,004,355	1,717	-	1,006,072
Investments	13,751	-	27,655	41,406
Current assets/(liabilities)	642,939	93,676	-	736,615
	1,661,045	95,393	27,655	1,784,093
	1,661,045	95,393	27,655	1,784,093

26 Operating lease commitments

Lessee

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:

	2024 £	2023 £
Within one year	23,786	22,541
Between two and five years	34,125	49,293
In over five years	-	2,923
	57,911	74,757
	57,911	74,757

27 Related party transactions

Transactions with related parties

The following trustees are involved in the running of and sit on the board of independent trusts who also have dealings with this charity:-

Mr D Hurst - Holme Cultram Sea Dyke Charity (Hon. Member)

Canon B Rothwell, Mr G Wilkinson - The Longcake Charity

The aggregate of donations without conditions from trustees and related parties totalled £2,900 (2023: £5,800)

Two trustees had family members who were residents at the home during the year, no preferential rates or terms have been received by the trustees.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

28	Cash generated from operations	2024	2023
		£	£
	Surplus for the year	51,485	41,222
	Adjustments for:		
	Investment income recognised in statement of financial activities	(16,423)	(7,816)
	Loss on disposal of tangible fixed assets	230	-
	Fair value gains and losses on investments	(2,254)	1,975
	Depreciation and impairment of tangible fixed assets	22,477	23,378
	Movements in working capital:		
	Decrease/(increase) in debtors	1,569	(44,712)
	Increase/(decrease) in creditors	11,610	(556)
	Increase/(decrease) in deferred income	4,232	(860)
	Cash generated from operations	<u>72,926</u>	<u>12,631</u>

29 Analysis of changes in net funds

The charity had no material debt during the year.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales - Charity number 223946

Accounts

Charity registration number 223946

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs G Martin - Chair Mr P Allison - Vice Chair Mr R M Wharton - Honorary Treasurer Mr D J D Arter Mr T H Cartmell Dr R M Jones Mr R Killen Mr G Wilkinson Canon B Rothwell Mrs J H Fearon Mrs J R Day Mr D Hurst Mr I W Brown Mrs L Faulder Ms C Duthie	(Appointed 22 September 2022) (Appointed 10 November 2022)
Patrons	The Right Reverend James Newcome, Lord Bishop of Carlisle Lord Melvyn Bragg of Wigton Mrs Anne Coulthard Mrs Connie Anderson	
Charity Secretary	Dawn Harrison	
Charity number	223946	
Auditor	Saint & Co. Sterling House Wavell Drive Rosehill Carlisle CA1 2SA	
Bankers	Cumberland Building Society Station Road Silloth Wigton Cumbria CA7 4AE HSBC Bank Plc 29 English Street Carlisle CA3 8JX	
Solicitors	Cartmell Shepherd Solicitors Montgomery Way Rosehill Industrial Estate Carlisle CA1 2RW	

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 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 [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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Charity's objectives, as set out in its Trust Deed, are that the Home should be used for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the former counties of Cumberland and Westmorland and others. When planning our activities for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit, in particular, the specific guidance on fee charging, and the guidance on the charitable purposes of the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, and the advancement of health.

The main objectives and activities focus on the care services delivered and are undertaken to further our charitable purposes for the public benefit.

The strategies employed to achieve the Charity's objectives are:

- providing post operative convalescence, short and long stay nursing and residential care.
- delivering a range of extensive care services within the fee structure.
- a continued training programme for all staff, ensuring a highly trained and motivated workforce
- compliance with all health and safety measures, care home legislation and registration requirements.

Public Benefit

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

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Care services

The Home is registered with the Care Quality Commission for 38 placements and is rated Outstanding, and includes nursing and residential placements under the category 'Old Age', and placements for young disabled adults under the category 'Physical Disability'.

The Charity welcomes people from all walks of life; equal access to our services is an important issue for the Home. No-one is discriminated against on the grounds of race, disability, gender, age, sexual orientation, religion or belief. The Home strives to preserve and maintain the dignity, individuality and privacy of all clients within a warm and caring atmosphere. Recognising that their needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social. The Charity has a holistic approach to care; each client is encouraged to participate in the development of their individual plan of care, in which the involvement of family and friends may be appropriate and is greatly valued. We work closely with General Practitioners and other professions involved in healthcare, in order to assess each individual's needs and help them to understand the procedures and processes involved.

Our 'Moving and Handling' team works closely with clients, identifying their capabilities and helping them to achieve their maximum potential. This service is of particular benefit to our short stay clients, helping to rehabilitate people back into their home environment.

The Charity works closely with residents, families and multiple disciplinary teams to develop improvements in the quality and organisation of care for people approaching the end of their lives.

Fees

The Charity has addressed the risk that the availability of benefits to the public could be restricted because nursing and residential fees are charged. However, we also offer our services to residents who do not pay for their care by themselves, but who are funded by the local authority. Therefore the Trustees are confident that potential beneficiaries are not excluded because of their ability to pay for care fees.

The Trustees review fees annually. In common with other care homes, fees are based on a client's assessed needs and funded through a variety of sources, ranging from self-funding to local authority and health service provision. People who qualify for Free Nursing Care are assessed by a representative of the Cumbria Clinical Commissioning Group and receive a 'Registered Nursing Care Contribution' towards their fees or, in some circumstances, may receive total funding through the National Health Service.

Care Fees include all care and accommodation costs, food and drink, heating and light, a three monthly footcare service, laundry done on the premises, basic toiletries as well as other staff services. The Home's care services do not differentiate between those delivered to people funded through private means or through the local authority.

Invitations are regularly extended to our residents' family members and to local people who are elderly and living alone, to join our residents for meals, activities and outings.

Staff

Staff employment is only confirmed after rigorous checks have been made through a successful completion of a DBS application with the Disclosure and Barring Service.

All new members of staff are given induction training in line with the National Minimum Standards and the Care Act 2014. Also included in the programme is the Gold Standards Framework training. This involves all care service requirements, including health and safety training and an introduction to the Home's policies and procedures. Matron ensures that members of staff are given the opportunity of further training and development throughout their time at the Home. New members of staff who have no formal qualifications are given the opportunity to undertake both the Care Certificate and a vocational qualification.

Care Home Legislation

The Trustees are mindful of the legislation pertaining to the care of vulnerable people and the upkeep of their accommodation. The Home is properly insured and the required periodic maintenance checks are made on the fabric of the building and the equipment used in the care of residents and patients.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Volunteers, Gifts in Kind

We are forever indebted to the nursing home's League of Friends, who freely give of their time to raise funds for the benefit of residents and the Home. The League of Friends' now hold a monthly coffee morning in Christ Church. This year their financial help of £5,000.00 has provided a new fridge for Surgery, a garden trolley, new chainsaw and a new pressure washer. Future purchases with the remainder include a new drugs trolley.

Achievements and performance

The Care Quality Commission last carried out an inspection in August 2019 when the Home was awarded the official rating of Outstanding for the second time.

We continue to provide an outstanding level of Care for End of Life with individuals and families now choosing Silloth Nursing Home as an alternative to hospitals and hospices.

Our Staff training programmes were delayed by the Pandemic, to date however, around 72% of care staff have a vocational qualification in Health and Social Care in either Level 2 or 3. New staff are currently either working through the Care Certificate or have enrolled in Diploma Training. We are grateful to all of our staff for their hard work and continued commitment, many of whom have been with us for over 10 years.

The home continued to respond robustly to the Coronavirus pandemic throughout the year. We are grateful to Matron and our Secretary who kept the Trustees informed of developments at the nursing home during this time.

A mere thank you to staff seems totally inadequate when taking into account the amazing dedication to duty and courage they have displayed throughout this pandemic; our gratitude and admiration holds no bounds.

Personnel

There has been some staff movement in 2022-2023;

Matron Ann Blair retired in 2022 following over 30 years of service. Lianne Searby was appointed Manager on 31st May 2022 following an interview with CQC. Handyman David Blair retired in April and the home welcomed Simon Eley as his replacement. Care Assistant Dorinda Temple and kitchen assistant Rose Gibson also retired in the year. The Trustees will be forever grateful to all former employees for their loyal service over the years.

Long Service Awards were awarded to Kitchen Assistant Rose Gibson and Care Assistant Malcolm Bainbridge for 10 years of service, Domestic June Renwick for 20 years and Laundry Supervisor Linda Cork for 30 years.

Every year we thank our Staff for their hard work; this year is no exception. We are so grateful for the continuing sacrifices our staff have made this year, going above and beyond the normal realms of their employment. They have coped so well with the pressure, extra duties, extreme working conditions, the sadness and anguish that Coronavirus has brought to everyone. We are and always will be grateful for their efforts over the past three years.

Our sincere thanks go once again to Matrons Ann Blair & Lianne Searby, Sister Linda Milne and all staff for another year of dedicated care for our Residents. We thank Dawn Harrison and Carrie Henderson for their hard work throughout the year.

Thanks are also due to Dr. Darren Hymers and his colleagues at Silloth Group Medical Practice for continuing to provide a service of excellent medical care.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Coronavirus

The guidelines around Coronavirus continued to change throughout the year, support is no longer given for those who have to isolate and by the end of the year, restrictions began to relax. Whole home testing is no longer required and visitors continue to be allowed into the Home. We are now in a period of the new normal.

Frequent consultations took place throughout the year with the Care Quality Commission and other external agencies, including the Department of Social Services, Mental Health Team, District Nursing Team and Public Health England. We are grateful for the guidance and advice given to the nursing home.

We are grateful to every member of staff for what has been another extremely challenging year for all of them. A special thank you is owed to Matron and Secretary for keeping the Trustees informed of all developments and for the extra workload endured with the utmost professionalism and dedication to duty.

Financial review

The Home's main funding source, income from nursing and residential care fees, increased by £280,653 from £1,462,747 in 2022 to £1,743,400. This included Local Authority and NHS Cumbria funding. Turnover for the year, including care fees, donations, fundraising and investment income, totalled £1,722,245; an increase of £141,248 on the previous year.

Expenditure increased by £137,707 on the previous year, from £1,591,341 to £1,729,048, Staff costs will rise in the next financial year in accordance with the National Living Wage, as well as cost of living rises. The cost of PPE continued to fluctuate during the year but is now beginning to decrease slightly.

The Trustees are mindful of the upkeep of the premises; due to the losses incurred throughout the Coronavirus Pandemic it was decided that only necessary repairs be made to the building during this year. Room refurbishment continues to be carried out as required.

The end of year resulted in a trading surplus of £41,222 arising from:

Total Incoming Resources 2022-2023:	£1,772,245
Less Total Expenditure 2022-2023:	(£1,729,048)
Gain/(Loss) on investments	<u>(1,975)</u>
	(£41,222)

During the past three years the Coronavirus Pandemic has affected the Homes finances. The Trustees were thankful for the healthy level of reserves which were available to the Home and which have assisted in coping with the loss in income and rise in costs over the past year.

Reserves Policy

The Management Committee has examined the Charity's requirements for reserves, in light of the main risks to the organisation. Our major operational risk is the possibility of the failure to provide a service which would result in relocating residents and patients. This would have a severe impact on the Charity. The Trustees estimated that it could take three to five months to relocate clients, and the need to meet running costs and staff contractual obligations during this time, were identified as a significant factor. The Management Committee has therefore established a policy whereby the unrestricted funds held by the charity should account for at least six months of the average annual expenditure. The reserves are needed to meet the working capital of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of free reserves available to the Charity of £619,244 is below what is anticipated and below our target of £795,000. The reserves fund has supported extra costs due to Coronavirus which have incurred in several areas; personal protective equipment, salary costs, safe visiting to name but a few. The Trustees remain thankful that the Home had adequate reserves to support the operating costs. The Management Committee's policy is to retain these reserves to the level required, by means of annual operating surpluses. This policy is reviewed annually.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Investments

Investment income recorded an increase over the financial year from £2,729 to £7,815 at 31st March.

In September 2021 the home re-invested £88,423 in a 2 year fixed term account with the Hampshire Trust Bank. The investment matures in September 2023.

The performance of the Home's investments is continually monitored by the Finance Committee and reported on a quarterly basis. The Trustees agreed that the specialised unit trust designed for the charity sector, continues to meet the Home's requirements for the time being.

Risk Management

The Management Committee has a risk management strategy which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- vetting procedures as required by law for the protection of vulnerable people.

The Committee is responsible for the management of the risks faced by the home. Our risk register is reviewed annually and the Trustees review any new risks identified during the year, on an ongoing basis. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the consistent quality of nursing and residential services. These procedures are under constant review.

