

**Registered Charity Number: 243968**

**REPORT OF THE TRUSTEES AND  
INDEPENDENTLY REVIEWED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
PENCARE  
(Formerly named Penylan House)  
PO BOX 2526  
CARDIFF  
CF23 0GU**

## **Index**

	<b>Page</b>
<b>CHARITY INFORMATION</b>	
Registered number of charity	<b