Risks are identified, assessed and controls established throughout the year. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Management Committee.

Plans for future periods

Looking to the future, the Management Committee has examined the circumstances facing the Charity and its future income and expenditure patterns. The Committee has therefore designated £25,000 for general refurbishment and repairs, £5,000 for training and £4,000 for beds. Staff training remains paramount.

The Trustees are committed to continual staff training and development, and continue to review our training programme to ensure that courses remain relevant to the Home's requirements. A strong emphasis is therefore placed on courses pertaining to the Home's delivery of care, health and safety, and legislative requirements. Our training programme for the coming year continues to focus on: Palliative Care, National Vocational Qualifications in Care, Safety of Vulnerable Adults, Dementia, Fire Safety Awareness, Food Hygiene, Dignity, Nutrition, Tissue Viability, Health and Safety, First Aid Infection Control and Data Security.

In 2023 reaccreditation will again take place for the Gold Standards Framework. The Home has been part of the programme since 2008 achieving Beacon status at each accreditation and also being awarded with Care Home of the Year in 2016. The Home is now recognised as a Platinum Home.

The key objectives when determining future plans remain:

1. To maintain the current high standard of care
2. To maintain client accommodation and the nursing home to a high standard
3. To provide equipment and mobility aids where required
4. To continue to review staff training requirements
5. To meet legislative requirements pertaining to the running of the Home.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

The Silloth Nursing and Residential Care Home is a registered charity, number 223946. Its full name is the Cumberland and Westmorland Convalescent Institution, and it was established by trust deed on 1 May, 1862 for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the Counties of Cumberland and Westmorland and others.

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

Mrs G Martin - Chair

Mr P Allison - Vice Chair

Mr R M Wharton - Honorary Treasurer

Mr D J D Arter

Mr T H Cartmell

Dr R M Jones

Mr R Killen

Mr G Wilkinson

Canon B Rothwell

Mrs J H Fearon

Mrs J R Day

Mr D Hurst

Mr I W Brown

Mrs L Faulder

(Appointed 22 September 2022)

Mrs A Blair

(Appointed 22 September 2022 and resigned 13 April 2023)

Ms C Duthie

(Appointed 10 November 2022)

Appointment of Management Committee

The members of Committee are the Trustees of the charity. Members are elected as a vacancy occurs by unanimous vote of the existing board. The Charity's work focuses on vulnerable people and the Management Committee seeks to ensure that their needs are appropriately reflected through the diversity of its members. The Trustees keep the skill requirements under review and the more traditional business and medical skills are well represented on the Committee.

Organisation

The general running of the Charity is devolved to the Management Committee, which can have 16 members. The Trustees meet on the second Thursday of each month and there are sub-committees covering finance and housekeeping. Details of the current members are detailed within the legal and administrative information of these accounts.

The day-to-day running of the Home is delegated to the Manager, Mrs. Lianne Searby, who is supported by the relevant employees of the Charity.

Trustee Induction and Training:

The induction process for any newly appointed Trustee comprises an initial meeting with the Chairman and members of the Management Committee. Induction training includes an introduction to the sub-committees, objectives, policies and procedures of the Home. Trustees are required to read the relevant Charity Commission information and familiarise themselves with the activity of the Home and its legislative requirements.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 11 and 27 of the accounts. Trustees are required to disclose all relevant interests and register them with the Management Committee and, in accordance with the Home's policy, withdraw from decisions where a conflict of interest arises. Trustees who are involved in the running of and sit on the board of independent trusts who have dealings with the charity are disclosed in note 28 of the accounts.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Arrangements for setting key personnel pay and remuneration of key management personnel

The Management Committee considers that they, together with the Manager, Committee Secretary and Senior Qualified Staff constitute the home's Key Management Personnel. Members of the Committee give of their time freely. Pay and remuneration of personnel is set on the recommendation of the Finance Committee and forwarded to the full Committee for possible alteration and subsequent ratification. This procedure is kept under annual review.

A number of criteria are used in setting pay:

- nature of the role and responsibilities
- retention of key personnel
- nursing/care home sector average salary for comparable positions
- competitive salaries in the region
- trends in pay across the nursing/care home sector

Related Parties

The Charity has a close relationship with the Holme Cultram Sea Dyke Charity, which provides funding for people in need of emergency respite care who live within the boundaries of the Ancient Parish of Holme Cultram.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

TRUSTEES' REPORT (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

Auditor

Saint & Co. will be proposed for reappointment as auditors of the trust at the forthcoming Annual General meeting.

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

Mrs G Martin - Chair

Trustee

18 July 2023

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

Opinion

We have audited the financial statements of Cumberland and Westmorland Convalescent Institution (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 March 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- to address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as Charity Commission and the charity's legal advisors.

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

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

A further description of our responsibilities 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

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.

Saint & Co.

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**Chartered Accountants &
Statutory Auditor**

Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Saint & Co. 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year		Unrestricted funds 2023	Restricted funds 2023	Endowment funds 2023	Total 2023	Total 2022
Notes	£	£	£	£	£	£
Income from:						
Donations and legacies	3	14,035	5,000	-	19,035	113,561
Charitable activities	4	1,745,395	-	-	1,745,395	1,464,707
Investments	5	6,665	1,150	-	7,815	2,729
Total income		1,766,095	6,150	-	1,772,245	1,580,997
Expenditure on:						
Raising funds	6	20	-	-	20	20
Charitable activities	7	1,727,180	1,848	-	1,729,028	1,591,321
Total expenditure		1,727,200	1,848	-	1,729,048	1,591,341
Net gains/(losses) on investments	13	(887)	-	(1,088)	(1,975)	3,270
Net incoming/(outgoing) resources before transfers		38,008	4,302	(1,088)	41,222	(7,074)
Net incoming/(outgoing) resources before transfers		38,008	4,302	(1,088)	41,222	(7,074)
Gross transfers between funds		2,045	(2,045)	-	-	-
Net movement in funds		40,053	2,257	(1,088)	41,222	(7,074)
Fund balances at 1 April 2022		1,620,992	93,136	28,743	1,742,871	1,749,945
Fund balances at 31 March 2023		1,661,045	95,393	27,655	1,784,093	1,742,871

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
	Notes				
Income from:					
Donations and legacies	3	112,781	780	-	113,561
Charitable activities	4	1,464,707	-	-	1,464,707
Investments	5	1,329	1,400	-	2,729
Total income		1,578,817	2,180	-	1,580,997
Expenditure on:					
Raising funds	6	20	-	-	20
Charitable activities	7	1,588,637	2,684	-	1,591,321
Total expenditure		1,588,657	2,684	-	1,591,341
Net gains/(losses) on investments	13	986	-	2,284	3,270
Net incoming/(outgoing) resources before transfers		(8,854)	(504)	2,284	(7,074)
Gross transfers between funds		780	(780)	-	-
Net movement in funds		(8,074)	(1,284)	2,284	(7,074)
Fund balances at 1 April 2021		1,629,065	94,421	26,459	1,749,945
Fund balances at 31 March 2022		1,620,991	93,137	28,743	1,742,871

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		1,006,072		1,029,450
Investments	16		41,406		43,381
			<u>1,047,478</u>		<u>1,072,831</u>
Current assets					
Debtors	18	175,918		131,207	
Cash at bank and in hand		612,996		592,549	
		<u>788,914</u>		<u>723,756</u>	
Creditors: amounts falling due within one year	19	<u>(52,299)</u>		<u>(53,716)</u>	
Net current assets			<u>736,615</u>		<u>670,040</u>
Total assets less current liabilities			<u><u>1,784,093</u></u>		<u><u>1,742,871</u></u>
Capital funds					
Endowment funds - general	22		27,655		28,743
Income funds					
Restricted funds	23		95,393		93,137
<u>Unrestricted funds</u>					
Designated funds	24	37,411		35,676	
General unrestricted funds		1,623,634		1,585,315	
			<u>1,661,045</u>		<u>1,620,991</u>
			<u><u>1,784,093</u></u>		<u><u>1,742,871</u></u>

The notes on pages 17 to 34 form part of these financial statements.

The financial statements were approved by the Trustees on 18 July 2023

Mrs G Martin - Chair
Trustee

Mr R M Wharton - Honorary Treasurer
Trustee

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		12,632		(32,322)
Investing activities					
Investment income received		7,815		2,729	
Net cash generated from investing activities			7,815		2,729
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			20,447		(29,593)
Cash and cash equivalents at beginning of year			592,549		622,142
Cash and cash equivalents at end of year			612,996		592,549

The notes on pages 17 to 35 form part of these financial statements.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Convalescent Home, Silloth, Wigton, CA7 4JH, Cumbria.

1.1 Accounting convention

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

Permanent endowment funds exist where the Charity receives a gift or legacy under the terms of which the capital may not be expended. The income may be restricted or unrestricted, depending on the terms of the original gift.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

Donated goods are measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

Donated facilities and services are recognised in the accounts when received if the value can be reliably measured..

No amounts are included for the contribution of general volunteers.

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.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activities costs includes direct residential care home costs and management and administration expenditure

Direct residential care home costs include all costs associated with operating the primary activities of the charity, these being the running of the residential care home. The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes. Management and administration expenditure includes cost of administration staff wages, running of the office and any legal fees and depreciation on office.

Governance costs

This is expenditure incurred in relation to audit, accountancy and legal fees.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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.

Land and building improvements and major items of equipment are capitalised within these accounts. Fixed assets costing less than £10,000 are not capitalised, but written off to the Income and Expenditure Account as incurred. This is a departure from section 17 of FRS102 but is justified on the grounds that the assets are generally replacements of existing equipment. Assets not capitalised under this policy are disclosed in the notes to these accounts.

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:

Property improvements	2% reducing balance
Plant and equipment	15% reducing balance
Land	No depreciation

Freehold land is not depreciated.

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

1.9 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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 Retirement benefits

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

1.12 Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	13,724	5,000	18,724	8,527	780	9,307
Government grants - relating to Covid-19	-	-	-	104,131	-	104,131
Annual subscriptions	290	-	290	73	-	73
Other	21	-	21	50	-	50
	<u>14,035</u>	<u>5,000</u>	<u>19,035</u>	<u>112,781</u>	<u>780</u>	<u>113,561</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Care home services 2023 £	Care home services 2022 £
Sales within charitable activities	4	-
Residential fees	1,743,400	1,462,747
Meals	1,914	1,627
Other income	77	333
	<hr/>	<hr/>
	1,745,395	1,464,707
	<hr/>	<hr/>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Interest receivable	6,665	1,150	7,815	1,329	1,400	2,729

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Membership schemes and social lotteries	20	20
	<u>20</u>	<u>20</u>

7 Charitable activities

	Direct Costs 2023	Direct Costs 2022
	£	£
Staff costs	1,161,147	1,088,591
Depreciation and impairment	23,378	24,376
Equipment lease	12,492	14,606
Clinical waste, cleaning & refuse	57,877	47,056
Provisions, surgery & dispensary	137,055	110,870
Premises costs	80,888	78,721
Repairs & maintenance	66,448	45,923
General expenses	16,656	18,121
	<u>1,555,941</u>	<u>1,428,264</u>
Share of support costs (see note 8)	168,245	158,579
Share of governance costs (see note 8)	4,842	4,478
	<u>1,729,028</u>	<u>1,591,321</u>
Analysis by fund		
Unrestricted funds	1,727,180	1,588,637
Restricted funds	1,848	2,684
	<u>1,729,028</u>	<u>1,591,321</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	138,616	-	138,616	129,346	-	129,346
Office costs	12,452	-	12,452	11,268	-	11,268
Other staff costs	9,270	-	9,270	8,737	-	8,737
Advertising	120	-	120	2,167	-	2,167
Sundry expenses	7,787	-	7,787	7,061	-	7,061
Audit fees	-	2,350	2,350	-	2,250	2,250
Accountancy	-	2,492	2,492	-	2,228	2,228
	<u>168,245</u>	<u>4,842</u>	<u>173,087</u>	<u>158,579</u>	<u>4,478</u>	<u>163,057</u>
Analysed between						
Charitable activities	<u>168,245</u>	<u>4,842</u>	<u>173,087</u>	<u>158,579</u>	<u>4,478</u>	<u>163,057</u>

Governance costs includes payments to the auditors of £2,350 (2022: £2,250) for audit fees.

9 Net movement in funds	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	23,378	24,376
Operating lease rentals	12,492	14,606
	<u>35,870</u>	<u>38,982</u>

10 Auditor's remuneration	2023	2022
	£	£
Fees payable to the charity's auditor and associates:		
Audit of the charity's annual accounts	2,350	2,250
Non-audit services		
All other non-audit services	2,492	2,228
	<u>4,842</u>	<u>4,478</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was: 75 (2022: 72)

	2023 Number	2022 Number
Nursing, caring services and domestic	72	69
Clerical and administration	3	3
Total	<u>75</u>	<u>72</u>

Employment costs	2023 £	2022 £
Wages and salaries	1,196,404	1,126,996
Social security costs	69,163	59,357
Other pension costs	34,196	31,584
	<u>1,299,763</u>	<u>1,217,937</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £85,797 (2022:£80,840).

There were no employees whose annual remuneration was more than £60,000.

13 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Endowment funds general 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds general 2022 £	Total 2022 £
Revaluation of investments	<u>(887)</u>	<u>(1,088)</u>	<u>(1,975)</u>	<u>986</u>	<u>2,284</u>	<u>3,270</u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

	Property improvements £	Plant and equipment £	Land £	Total £
Cost				
At 1 April 2022	1,453,250	119,823	5,200	1,578,273
At 31 March 2023	1,453,250	119,823	5,200	1,578,273
Depreciation and impairment				
At 1 April 2022	451,255	97,568	-	548,823
Depreciation charged in the year	20,040	3,338	-	23,378
At 31 March 2023	471,295	100,906	-	572,201
Carrying amount				
At 31 March 2023	981,955	18,917	5,200	1,006,072
At 31 March 2022	1,001,995	22,255	5,200	1,029,450

The home considers that the market value of the land is in excess of the cost £5,200 included in the accounts. All assets are used primarily for direct charitable expenses. Accordingly depreciation of £23,378 has been charged to Direct Charitable Expenditure. The following assets were acquired during the year but, under the terms of the trust's accounting policy, not capitalised:-

	£
Carpets and flooring	1,372
Bedroom furniture	1,996
Office equipment	829
Beds	5,922
Equipment renewals	13,117

16 Fixed asset investments

	Unlisted investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2022	43,261	120	43,381
Valuation changes	(1,975)	-	(1,975)
At 31 March 2023	41,286	120	41,406
Carrying amount			
At 31 March 2023	41,286	120	41,406
At 31 March 2022	43,261	120	43,381

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Fixed asset investments (Continued)

Fixed asset investments revalued

Listed investments have been valued at publicly available market value, generally on the mid-market price at the close of business at the year end.

Fixed asset investments not carried at market value

Other investments have been valued at cost, as there is no readily available market value.

17 Financial instruments

2023 **2022**

£ £

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

41,286 43,261

18 Debtors

2023 **2022**

£ £

Amounts falling due within one year:

Trade debtors

160,179 113,758

Prepayments and accrued income

15,739 17,449

175,918 131,207

19 Creditors: amounts falling due within one year

2023 **2022**

Notes £ £

Other taxation and social security

12,348 16,178

Deferred income

20 3,903 4,763

Trade creditors

31,347 24,276

Other creditors

- 4,128

Accruals and deferred income

4,701 4,371

52,299 53,716

20 Deferred income

2023 **2022**

£ £

Arising from fee income

3,903 4,763

Deferred income is included in the financial statements as follows:

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20	Deferred income	(Continued)	
		2023	2022
		£	£
	Deferred income is included within:		
	Current liabilities	3,903	4,763
		<u> </u>	<u> </u>
	Movements in the year:		
	Deferred income at 1 April 2022	4,763	4,860
	Released from previous periods	(4,763)	(4,860)
	Resources deferred in the year	3,903	4,763
		<u> </u>	<u> </u>
	Deferred income at 31 March 2023	<u>3,903</u>	<u>4,763</u>

The amount included in deferred income relates to fee income for the next financial year.

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £34,196 (2022 - £31,584).

Contributions amounting to £0 (2022: £4,128) were payable to the scheme at the year end and are included within other creditors.

22 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2021	Revaluations gains and losses	Balance at 1 April 2022	Revaluations gains and losses	Balance at 31 March 2023
	£	£	£	£	£
Permanent endowments					
1476 COIF shares	26,459	2,284	28,743	(1,088)	27,655
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	26,459	2,284	28,743	(1,088)	27,655
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The holding of 1476 Charities Official Investment Fund units are held as part of the permanent endowment of the home. The income shares were gifts from G Moore (946) and R Carruthers (530). The Trustees may use the dividends paid to the home for general purposes.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Sea Dyke Fund	1,460	782	(780)	(780)	682	5,082	-	(2,046)	3,718
Dr Hutton Legacy	5,398	-	(1,904)	-	3,494	-	(1,848)	-	1,646
Hampshire trust	87,563	1,398	-	-	88,960	1,069	-	-	90,029
	94,421	2,180	(2,684)	(780)	93,136	6,151	(1,848)	(2,046)	95,393

The Dr Hutton legacy was used to purchase various items of equipment for the home, the expenditure each year relates to the depreciation on those assets.

The Hampshire Trust Account was set up as an investment opportunity and offered the best interest rates for the amount deposited.

The remaining restricted funds are used to fund respite fees for those who qualify.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
General repairs	30,000	-	(12,083)	7,083	25,000	-	(1,372)	1,372	25,000
Bed fund	5,000	-	(2,206)	1,206	4,000	-	(6,079)	6,079	4,000
Training fund	5,000	-	(3,747)	3,747	5,000	-	(2,307)	2,307	5,000
Patients amenities	1,437	-	(500)	301	1,238	2,173	-	-	3,411
Repairs	30,000	-	-	(30,000)	-	-	-	-	-
M Richardson	-	465	(413)	(52)	-	-	(413)	413	-
J Slack	-	2,000	(1,562)	-	438	237	(791)	116	-
E Baxter	-	500	(485)	(15)	-	-	(395)	395	-
	<u>71,437</u>	<u>2,965</u>	<u>(20,996)</u>	<u>(17,730)</u>	<u>35,676</u>	<u>2,409</u>	<u>(11,356)</u>	<u>10,682</u>	<u>37,411</u>

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	1,004,355	1,717	-	1,006,072	1,025,956	3,494	-	1,029,450
Investments	13,751	-	27,655	41,406	14,638	-	28,743	43,381
Current assets/(liabilities)	642,939	93,676	-	736,615	580,397	89,643	-	670,040
	1,661,045	95,393	27,655	1,784,093	1,620,991	93,137	28,743	1,742,871
	1,661,045	95,393	27,655	1,784,093	1,620,991	93,137	28,743	1,742,871

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 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	22,541	22,540
Between two and five years	49,293	60,377
In over five years	2,923	11,302
	<u>74,757</u>	<u>94,219</u>

27 Related party transactions

Transactions with related parties

The following trustees are involved in the running of and sit on the board of independent trusts who also have dealings with this charity:-

Mr D Hurst - Holme Cultram Sea Dyke Charity (Hon. Member)

Canon B Rothwell, Mr G Wilkinson - The Longcake Charity

The aggregate of donations without conditions from trustees and related parties totalled £5,800 (2022: £2,220)

Two trustees had family members who were residents at the home during the year, no preferential rates or terms have been received by the trustees.

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28	Cash generated from operations	2023	2022
		£	£
	Surplus/(deficit) for the year	41,222	(7,074)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(7,815)	(2,729)
	Fair value gains and losses on investments	1,975	(3,270)
	Depreciation and impairment of tangible fixed assets	23,378	24,376
	Movements in working capital:		
	(Increase) in debtors	(44,711)	(40,653)
	(Decrease) in creditors	(557)	(2,875)
	(Decrease) in deferred income	(860)	(97)
	Cash generated from/(absorbed by) operations	<u>12,632</u>	<u>(32,322)</u>
29	Analysis of changes in net funds		
	The charity had no debt during the year.		

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales - Charity number 223946

Accounts

CHARITY REGISTRATION NUMBER: 223946

Cumberland and Westmorland Convalescent Institution
Financial Statements
31 March 2022

SAINT & CO

Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Cumberland and Westmorland Convalescent Institution

Financial Statements

Year ended 31 March 2022

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Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name Cumberland and Westmorland Convalescent Institution

Charity registration number 223946

Principal office The Convalescent Home
Silloth
Wigton
CA7 4JH
Cumbria

The Trustees Mr I W Brown - Chair
Mr R M Wharton – Honorary Treasurer
Mr D J D Arter
Mr T H Cartmell
Dr R M Jones
Mr R Killen
Mr L Marshall – Deceased 8 March 2022
Mrs J Martin – Vice Chair
Mr G Wilkinson
Canon B Rothwell
Mrs J H Fearon
Mrs J R Day
Mr P Allison
Mr D Hurst

Patrons The Right Reverend James Newcome, Lord Bishop of Carlisle
Lord Melvyn Bragg of Wigton
Mrs Anne Coulthard
Mrs Connie Anderson

Charity secretary Mrs D Harrison

Auditor Saint & Co
Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Bankers HSBC Bank Plc
Court Square
Carlisle
Cumbria
CA1 1QT

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Solicitors

Cumberland Building Society
Station Road
Silloth
Wigton
Cumbria
CA7 4AE

Cartmell Shepherd Solicitors
Rosehill
Carlisle
Cumbria
CA1 2RW

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Structure, governance and management

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.

Governing Document

The Silloth Nursing and Residential Care Home is a registered charity, number 223946. Its full name is the Cumberland and Westmorland Convalescent Institution, and it was established by trust deed on 1 May, 1862 for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the Counties of Cumberland and Westmorland and others.

Appointment of Management Committee

The members of Committee are the Trustees of the charity. Members are elected as a vacancy occurs by unanimous vote of the existing board. The Charity's work focuses on vulnerable people and the Management Committee seeks to ensure that their needs are appropriately reflected through the diversity of its members. The Trustees keep the skill requirements under review and the more traditional business and medical skills are well represented on the Committee.

Sadly this year one of the home's longstanding Trustees Mr Lawrence Marshall passed away. Mr Marshall was appointed as a Trustee in 1995 and had a close affiliation with the Home. He was also a former Mayor of Silloth and a well known and respected member of the local Community. Mr Marshall passed away at Silloth Nursing Home very peacefully on the 8 March 2022. His advice, knowledge and friendship will be missed by all who knew him.

Trustee Induction and Training:

The induction process for any newly appointed Trustee comprises an initial meeting with the Chairman and members of the Management Committee. Induction training includes an introduction to the sub-committees, objectives, policies and procedures of the Home. Trustees are required to read the relevant Charity Commission information and familiarise themselves with the activity of the Home and its legislative requirements.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 15 and 28 of the accounts. Trustees are required to disclose all relevant interests and register them with the Management Committee and, in accordance with the Home's policy, withdraw from decisions where a conflict of interest arises. Trustees who are involved in the running of and sit on the board of independent trusts who have dealings with the charity are disclosed in note 28 of the accounts.

Organisation

The general running of the Charity is devolved to the Management Committee, which can have 16 members. The Trustees meet on the second Thursday of each month and there are sub-committees covering finance and housekeeping. Details of the current members are given on page 1 of these accounts.

The day-to-day running of the Home is delegated to Matron, Mrs. Ann Blair, who is supported by the relevant employees of the Charity.

Arrangements for setting key personnel pay and remuneration of key management personnel The Management Committee considers that they, together with the Manager, Committee Secretary and Senior Qualified Staff constitute the home's Key Management Personnel. Members of the Committee give of their time freely. Pay and remuneration of personnel is set on the recommendation of the Finance Committee and forwarded to the full Committee for possible alteration and subsequent ratification. This procedure is kept under annual review.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

A number of criteria are used in setting pay:

- nature of the role and responsibilities
- retention of key personnel
- nursing/care home sector average salary for comparable positions
- competitive salaries in the region
- trends in pay across the nursing/care home sector

Objectives and activities

The Charity's objectives, as set out in its Trust Deed, are that the Home should be used for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the former counties of Cumberland and Westmorland and others. When planning our activities for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit, in particular, the specific guidance on fee charging, and the guidance on the charitable purposes of the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, and the advancement of health.

The main objectives and activities focus on the care services delivered and are undertaken to further our charitable purposes for the public benefit.

The strategies employed to achieve the Charity's objectives are:

- providing post operative convalescence, short and long stay nursing and residential care.
- delivering a range of extensive care services within the fee structure.
- a continued training programme for all staff, ensuring a highly trained and motivated workforce
- compliance with all health and safety measures, care home legislation and registration requirements.

Care services

The Home is registered with the Care Quality Commission for 38 placements and is rated Outstanding, and includes nursing and residential placements under the category 'Old Age', and placements for young disabled adults under the category 'Physical Disability'.

The Charity welcomes people from all walks of life; equal access to our services is an important issue for the Home. No-one is discriminated against on the grounds of race, disability, gender, age, sexual orientation, religion or belief. The Home strives to preserve and maintain the dignity, individuality and privacy of all clients within a warm and caring atmosphere. Recognising that their needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social. The Charity has a holistic approach to care; each client is encouraged to participate in the development of their individual plan of care, in which the involvement of family and friends may be appropriate and is greatly valued. We work closely with General Practitioners and other professions involved in healthcare, in order to assess each individual's

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

needs and help them to understand the procedures and processes involved.

Our 'Moving and Handling' team works closely with clients, identifying their capabilities and helping them to achieve their maximum potential. This service is of particular benefit to our short stay clients, helping to rehabilitate people back into their home environment.

The Charity works closely with residents, families and multiple disciplinary teams to develop improvements in the quality and organisation of care for people approaching the end of their lives.

Fees

The Charity has addressed the risk that the availability of benefits to the public could be restricted because nursing and residential fees are charged. However, we also offer our services to residents who do not pay for their care by themselves, but who are funded by the local authority. Therefore the Trustees are confident that potential beneficiaries are not excluded because of their ability to pay for care fees.

The Trustees review fees annually. In common with other care homes, fees are based on a client's assessed needs and funded through a variety of sources, ranging from self-funding to local authority and health service provision. People who qualify for Free Nursing Care are assessed by a representative of the Cumbria Clinical Commissioning Group and receive a 'Registered Nursing Care Contribution' towards their fees or, in some circumstances, may receive total funding through the National Health Service.

Care Fees include all care and accommodation costs, food and drink, heating and light, a three monthly footcare service, laundry done on the premises, basic toiletries as well as other staff services. The Home's care services do not differentiate between those delivered to people funded through private means or through the local authority.

Invitations are regularly extended to our residents' family members and to local people who are elderly and living alone, to join our residents for meals, activities and outings.

Staff

Staff employment is only confirmed after rigorous checks have been made through a successful completion of a DBS application with the Disclosure and Barring Service.

All new members of staff are given induction training in line with the National Minimum Standards and the Care Act 2014. Also included in the programme is the Gold Standards Framework training. This involves all care service requirements, including health and safety training and an introduction to the Home's policies and procedures. Matron ensures that members of staff are given the opportunity of further training and development throughout their time at the Home. New members of staff who have no formal qualifications are given the opportunity to undertake both the Care Certificate and a vocational qualification.

Care Home Legislation

The Trustees are mindful of the legislation pertaining to the care of vulnerable people and the upkeep of their accommodation. The Home is properly insured and the required periodic maintenance checks are made on the fabric of the building and the equipment used in the care of residents and patients.

Volunteers, Gifts in Kind

We are forever indebted to the nursing home's League of Friends, who freely give of their time to raise funds for the benefit of residents and the Home. This year, again sadly due to the effects of the Coronavirus Pandemic the Home and the League of Friends' were not able to hold the weekly coffee morning in the Home but has managed to hold a monthly meeting in St Andrews Hall.

Related Parties

The Charity has a close relationship with the Holme Cultram Sea Dyke Charity, which provides funding for people in need of emergency respite care who live within the boundaries of the Ancient Parish of Holme Cultram.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Risk Management

The Management Committee has a risk management strategy which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- vetting procedures as required by law for the protection of vulnerable people.

The Committee is responsible for the management of the risks faced by the home. Our risk register is reviewed annually and the Trustees review any new risks identified during the year, on an ongoing basis. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the consistent quality of nursing and residential services. These procedures are under constant review.

Risks are identified, assessed and controls established throughout the year. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Management Committee.

Reserves Policy

The Management Committee has examined the Charity's requirements for reserves, in light of the main risks to the organisation. Our major operational risk is the possibility of the failure to provide a service which would result in relocating residents and patients. This would have a severe impact on the Charity. The Trustees estimated that it could take three to five months to relocate clients, and the need to meet running costs and staff contractual obligations during this time, were identified as a significant factor. The Management Committee has therefore established a policy whereby the unrestricted funds held by the charity should account for at least six months of the average annual expenditure. The reserves are needed to meet the working capital of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of free reserves available to the Charity of £559,361 is below what is anticipated and below our target of £750,000. The reserves fund has supported extra costs due to Coronavirus which have incurred in several areas; personal protective equipment, salary costs, safe visiting to name but a few. The Trustees remain thankful that the Home had adequate reserves to support the operating costs. The Management Committee's policy is to retain these reserves to the level required, by means of annual operating surpluses. This policy is reviewed annually.

Investments

Investment income recorded a decrease over the financial year from £3,413 to £2,729 at 31st March.

In September 2019 the home invested £85,000 in a 2 year fixed term account with the Hampshire Trust Bank. The Trustees decided that on maturity the £88,423.00 was to be reinvested for a further two years.

The performance of the Home's investments is continually monitored by the Finance Committee and reported on a quarterly basis. The Trustees agreed that the specialised unit trust designed for the charity sector, continues to meet the Home's requirements for the time being.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Achievements and performance

The Care Quality Commission last carried out an inspection in August 2019 when the Home was awarded the official rating of Outstanding for the second time.

We continue to provide an outstanding level of Care for End of Life with individuals and families now choosing Silloth Nursing Home as an alternative to hospitals and hospices.

Our Staff training programmes were delayed by the Pandemic, to date however, around 74% of care staff have a vocational qualification in Health and Social Care in either Level 2 or 3. New staff are currently either working through the Care Certificate or have enrolled in Diploma Training. We are grateful to all of our staff for their hard work and continued commitment, many of whom have been with us for over 10 years.

The home continued to respond robustly to the Coronavirus pandemic throughout the year. We are grateful to Matron and our Secretary who kept the Trustees informed of developments at the nursing home during this time.

Trustees decided to continue monthly "Zoom" meetings to discuss all matters pertinent to the Home and it's finances during such times when the Home was closed due to positive Covid results.

A mere thank you to staff seems totally inadequate when taking into account the amazing dedication to duty and courage they have displayed throughout this pandemic; our gratitude and admiration holds no bounds.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Financial review

The Home's main funding source, income from nursing and residential care fees, increased by £92,541 from £1,370,206 in 2021 to £1,462,747. This included Local Authority and NHS Cumbria funding. Turnover for the year, including care fees, donations, fundraising and investment income, totalled £1,580,997; an increase of £93,528 on the previous year. The Home was fortunate in receiving grants from Local Government to assist with safe visiting and infection control.

Expenditure decreased by £11,138 on the previous year, from £1,602,480 to £1,591,342. Staff costs will rise in the next financial year in accordance with the National Living Wage, as well as cost of living rises. The cost of PPE continued to fluctuate during the year but is now beginning to decrease slightly.

The Trustees are mindful of the upkeep of the premises; due to the losses incurred throughout the Coronavirus Pandemic it was decided that only necessary repairs be made to the building during this year. Room refurbishment continues to be carried out as required.

The end of year resulted in a trading deficit of £7,075 arising from:

Total Incoming Resources 2021-2022:	£1,584,267
Less Total Expenditure 2021-2022:	£1,591,342
	-£7,075

Coronavirus has affected the Homes financial situation, which is reflected in the accounts. The Trustees were thankful for the healthy level of reserves which were available to the Home and which have assisted in coping with the loss in income and rise in costs over the past year.

Total funds of the charity at the year end are £1,742,872.

The charity's current level of unrestricted free reserves (total funds less the amount held in fixed assets and restricted funds) is £595,036. Included in these reserves there are designated funds of £35,675 for repairs & refurbishments, training and patient amenities leaving £559,361 of freely available general unrestricted reserves. Restricted funds at the year end totalled £93,137 and endowment funds were £28,743. Tangible fixed assets of £1,029,450 are held for use by the charity (unrestricted fund £1,025,956, restricted fund £3,494) and can only be realised by the disposal of these assets.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Financial review *(continued)*

Personnel

There has been some staff movement in 2021-2022;

Kathleen Jones (Wages Clerk), Lillian Sewell (Laundry Supervisor), Sister Linda Faulder, RGN Caroline Whitehead all retired in the year. Handyman David Blair will retire in April when the Home will welcome Simon Eley to replace him. Matron Ann Blair will also retire in 2022 following over 30 years of service. The Trustees will be forever grateful to all former employees for their loyal service over the years, at the time of this report Lianne Searby awaits an interview with CQC for appointment of the position of Manager.

The Home welcomed Jacquie Jewell as Care Plan/Training Co-ordinator in March 2022. Jacquie was formerly employed by Lakes College as an NVQ Trainer/Assessor and already has an association with the Home and it's staff.

Long Service Awards were awarded to Lesley Bell (Domestic Supervisor) and Sister Linda Faulder for 20 years of service to the Home, RGNs Jadwiga Kowalczyk and Caroline Mullins for 10 years.

Every year we thank our Staff for their hard work; this year is no exception. We are so grateful for the continuing sacrifices our staff have made this year, going above and beyond the normal realms of their employment. They have coped so well with the pressure, extra duties, extreme working conditions, the sadness and anguish that Coronavirus has brought to everyone. We are and always will be grateful for their efforts over the past two years.

Our sincere thanks go once again to Matron Ann Blair, Sister Linda Faulder and all staff for another year of dedicated care for our Residents. We thank Dawn Harrison and Carrie Henderson for their hard work throughout the year.

Thanks are also due to Dr. Darren Hymers and his colleagues at Silloth Group Medical Practice for continuing to provide a service of excellent medical care, through the use of video links and conversations.

Coronavirus

The financial year April 2021 to March 2022 began and ended with the Home in total lockdown. In line with Government guidelines all visitations were stopped, which had a huge impact on residents and their families who were unable to visit. Matron, senior nursing staff and Office staff were heavily involved in keeping families informed and helping loved ones through what was a stressful period for all involved. Sadly, in common with other care homes, further lockdowns continued throughout the year.

Daily staff meetings continued, giving all staff relevant up-to-date information, support and guidance. The Management Committee remain concerned for the mental wellbeing of members of staff during this time and access to a Mental Health Therapist is now offered to members of staff struggling to cope. Matron's 'open door' policy and the support of senior nursing staff were also of benefit to residents and staff during the year

Staff and residents in line with the current guidelines continue to test on a regular basis. The Home, when open to visitation has continued to provide families and loved ones with lateral flow tests. Furlough payments ended in June 2021 for all staff and any staff testing positive were relieved from duty to self-isolate. We are grateful to members of staff who fulfilled other duties during these periods, allowing the home to function efficiently at this time.

Frequent consultations took place throughout the year with the Care Quality Commission and other external agencies, including the Department of Social Services, Mental Health Team, District Nursing Team and Public Health England. We are grateful for the guidance and advice given to the nursing home.

We are grateful to every member of staff for what has been another extremely challenging year for all of them. A special thank you is owed to Matron and Secretary for keeping the Trustees informed of all developments and for the extra workload endured with the utmost professionalism and dedication to duty.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Plans for future periods

Looking to the future, the Management Committee has examined the circumstances facing the Charity and its future income and expenditure patterns. The Committee has therefore designated £25,000 for general refurbishment and repairs, £5,000 for training and £4,000 for beds. Staff training remains paramount.

The Trustees are committed to continual staff training and development, and continue to review our training programme to ensure that courses remain relevant to the Home's requirements. A strong emphasis is therefore placed on courses pertaining to the Home's delivery of care, health and safety, and legislative requirements. Our training programme for the coming year continues to focus on: Palliative Care, National Vocational Qualifications in Care, Safety of Vulnerable Adults, Dementia, Fire Safety Awareness, Food Hygiene, Dignity, Nutrition, Tissue Viability, Health and Safety, First Aid Infection Control and Data Security.

In 2022 reaccreditation will again take place for the Gold Standards Framework. The Home has been part of the programme since 2008 achieving Beacon status at each accreditation and also being awarded with Care Home of the Year in 2016. The Home is now recognised as a Platinum Home.

The key objectives when determining future plans remain:

1. To maintain the current high standard of care
2. To maintain client accommodation and the nursing home to a high standard
3. To provide equipment and mobility aids where required
4. To continue to review staff training requirements
5. To meet legislative requirements pertaining to the running of the Home.

Trustees' responsibilities statement

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 charity trustees to prepare financial statements for each 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 applicable Charities (Accounts and Reports) Regulations, 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.

Auditor

Saint & Co. will be proposed for reappointment as auditors of the trust at the forthcoming Annual General meeting.

The trustees' annual report was approved on 21 July 2022 and signed on behalf of the board of trustees by:

Mr I W Brown
Chair

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution

Year ended 31 March 2022

Opinion

We have audited the financial statements of Cumberland and Westmorland Convalescent Institution (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 March 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;
- 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.

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2022

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; 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, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements

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 the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
-

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2022

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission and the company's legal advisors.

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

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

A further description of our responsibilities for the audit of the 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 members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

30 July 2022

Saint & Co
Chartered Accountants & statutory auditor

Cumberland and Westmorland Convalescent Institution

Statement of Financial Activities

Year ended 31 March 2022

	Note	2022			2021	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	
Income and endowments						
Donations and legacies	4	112,781	780	–	113,561	111,792
Charitable activities	5	1,464,707	–	–	1,464,707	1,372,264
Investment income	6	1,329	1,400	–	2,729	3,413
Total income		<u>1,578,817</u>	<u>2,180</u>	<u>–</u>	<u>1,580,997</u>	<u>1,487,469</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities						
	7	(20)	–	–	(20)	(20)
Expenditure on charitable activities	8,9	(1,588,638)	(2,684)	–	(1,591,322)	(1,602,460)
Total expenditure		<u>(1,588,658)</u>	<u>(2,684)</u>	<u>–</u>	<u>(1,591,342)</u>	<u>(1,602,480)</u>
Net gains on investments	11	986	–	2,284	3,270	7,076
Net expenditure		<u>(8,855)</u>	<u>(504)</u>	<u>2,284</u>	<u>(7,075)</u>	<u>(107,935)</u>
Transfers between funds		780	(780)	–	–	–
Net movement in funds		<u>(8,075)</u>	<u>(1,284)</u>	<u>2,284</u>	<u>(7,075)</u>	<u>(107,935)</u>
Reconciliation of funds						
Total funds brought forward		<u>1,629,067</u>	<u>94,421</u>	<u>26,459</u>	<u>1,749,947</u>	<u>1,857,881</u>
Total funds carried forward		<u>1,620,992</u>	<u>93,137</u>	<u>28,743</u>	<u>1,742,872</u>	<u>1,749,946</u>

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

The notes on pages 19 to 32 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Statement of Financial Position

31 March 2022

		2022		2021
	Note	£	£	£
Fixed assets				
Tangible fixed assets	16		1,029,450	1,053,826
Investments	17		43,380	40,111
			1,072,830	1,093,937
Current assets				
Debtors	18	131,207		90,554
Cash at bank and in hand		592,549		622,142
		723,756		712,696
Creditors: amounts falling due within one year	19	(53,714)		(56,687)
Net current assets			670,042	656,009
Total assets less current liabilities			1,742,872	1,749,946
Net assets			1,742,872	1,749,946
Funds of the charity				
Endowment funds			28,743	26,458
Restricted funds			93,137	94,421
Unrestricted funds			1,620,992	1,629,067
Total charity funds	23		1,742,872	1,749,946

These financial statements were approved by the board of trustees and authorised for issue on 21 July 2022, and are signed on behalf of the board by:

Mr I W Brown
Trustee

Mr R M Wharton
Trustee

The notes on pages 19 to 32 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Statement of Cash Flows

Year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net expenditure	(7,075)	(107,935)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	24,376	25,489
Government grant income	(104,131)	(102,216)
Net gains on investments	(3,270)	(7,076)
Dividends, interest and rents from investments	(1,329)	(1,644)
Other interest receivable and similar income	(1,400)	(1,769)
<i>Changes in:</i>		
Trade and other debtors	(40,653)	24,719
Trade and other creditors	(2,971)	(34,159)
Cash generated from operations	<u>(136,453)</u>	<u>(204,591)</u>
Interest received	1,400	1,769
Net cash used in operating activities	<u>(135,053)</u>	<u>(202,822)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	1,329	1,644
Purchase of tangible assets	-	(10,486)
Net cash from/(used in) investing activities	<u>1,329</u>	<u>(8,842)</u>
Cash flows from financing activities		
Government grant income	104,131	102,216
Net cash from financing activities	<u>104,131</u>	<u>102,216</u>
Net decrease in cash and cash equivalents	(29,593)	(109,448)
Cash and cash equivalents at beginning of year	622,142	731,590
Cash and cash equivalents at end of year	<u>592,549</u>	<u>622,142</u>

The notes on pages 19 to 32 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Convalescent Home, Silloth, Wigton, CA7 4JH, Cumbria.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The financial statements have been prepared to show 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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn."

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Value added tax

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The trustees consider there were no significant judgements made in preparing the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The trustees consider there are no key sources of estimation uncertainty.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Fund accounting

All fees are unrestricted. Income received for a purpose specified by the donor is accounted for as restricted to that purpose. Other income, not so specified, is treated as available for general purposes, or unrestricted.

Permanent endowment funds exist where the Charity receives a gift or legacy under the terms of which the capital may not be expended. The income may be restricted or unrestricted, depending on the terms of the original gift.

The trustees have discretion to allocate sums to particular funds as they so wish. Such funds are known as designated funds, and remain unrestricted.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Resources expended

Expenditure is accounted for on the accruals basis. Where expenditure relates to a specific project, in accordance with the wishes of a donor, it is shown as restricted expenditure.

Fundraising costs

This is expenditure incurred in encouraging freewill giving to the charity.

Charitable activities costs includes direct residential care home costs and management and administration expenditure

Direct residential care home costs include all costs associated with operating the primary activities of the charity, these being the running of the residential care home. The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes. Management and administration expenditure includes cost of administration staff wages, running of the office and any legal fees and depreciation on office. Termination benefits are recognised as a liability and expense only when the company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Governance costs

This is expenditure incurred in relation to audit, accountancy and legal fees.

Tangible assets

The accounts have been prepared on the historic cost basis. Land and building improvements and major items of equipment are capitalised within these accounts. Fixed assets costing less than £10,000 are not capitalised, but written off to the Income and Expenditure Account as incurred. This is a departure from section 17 of FRS102 but is justified on the grounds that the assets are generally replacements of existing equipment. Assets not capitalised under this policy are disclosed in the notes to these accounts.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	15% reducing balance
Property Improvements	-	2% reducing balance

Investments

Listed investments are shown at market value. Unrealised gains accrued during the year are included on the SOFA. Unlisted investments are shown at historic cost.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Government grants *(continued)*

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Annual subscriptions	73	–	73
Sundry donations	6,453	780	7,233
In memoriam	874	–	874
AOE admin fee	50	–	50
Gifts in Kind-The League of Friends/Staff fundraising	1,200	–	1,200
PPE donated goods from government	–	–	–
Grants			
Grants relating to Covid-19	104,131	–	104,131
	<u>112,781</u>	<u>780</u>	<u>113,561</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Annual subscriptions	488	–	488
Sundry donations	6,135	–	6,135
In memoriam	2,031	–	2,031
AOE admin fee	76	–	76
Gifts in Kind-The League of Friends/Staff fundraising	–	–	–
PPE donated goods from government	846	–	846
Grants			
Grants relating to Covid-19	102,216	–	102,216
	<u>111,792</u>	<u>–</u>	<u>111,792</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Residential fees	1,462,747	1,462,747	1,370,206	1,370,206
Meals	1,627	1,627	1,830	1,830
Sundry	333	333	228	228
	<u>1,464,707</u>	<u>1,464,707</u>	<u>1,372,264</u>	<u>1,372,264</u>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
COIF / M & G Charifund interest and dividends	1,329	–	1,329
Bank interest received	–	1,400	1,400
	<u>1,329</u>	<u>1,400</u>	<u>2,729</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
COIF / M & G Charifund interest and dividends	1,644	–	1,644
Bank interest received	60	1,709	1,769
	<u>1,704</u>	<u>1,709</u>	<u>3,413</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of other trading activities - Membership schemes and social lotteries	20	20	20	20

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Direct costs	1,425,582	2,684	1,428,267
Management and administration	158,578	–	158,577
Support costs	4,478	–	4,478
	<u>1,588,638</u>	<u>2,684</u>	<u>1,591,322</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct costs	1,451,552	1,964	1,453,516
Management and administration	144,753	–	144,753
Support costs	4,191	–	4,191
	<u>1,600,496</u>	<u>1,964</u>	<u>1,602,460</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Direct costs	1,428,267	–	1,428,267	1,453,516
Management and administration	158,577	–	158,577	144,753
Governance costs	–	4,478	4,478	4,191
	<u>1,586,844</u>	<u>4,478</u>	<u>1,591,322</u>	<u>1,602,460</u>

10. Analysis of support costs

	Analysis of support £	Total 2022 £	Total 2021 £
Governance costs	4,478	4,478	4,191

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

11. Net gains on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £
Unrealised loss / gain on revaluation on investment assets	<u>986</u>	<u>2,284</u>	<u>3,270</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Unrealised loss / gain on revaluation on investment assets	<u>2,545</u>	<u>4,531</u>	<u>7,076</u>

12. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	24,376	25,489
Operating lease rentals	14,606	17,012

13. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	2,250	2,175
Fees payable to the charity's auditor for other non-audit services	2,228	2,016
	4,478	4,191

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	1,126,996	1,136,333
Social security costs	59,357	62,988
Employer contributions to pension plans	31,584	32,135
	1,217,937	1,231,456

The average head count of employees during the year was 72 (2021: 63).

	2022 No.	2021 No.
Nursing, caring services and domestic	69	59
Clerical and administration	3	4
	72	63

No employee received employee benefits of more than £60,000 during the year (2021: Nil)

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

14. Staff costs *(continued)*

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £80,840 (2021:£91,485).

15. Trustee remuneration and expenses

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them. No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

16. Tangible fixed assets

	Land £	Equipment £	Property Improvements £	Total £
Cost				
At 1 April 2021 and 31 March 2022	<u>5,200</u>	<u>119,823</u>	<u>1,453,250</u>	<u>1,578,273</u>
Depreciation				
At 1 April 2021	–	93,641	430,806	524,447
Charge for the year	–	3,927	20,449	24,376
At 31 March 2022	<u>–</u>	<u>97,568</u>	<u>451,255</u>	<u>548,823</u>
Carrying amount				
At 31 March 2022	<u>5,200</u>	<u>22,255</u>	<u>1,001,995</u>	<u>1,029,450</u>
At 31 March 2021	<u>5,200</u>	<u>26,182</u>	<u>1,022,444</u>	<u>1,053,826</u>

The home considers that the market value of the land is in excess of the cost £5,200 included in the accounts. All assets are used primarily for direct charitable expenses. Accordingly depreciation of £24,376 has been charged to Direct Charitable Expenditure. The following assets were acquired during the year but, under the terms of the trust's accounting policy, not capitalised:-

	£
Electrical	1,214
Carpets and flooring	12,083
Bedroom furniture	1,121
Office equipment	2,190

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2021	39,991	120	40,111
Additions	–	–	–
Fair value movements	3,269	–	3,269
At 31 March 2022	43,260	120	43,380
Impairment			
At 1 April 2021 and 31 March 2022		–	–
Carrying amount			
At 31 March 2022	43,260	120	43,380
At 31 March 2021	39,991	120	40,111

Financial assets held at fair value

Listed investments have been valued at publicly available market value, generally on the mid-market price at the close of business at the year end.

Other investments have been valued at cost, as there is no readily available market value.

18. Debtors

	2022 £	2021 £
Trade debtors	113,758	85,853
Prepayments and accrued income	17,449	1,240
Other debtors	–	3,461
	131,207	90,554

19. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	24,274	8,907
Accruals and deferred income	9,134	33,215
Social security and other taxes	16,178	12,240
Other creditors	4,128	2,325
	53,714	56,687

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Deferred income

	2022	2021
	£	£
At 1 April 2021	4,860	8,199
Amount released to income	(4,860)	(8,199)
Amount deferred in year	<u>4,763</u>	<u>4,860</u>
At 31 March 2022	<u>4,763</u>	<u>4,860</u>

The amount included in deferred income relates to fee income for the next financial year.

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £31,584 (2021: £32,135).

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Infection control fund	40,640	62,005
Job retention scheme	3,026	24,239
Statutory sick pay grant	509	1,835
Rapid testing funding	37,285	9,637
Council discretionary funding	3,120	4,500
Workforce retention Funding	<u>19,551</u>	<u>–</u>
	<u>104,131</u>	<u>102,216</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General Funds	1,557,630	1,575,852	(1,567,662)	18,510	986	1,585,316
General						
Refurbishment	30,000	–	(12,083)	7,083	–	25,000
Bed Fund	5,000	–	(2,206)	1,206	–	4,000
Training Fund	5,000	–	(3,747)	3,747	–	5,000
Patient Amenities	1,437	–	(500)	301	–	1,238
Repairs Fund	30,000	–	–	(30,000)	–	–
M Richardson	–	465	(413)	(52)	–	–
J Slack	–	2,000	(1,562)	–	–	438
E Baxter	–	500	(485)	(15)	–	–
	<u>1,629,067</u>	<u>1,578,817</u>	<u>(1,588,658)</u>	<u>780</u>	<u>986</u>	<u>1,620,992</u>
	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
General Funds	1,670,711	1,485,760	(1,595,897)	(5,489)	2,545	1,557,630
General						
Refurbishment	30,000	–	–	–	–	30,000
Bed Fund	5,000	–	(3,949)	3,949	–	5,000
Training Fund	5,000	–	(180)	180	–	5,000
Patient Amenities	1,437	–	–	–	–	1,437
Repairs Fund	30,000	–	(490)	490	–	30,000
M Richardson	–	–	–	–	–	–
J Slack	–	–	–	–	–	–
E Baxter	–	–	–	–	–	–
	<u>1,742,148</u>	<u>1,485,760</u>	<u>(1,600,516)</u>	<u>(870)</u>	<u>2,545</u>	<u>1,629,067</u>

The main designated funds are monies set aside for specific purposes, the amounts are determined by the trustees, there are designated funds for General Refurbishment, Bed Fund, Patient Amenities and a Training Fund.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Sea Dyke Fund	1,460	782	(780)	(780)	–	682
Dr Hutton Legacy	5,398	–	(1,904)	–	–	3,494
Hampshire Trust	87,563	1,398	–	–	–	88,961
	<u>94,421</u>	<u>2,180</u>	<u>(2,684)</u>	<u>(780)</u>	<u>–</u>	<u>93,137</u>

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Sea Dyke Fund	1,444	2	–	14	–	1,460
Dr Hutton Legacy	7,362	–	(1,964)	–	–	5,398
Hampshire Trust	85,000	1,707	–	856	–	87,563
	<u>93,806</u>	<u>1,709</u>	<u>(1,964)</u>	<u>870</u>	<u>–</u>	<u>94,421</u>

The Dr Hutton legacy was used to purchase various items of equipment for the home, the expenditure each year relates to the depreciation on those assets.

The Hampshire Trust Account was set up as an investment opportunity and offered the best interest rates for the amount deposited.

The remaining restricted funds are used to fund respite fees for those who qualify.

Endowment funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
1476 COIF shares	26,459	–	–	–	2,284	28,743

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
1476 COIF shares	21,927	–	–	–	4,531	26,458

The holding of 1476 Charities Official Investment Fund units are held as part of the permanent endowment of the home. The income shares were gifts from G Moore (946) and R Carruthers (530). The Trustees may use the dividends paid to the home for general purposes.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Tangible fixed assets	1,025,956	3,494	–	1,029,450
Investments	14,637	–	28,743	43,380
Current assets	634,113	89,643	–	723,756
Creditors less than 1 year	(53,714)	–	–	(53,714)
Net assets	<u>1,620,992</u>	<u>93,137</u>	<u>28,743</u>	<u>1,742,872</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible fixed assets	1,048,428	5,398	–	1,053,826
Investments	13,652	–	26,459	40,111
Current assets	623,673	89,023	–	712,696
Creditors less than 1 year	(56,687)	–	–	(56,687)
Net assets	<u>1,629,066</u>	<u>94,421</u>	<u>26,459</u>	<u>1,749,946</u>

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Investments	<u>43,260</u>	<u>39,991</u>

26. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	<u>622,142</u>	<u>(29,593)</u>	<u>592,549</u>

27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	22,540	19,050
Later than 1 year and not later than 5 years	60,377	68,172
Later than 5 years	11,302	14,686
	<u>94,219</u>	<u>101,908</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

28. Related parties

The following trustees are involved in the running of and sit on the board of independent trusts who also have dealings with this charity:-

Mr D Hurst - Holme Cultram Sea Dyke Charity (Hon. Member)

Canon B Rothwell, Mr G Wilkinson - The Longcake Charity

The aggregate of donations without conditions from trustees and related parties totalled £2,220 (2021: £1,040).

CUMBERLAND AND WESTMORLAND CONVALESCENT INSTITUTION

England & Wales - Charity number 223946

Accounts

CHARITY REGISTRATION NUMBER: 223946

Cumberland and Westmorland Convalescent Institution
Financial Statements
31 March 2021

SAINT & CO

Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Cumberland and Westmorland Convalescent Institution

Financial Statements

Year ended 31 March 2021

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Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report

Year ended 31 March 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Cumberland and Westmorland Convalescent Institution
Charity registration number	223946
Principal office	The Convalescent Home Silloth Wigton CA7 4JH Cumbria
The trustees	Mr I W Brown Mr R M Wharton Mr D J D Arter Mr T H Cartmell Dr R M Jones Mr R Killen Mr L Marshall Mrs J Martin Mr G Wilkinson Canon B Rothwell Mrs J H Fearon Mrs J R Day Mr P Allison Mr D Hurst
President	The Right Reverend James Newcome, Lord Bishop of Carlisle
Vice President	Lord Melvyn Bragg of Wigton
Charity secretary	Mrs D Harrison
Auditor	Saint & Co Chartered Accountants & statutory auditor Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
Bankers	HSBC Bank Plc Court Square Carlisle Cumbria CA1 1QT

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Solicitors

Cumberland Building Society
Station Road
Silloth
Wigton
Cumbria
CA7 4AE

Cartmell Shepherd Solicitors
Rosehill
Carlisle
Cumbria
CA1 2RW

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, Governance and Management

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.

Governing Document

The Silloth Nursing and Residential Care Home is a registered charity, number 223946. Its full name is the Cumberland and Westmorland Convalescent Institution, and it was established by trust deed on 1 May, 1862 for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the Counties of Cumberland and Westmorland and others.

Appointment of Management Committee

The members of Committee are the Trustees of the charity. Members are elected as a vacancy occurs by unanimous vote of the existing board. The Charity's work focuses on vulnerable people and the Management Committee seeks to ensure that their needs are appropriately reflected through the diversity of its members. The Trustees keep the skill requirements under review and the more traditional business and medical skills are well represented on the Committee.

Trustee Induction and Training:

The induction process for any newly appointed Trustee comprises an initial meeting with the Chairman and members of the Management Committee. Induction training includes an introduction to the sub-committees, objectives, policies and procedures of the Home. Trustees are required to read the relevant Charity Commission information and familiarise themselves with the activity of the Home and its legislative requirements.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 15 and 28 of the accounts. Trustees are required to disclose all relevant interests and register them with the Management Committee and, in accordance with the Home's policy, withdraw from decisions where a conflict of interest arises. Trustees who are involved in the running of and sit on the board of independent trusts who have dealings with the charity are disclosed in note 28 of the accounts.

Organisation

The general running of the Charity is devolved to the Management Committee, which can have 16 members. The Trustees meet on the second Thursday of each month and there are sub-committees covering finance and housekeeping. Details of the current members are given on page 1 of these accounts.

The day-to-day running of the Home is delegated to Matron, Mrs. Ann Blair, who is supported by the relevant employees of the Charity.

Arrangements for setting key personnel pay and remuneration of key management personnel

The Management Committee considers that they, together with the Manager, Committee Secretary and Senior Qualified Staff constitute the home's Key Management Personnel. Members of the Committee give of their time freely. Pay and remuneration of personnel is set on the recommendation of the Finance Committee and forwarded to the full Committee for possible alteration and subsequent ratification. This procedure is kept under annual review.

A number of criteria are used in setting pay:

- nature of the role and responsibilities
 - retention of key personnel
 - nursing/care home sector average salary for comparable positions
 - competitive salaries in the region
 - trends in pay across the nursing/care home sector
-

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Objectives and activities

The Charity's objectives, as set out in its Trust Deed, are that the Home should be used for the purposes of a Sanatorium or Convalescent Institution for the use of the natives of either of the former counties of Cumberland and Westmorland and others. When planning our activities for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit, in particular, the specific guidance on fee charging, and the guidance on the charitable purposes of the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, and the advancement of health.

The main objectives and activities focus on the care services delivered and are undertaken to further our charitable purposes for the public benefit.

The strategies employed to achieve the Charity's objectives are:

- providing post operative convalescence, short and long stay nursing and residential care.
- delivering a range of extensive care services within the fee structure.
- a continued training programme for all staff, ensuring a highly trained and motivated workforce.
- compliance with all health and safety measures, care home legislation and registration requirements.

Care services

The Home is registered with the Care Quality Commission for 38 placements and is rated Outstanding, and includes nursing and residential placements under the category 'Old Age', and placements for young disabled adults under the category 'Physical Disability'.

The Charity welcomes people from all walks of life; equal access to our services is an important issue for the Home. No-one is discriminated against on the grounds of race, disability, gender, age, sexual orientation, religion or belief. The Home strives to preserve and maintain the dignity, individuality and privacy of all clients within a warm and caring atmosphere. Recognising that their needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social. The Charity has a holistic approach to care; each client is encouraged to participate in the development of their individual plan of care, in which the involvement of family and friends may be appropriate and is greatly valued. We work closely with General Practitioners and other professions involved in healthcare, in order to assess each individual's needs and help them to understand the procedures and processes involved.

Our 'Moving and Handling' team works closely with clients, identifying their capabilities and helping them to achieve their maximum potential. This service is of particular benefit to our short stay clients, helping to rehabilitate people back into their home environment.

The Charity works closely with residents, families and multiple disciplinary teams to develop improvements in the quality and organisation of care for people approaching the end of their lives.

Fees

The Charity has addressed the risk that the availability of benefits to the public could be restricted because nursing and residential fees are charged. However, we also offer our services to residents who do not pay for their care by themselves, but who are funded by the local authority. Therefore the Trustees are confident that potential beneficiaries are not excluded because of their ability to pay for care fees.

The Trustees review fees annually. In common with other care homes, fees are based on a client's assessed needs and funded through a variety of sources, ranging from self-funding to local authority and health service provision. People who qualify for Free Nursing Care are assessed by a representative of the Cumbria Clinical Commissioning Group and receive a 'Registered Nursing Care Contribution' towards their fees or, in some circumstances, may receive total funding through the National Health Service.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Care Fees include all care and accommodation costs, food and drink, heating and light, a three monthly footcare service, laundry done on the premises, basic toiletries as well as other staff services. The Home's care services do not differentiate between those delivered to people funded through private means or through the local authority.

Invitations are regularly extended to our residents' family members and to local people who are elderly and living alone, to join our residents for meals, activities and outings.

Staff

Staff employment is only confirmed after rigorous checks have been made through a successful completion of a DBS application with the Disclosure and Barring Service.

All new members of staff are given induction training in line with the National Minimum Standards and the Care Act 2014. Also included in the programme is the Gold Standards Framework training. This involves all care service requirements, including health and safety training and an introduction to the Home's policies and procedures. Matron ensures that members of staff are given the opportunity of further training and development throughout their time at the Home. New members of staff who have no formal qualifications are given the opportunity to undertake both the Care Certificate and a vocational qualification.

Care Home Legislation

The Trustees are mindful of the legislation pertaining to the care of vulnerable people and the upkeep of their accommodation. The Home is properly insured and the required periodic maintenance checks are made on the fabric of the building and the equipment used in the care of residents and patients.

Volunteers, Gifts in Kind

We are forever indebted to the nursing home's League of Friends, who freely give of their time to raise funds for the benefit of residents and the Home. This year, sadly due to the effects of the Coronavirus Pandemic the Home and the League of Friends' were not able to hold the weekly coffee morning, which has been a huge miss to everyone.

Related Parties

The Charity has a close relationship with the Holme Cultram Sea Dyke Charity, which provides funding for people in need of emergency respite care who live within the boundaries of the Ancient Parish of Holme Cultram.

Risk Management

The Management Committee has a risk management strategy which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- vetting procedures as required by law for the protection of vulnerable people.

The Committee is responsible for the management of the risks faced by the home. Our risk register is reviewed annually and the Trustees review any new risks identified during the year, on an ongoing basis. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the consistent quality of nursing and residential services. These procedures are under constant review.

Risks are identified, assessed and controls established throughout the year. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Management Committee.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Reserves Policy

The Management Committee has examined the Charity's requirements for reserves, in light of the main risks to the organisation. Our major operational risk is the possibility of the failure to provide a service which would result in relocating residents and patients. This would have a severe impact on the Charity. The Trustees estimated that it could take three to five months to relocate clients, and the need to meet running costs and staff contractual obligations during this time, were identified as a significant factor. The Management Committee has therefore established a policy whereby the unrestricted funds held by the charity should account for at least six months of the average annual expenditure. The reserves are needed to meet the working capital of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of free reserves available to the Charity of £509,202 is below what is anticipated and below our target of £720,000. The reserves fund has supported extra costs due to Coronavirus which have incurred in several areas; personal protective equipment, salary costs, safe visiting to name but a few. The Trustees remain thankful that the Home had adequate reserves to support the operating costs. The Management Committee's policy is to retain these reserves to the level required, by means of annual operating surpluses. This policy is reviewed annually.

Investments

Investment income recorded a decrease over the financial year from £4,299 to £3,413 at 31st March.

In September 2019 the home invested £85,000 in a 2 year fixed term account with the Hampshire Trust Bank. Future investment opportunities were put on hold at the end of the year due to a sharp fall in interest rates. This will mature in September 2021.

The performance of the Home's investments is continually monitored by the Finance Committee and reported on a quarterly basis. The Trustees agreed that the specialised unit trust designed for the charity sector, continues to meet the Home's requirements for the time being.

Achievements and performance

The Care Quality Commission last carried out an inspection in August 2019 when the Home was awarded the official rating of Outstanding for the second time.

We continue to provide an outstanding level of Care for End of Life with individuals and families now choosing Silloth Nursing Home as an alternative to hospitals and hospices.

Our Staff training programmes were delayed by the Pandemic, to date however, around 90% of care staff have a vocational qualification in Health and Social Care in either Level 2 or 3. We are grateful to all of our staff for their hard work and continued commitment, many of whom have been with us for over 25 years.

The home responded robustly to the Coronavirus pandemic at the beginning of March 2020 with the initiation of our Pandemic Policy. We are grateful to Matron and our Secretary who kept the Trustees informed of developments at the nursing home during this time.

Arrangements were put in place at the end of last financial year for the Trustees to hold monthly "Zoom" meetings.

A mere thank you to staff seems totally inadequate when taking into account the amazing dedication to duty and courage they have displayed throughout this pandemic, our gratitude and admiration holds no bounds.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Financial review

The Home's main funding source, income from nursing and residential care fees, decreased by £100,192 as a result of the onset of the Coronavirus Pandemic in March 2020, from £1,470,398 in 2020 to £1,370,206. This included Local Authority and NHS Cumbria funding. Turnover for the year, including care fees, donations, fundraising and investment income, totalled £1,487,469; a decrease of £7,845 on the previous year. The Home was fortunate in receiving grants from Local Government to assist with safe visiting and infection control.

Expenditure increased by £108,602 on the previous year, from £1,493,878 to £1,602,480, the main increase being in staff wages and salaries. During the year the Home spent over £70,000 on PPE and associated costs involved with the pandemic. Staff costs will continue to rise in the next financial year in accordance with the National Living Wage, as well as cost of living rises.

The Trustees are mindful of the upkeep of the premises; special thanks are given to Wills Builders for completing the conversion of rooms 22/23 to an en-suite room and separate shower facility and all other contractors involved in the work.

The end of year resulted in a trading deficit of £107,935 arising from:

Total Incoming Resources 2020-2021:	£1,494,545
Less Total Expenditure 2020-2021:	£1,602,480
	-£107,935

Coronavirus has affected the Homes financial situation, which is reflected in the accounts. The Trustees were thankful for the healthy level of reserves which were available to the Home and which have assisted in coping with the loss in income and rise in costs over the past year.

Total funds of the charity at the year end are £1,749,946.

The charity's current level of unrestricted free reserves (total funds less the amount held in fixed assets and restricted funds) is £580,639. Included in these reserves there are designated funds of £71,437 for repairs, refurbishments, training and patient amenities leaving £509,202 of freely available general unrestricted reserves. Restricted funds at the year end totalled £94,421 and endowment funds were £26,458. Tangible fixed assets of £1,053,826 are held for use by the charity (unrestricted fund £1,048,428, restricted fund £5,398) and can only be realised by the disposal of these assets.

Personnel

There has been some staff movement in 2020/2021;

At the end of March 2020, the Office welcomed Mrs Carrie Henderson as part of the administration team. Kathleen Jones has reduced her hours to prepare for retirement.

Long Service Awards were awarded to Angela Reay (Care assistant) for 30 years of service to the Home and Sheila Wilson (Care assistant) for 10 years.

Every year we thank our staff for their hard work; this year is no exception. We are so grateful for the sacrifices our staff have made this year, going above and beyond the normal realms of their employment. They have coped so well with the pressure, extra duties, extreme working conditions, the sadness and anguish that Coronavirus has brought to everyone. We are and always will be grateful for their efforts over the past year.

Our sincere thanks go once again to Matron, Ann Blair, Sister Linda Faulder and all staff for another year of dedicated care for our Residents. We thank Dawn Harrison, Kathleen Jones and Carrie Henderson for their hard work throughout the year.

Thanks are also due to Dr. Darren Hymers and his colleagues at Silloth Group Medical Practice for continuing to provide a service of excellent medical care, through the use of video links and conversations.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Financial review *(continued)*

Coronavirus March 2020 (ongoing)

March 2020 began with the Home in total lockdown. In line with Government guidelines all visitations were stopped, which had a huge impact on residents and their families who were unable to visit. Matron and senior nursing staff were heavily involved in keeping families informed and helping loved ones through what was a stressful period for all involved. Sadly, in common with other care homes, further lockdowns continued throughout the year.

Daily staff meetings were put in place, giving all staff relevant up-to-date information, support and guidance. The Management Committee were concerned for the mental wellbeing of members of staff at this time and access to a Mental Health Therapist was offered to members of staff struggling to cope. Matron's 'open door' policy and the support of senior nursing staff were also of benefit to residents and staff during the year

In May 2020, the nursing home registered with the Department of Health and Social Care for regular testing of both residents and staff for Covid 19; members of staff being tested on a weekly basis and residents every 28 days. Along with those being furloughed, staff testing positive were relieved from duty to self isolate. We are grateful to members of staff who fulfilled other duties during these periods, allowing the home to function efficiently at this time. Three tests per week for staff commenced in January 2021, involving two lateral flow tests and one laboratory PCR test. Weekly testing of residents was introduced in February 2021.

Residents and members of staff received their first Covid vaccination in December 2020. The second vaccination was carried out in March 2021. Both residents and staff welcomed the introduction of the vaccine and the protection given.

New guidance came into force in March 2021, allowing two nominated visitors per resident by appointment. This included the requirement for visitors to take a lateral flow test displaying a negative result, prior to entry.

Frequent consultations took place throughout the year with the Care Quality Commission and other external agencies, including the Department of Social Services, Mental Health Team, District Nursing Team and Public Health England. We are grateful for the guidance and advice given to the nursing home.

We are thankful to local businesses, organisations and members of the public who have given the home tremendous support throughout these times. Donations received included: PPE supplies, toiletries and flower tubs to name just a few. Staff were treated to roast dinners, sweets, cakes and snacks. A much appreciated and welcome boost to morale.

We are grateful to every member of staff for what has been an extremely challenging year for all of them. A special thank you is owed to Matron and Secretary for keeping the Trustees informed of all developments and for the extra workload endured with the utmost professionalism and dedication to duty.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Plans for future periods

Looking to the future, the Management Committee has examined the circumstances facing the Charity and its future income and expenditure patterns. The Committee has therefore designated £30,000 for general refurbishment, £30,000 for repairs, £5,000 for training and £5,000 for beds. Staff training remains paramount.

The Trustees are committed to continual staff training and development, and continue to review our training programme to ensure that courses remain relevant to the Home's requirements. A strong emphasis is therefore placed on courses pertaining to the Home's delivery of care, health and safety, and legislative requirements. Our training programme for the coming year continues to focus on: Palliative Care, National Vocational Qualifications in Care, Safety of Vulnerable Adults, Dementia, Fire Safety Awareness, Food Hygiene, Dignity, Nutrition, Tissue Viability, Health and Safety, First Aid Infection Control and Data Security.

In 2022 reaccreditation will again take place for the Gold Standards Framework. The Home has been part of the programme since 2008 achieving Beacon status at each accreditation and also being awarded with Care Home of the Year in 2016. The Home is now recognised as a Platinum Home.

The key objectives when determining future plans remain:

1. To maintain the current high standard of care
2. To maintain client accommodation and the nursing home to a high standard
3. To provide equipment and mobility aids where required
4. To continue to review staff training requirements
5. To meet legislative requirements pertaining to the running of the Home.

Trustees' responsibilities statement

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 charity trustees to prepare financial statements for each 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Cumberland and Westmorland Convalescent Institution

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 applicable Charities (Accounts and Reports) Regulations, 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' annual report was approved on 12 August 2021 and signed on behalf of the board of trustees by:

Mr I W Brown
Chair

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution

Year ended 31 March 2021

Opinion

We have audited the financial statements of Cumberland and Westmorland Convalescent Institution (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 March 2021 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;
- 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.

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2021

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; 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, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements

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 the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
-

Cumberland and Westmorland Convalescent Institution

Independent Auditor's Report to the Trustees of Cumberland and Westmorland Convalescent Institution *(continued)*

Year ended 31 March 2021

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission and the company's legal advisors.

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

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

A further description of our responsibilities for the audit of the 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 members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Saint & Co
Chartered Accountants & statutory auditor

31 August 2021

Cumberland and Westmorland Convalescent Institution

Statement of Financial Activities

Year ended 31 March 2021

	Note	2021			2020
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Income and endowments					
Donations and legacies	4	111,792	–	–	111,792
Charitable activities	5	1,372,264	–	–	1,372,264
Investment income	6	1,704	1,709	–	3,413
Total income		<u>1,485,760</u>	<u>1,709</u>	<u>–</u>	<u>1,487,469</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	7	(20)	–	–	(20)
Expenditure on charitable activities	8,9	(1,600,496)	(1,964)	–	(1,602,460)
Total expenditure		<u>(1,600,516)</u>	<u>(1,964)</u>	<u>–</u>	<u>(1,602,480)</u>
Net gains/(losses) on investments	11	2,545	–	4,531	7,076
Net expenditure		<u>(112,211)</u>	<u>(255)</u>	<u>4,531</u>	<u>(107,935)</u>
Transfers between funds		(870)	870	–	–
Net movement in funds		<u>(113,081)</u>	<u>615</u>	<u>4,531</u>	<u>(107,935)</u>
Reconciliation of funds					
Total funds brought forward		1,742,148	93,806	21,927	1,857,881
Total funds carried forward		<u>1,629,067</u>	<u>94,421</u>	<u>26,458</u>	<u>1,749,946</u>

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

The notes on pages 18 to 31 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Statement of Financial Position

31 March 2021

		2021		2020
	Note	£	£	£
Fixed assets				
Tangible fixed assets	16		1,053,826	1,068,829
Investments	17		40,111	33,034
			1,093,937	1,101,863
Current assets				
Debtors	18	90,554		115,273
Cash at bank and in hand		622,142		731,590
			712,696	846,863
Creditors: amounts falling due within one year	19	(56,687)		(90,845)
Net current assets			656,009	756,018
Total assets less current liabilities			1,749,946	1,857,881
Net assets			1,749,946	1,857,881
Funds of the charity				
Endowment funds			26,458	21,927
Restricted funds			94,421	93,805
Unrestricted funds			1,629,067	1,742,149
Total charity funds	23		1,749,946	1,857,881

These financial statements were approved by the board of trustees and authorised for issue on 12 August 2021, and are signed on behalf of the board by:

Mr I W Brown
Trustee

Mr R M Wharton
Trustee

The notes on pages 18 to 31 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Statement of Cash Flows

Year ended 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net expenditure	(107,935)	(2,438)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	25,489	26,513
Government grant income	(102,216)	–
Net gains/(losses) on investments	(7,076)	3,874
Dividends, interest and rents from investments	(1,644)	(3,011)
Other interest receivable and similar income	(1,769)	(1,288)
<i>Changes in:</i>		
Trade and other debtors	24,719	(66,318)
Trade and other creditors	(34,159)	31,494
Cash generated from operations	<u>(204,591)</u>	<u>(11,174)</u>
Interest received	1,769	1,288
Net cash used in operating activities	<u>(202,822)</u>	<u>(9,886)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	1,644	3,011
Purchase of tangible assets	(10,486)	(151,740)
Net cash used in investing activities	<u>(8,842)</u>	<u>(148,729)</u>
Cash flows from financing activities		
Government grant income	102,216	–
Net cash from financing activities	<u>102,216</u>	<u>–</u>
Net decrease in cash and cash equivalents	(109,448)	(158,615)
Cash and cash equivalents at beginning of year	731,590	890,205
Cash and cash equivalents at end of year	<u>622,142</u>	<u>731,590</u>

The notes on pages 18 to 31 form part of these financial statements.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Convalescent Home, Silloth, Wigton, CA7 4JH, Cumbria.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The financial statements have been prepared to show 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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn."

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Value added tax

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The trustees consider there were no significant judgements made in preparing the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The trustees consider there are no key sources of estimation uncertainty.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Fund accounting

All fees are unrestricted. Income received for a purpose specified by the donor is accounted for as restricted to that purpose. Other income, not so specified, is treated as available for general purposes, or unrestricted.

Permanent endowment funds exist where the Charity receives a gift or legacy under the terms of which the capital may not be expended. The income may be restricted or unrestricted, depending on the terms of the original gift.

The trustees have discretion to allocate sums to particular funds as they so wish. Such funds are known as designated funds, and remain unrestricted.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure is accounted for on the accruals basis. Where expenditure relates to a specific project, in accordance with the wishes of a donor, it is shown as restricted expenditure.

Fundraising costs

This is expenditure incurred in encouraging freewill giving to the charity.

Charitable activities costs includes direct residential care home costs and management and administration expenditure

Direct residential care home costs include all costs associated with operating the primary activities of the charity, these being the running of the residential care home. The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes. Management and administration expenditure includes cost of administration staff wages, running of the office and any legal fees and depreciation on office. Termination benefits are recognised as a liability and expense only when the company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Governance costs

This is expenditure incurred in relation to audit, accountancy and legal fees.

Tangible assets

The accounts have been prepared on the historic cost basis. Land and building improvements and major items of equipment are capitalised within these accounts. Fixed assets costing less than £10,000 are not capitalised, but written off to the Income and Expenditure Account as incurred. This is a departure from section 17 of FRS102 but is justified on the grounds that the assets are generally replacements of existing equipment. Assets not capitalised under this policy are disclosed in the notes to these accounts.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	15% reducing balance
Property Improvements	-	2% reducing balance

Investments

Listed investments are shown at market value. Unrealised gains accrued during the year are included on the SOFA. Unlisted investments are shown at historic cost.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Annual subscriptions	488	–	488
Sundry donations	6,135	–	6,135
In memoriam	2,031	–	2,031
AOE admin fee	76	–	76
Gifts in Kind-The League of Friends/Staff fundraising	–	–	–
Legacies	–	–	–
PPE donated goods from government	846	–	846
Grants			
Grants relating to Covid-19	102,216	–	102,216
	<u>111,792</u>	<u>–</u>	<u>111,792</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Annual subscriptions	363	–	363
Sundry donations	7,384	1,000	8,384
In memoriam	1,994	–	1,994
AOE admin fee	54	–	54
Gifts in Kind-The League of Friends/Staff fundraising	2,027	–	2,027
Legacies	4,141	–	4,141
PPE donated goods from government	–	–	–
Grants			
Grants relating to Covid-19	–	–	–
	15,963	1,000	16,963

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Residential fees	1,370,206	1,370,206	1,470,398	1,470,398
Meals	1,830	1,830	890	890
Sundry	228	228	694	694
Designated-Skills for care	–	–	2,070	2,070
	1,372,264	1,372,264	1,474,052	1,474,052

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
COIF / M & G Charifund interest and dividends	1,644	–	1,644
Bank interest received	60	1,709	1,769
	1,704	1,709	3,413
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
COIF / M & G Charifund interest and dividends	3,011	–	3,011
Bank interest received	1,288	–	1,288
	4,299	–	4,299

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of other trading activities - Membership schemes and social lotteries	20	20	20	20
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct costs	1,451,552	1,964	1,453,516
Management and administration	144,753	–	144,753
Support costs	4,191	–	4,191
	<u>1,600,496</u>	<u>1,964</u>	<u>1,602,460</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Direct costs	1,365,815	2,757	1,368,572
Management and administration	121,311	–	121,311
Support costs	3,975	–	3,975
	<u>1,491,101</u>	<u>2,757</u>	<u>1,493,858</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct costs	1,453,516	–	1,453,516	1,368,572
Management and administration	144,753	–	144,753	121,311
Governance costs	–	4,191	4,191	3,975
	<u>1,598,269</u>	<u>4,191</u>	<u>1,602,460</u>	<u>1,493,858</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
Governance costs	4,191	4,191	3,975
	<u>4,191</u>	<u>4,191</u>	<u>3,975</u>

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

11. Net gains/(losses) on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Unrealised loss / gain on revaluation on investment assets	<u>2,545</u>	<u>4,531</u>	<u>7,076</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Unrealised loss / gain on revaluation on investment assets	<u>(3,157)</u>	<u>(717)</u>	<u>(3,874)</u>

12. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	25,489	26,513
Operating lease rentals	17,012	9,020

13. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	2,016	1,850
Fees payable to the charity's auditor for other non-audit services	2,175	2,125
	4,191	3,975

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,136,333	1,001,898
Social security costs	62,988	58,700
Employer contributions to pension plans	32,135	26,794
	1,231,456	1,087,392

The average head count of employees during the year was 63 (2020: 67). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Nursing, caring services and domestic	59	64
Clerical and administration	4	3
	63	67

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Staff costs *(continued)*

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £91,485 (2020:£79,614).

15. Trustee remuneration and expenses

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them. No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

16. Tangible fixed assets

	Land £	Equipment £	Property Improvements £	Total £
Cost				
At 1 April 2020	5,200	119,823	1,442,764	1,567,787
Additions	–	–	10,486	10,486
At 31 March 2021	<u>5,200</u>	<u>119,823</u>	<u>1,453,250</u>	<u>1,578,273</u>
Depreciation				
At 1 April 2020	–	89,021	409,937	498,958
Charge for the year	–	4,620	20,869	25,489
At 31 March 2021	<u>–</u>	<u>93,641</u>	<u>430,806</u>	<u>524,447</u>
Carrying amount				
At 31 March 2021	<u>5,200</u>	<u>26,182</u>	<u>1,022,444</u>	<u>1,053,826</u>
At 31 March 2020	<u>5,200</u>	<u>30,802</u>	<u>1,032,827</u>	<u>1,068,829</u>

The home considers that the market value of the land is in excess of the cost £5,200 included in the accounts. All assets are used primarily for direct charitable expenses. Accordingly depreciation of £25,489 has been charged to Direct Charitable Expenditure. The following assets were acquired during the year but, under the terms of the trust's accounting policy, not capitalised:-

	£
Electrical	1,088
Fixtures & Fittings	1,354
Bedroom furniture	1,060

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

17. Investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	32,914	120	33,034
Additions	–	–	–
Fair value movements	7,077	–	7,077
At 31 March 2021	39,991	120	40,111
Impairment			
At 1 April 2020 and 31 March 2021		–	–
Carrying amount			
At 31 March 2021	39,991	120	40,111
At 31 March 2020	32,914	120	33,034

All investments shown above are held at valuation.

Financial assets held at fair value

Listed investments have been valued at publicly available market value, generally on the mid market price at the close of business at the year end.

Other investments have been valued at cost, as there is no readily available market value.

18. Debtors

	2021 £	2020 £
Trade debtors	85,853	99,234
Prepayments and accrued income	1,240	16,039
Other debtors	3,461	–
	90,554	115,273

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,907	45,346
Accruals and deferred income	33,215	31,850
Social security and other taxes	12,240	12,052
Other creditors	2,325	1,597
	56,687	90,845

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

20. Deferred income

	2021	2020
	£	£
At 1 April 2020	8,199	–
Amount released to income	(8,199)	–
Amount deferred in year	4,860	8,199
At 31 March 2021	4,860	8,199

The amount included in deferred income relates to fee income for the next financial year.

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £32,135 (2020: £26,794).

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Infection control fund	62,005	–
Job retention scheme	24,239	
Statutory sick pay grant	1,835	
Rapid testing funding	9,637	
Council discretionary funding	4,500	
	102,216	–

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

23. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
General Funds	1,670,711	1,485,760	(1,595,897)	(5,489)	2,545	1,557,630
General						
Refurbishment	30,000	–	–	–	–	30,000
Bed Fund	5,000	–	(3,949)	3,949	–	5,000
Training Fund	5,000	–	(180)	180	–	5,000
Patient Amenities	1,437	–	–	–	–	1,437
Repairs Fund	30,000	–	(490)	490	–	30,000
	<u>1,742,148</u>	<u>1,485,760</u>	<u>(1,600,516)</u>	<u>(870)</u>	<u>2,545</u>	<u>1,629,067</u>
	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
General Funds	1,754,702	1,490,969	(1,445,200)	(126,603)	(3,157)	1,670,711
General						
Refurbishment	30,000	–	(30,272)	30,272	–	30,000
Bed Fund	5,000	–	–	–	–	5,000
Training Fund	5,000	2,070	(3,770)	1,700	–	5,000
Patient Amenities	983	1,275	(820)	–	–	1,438
Repairs Fund	30,000	–	(11,059)	11,059	–	30,000
	<u>1,825,685</u>	<u>1,494,314</u>	<u>(1,491,121)</u>	<u>(83,572)</u>	<u>(3,157)</u>	<u>1,742,149</u>

Designated funds are monies set aside for specific purposes, the amounts are determined by the trustees, there are designated funds for General Refurbishment, Bed Fund, Patient Amenities and a Training Fund.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

23. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Sea Dyke Fund	1,444	2	–	14	–	1,460
Dr Hutton Legacy	7,362	–	(1,964)	–	–	5,398
Hampshire Trust	85,000	1,707	–	856	–	87,563
	<u>93,806</u>	<u>1,709</u>	<u>(1,964)</u>	<u>870</u>	<u>–</u>	<u>94,421</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Sea Dyke Fund	2,599	1,000	(728)	(1,428)	–	1,443
Dr Hutton Legacy	9,391	–	(2,029)	–	–	7,362
Hampshire Trust	–	–	–	85,000	–	85,000
	<u>11,990</u>	<u>1,000</u>	<u>(2,757)</u>	<u>83,572</u>	<u>–</u>	<u>93,805</u>

The Dr Hutton legacy was used to purchase various items of equipment for the home, the expenditure each year relates to the depreciation on those assets.

The Hampshire Trust Account was set up as an investment opportunity and offered the best interest rates for the amount deposited.

The remaining restricted funds are used to fund respite fees for those who qualify.

Endowment funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
1476 COIF shares	21,927	–	–	–	4,531	26,458

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
1476 COIF shares	22,644	–	–	–	(717)	21,927

The holding of 1476 Charities Official Investment Fund units are held as part of the permanent endowment of the home. The income shares were gifts from G Moore (946) and R Carruthers (530). The Trustees may use the dividends paid to the home for general purposes.

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible fixed assets	1,048,428	5,398	–	1,053,826
Investments	13,653	–	26,458	40,111
Current assets	623,673	89,023	–	712,696
Creditors less than 1 year	(56,687)	–	–	(56,687)
Net assets	1,629,067	94,421	26,458	1,749,946

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Tangible fixed assets	1,061,467	7,362	–	1,068,829
Investments	11,107	–	21,927	33,034
Current assets	760,420	86,443	–	846,863
Creditors less than 1 year	(90,845)	–	–	(90,845)
Net assets	1,742,149	93,805	21,927	1,857,881

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Investments	39,991	32,914

26. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	731,590	(109,448)	622,142

27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	19,050	10,410
Later than 1 year and not later than 5 years	68,172	41,707
Later than 5 years	14,686	5,956
	101,908	58,073

Cumberland and Westmorland Convalescent Institution

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

28. Related parties

The following trustees are involved in the running of and sit on the board of independent trusts who also have dealings with this charity:-

Mr L Marshall, Mr D Hurst - Holme Cultram Sea Dyke Charity (Hon. Member)

Canon B Rothwell, Mr G Wilkinson - The Longcake Charity

The aggregate of donations without conditions from trustees and related parties totalled £1,040 (2020: £4,717).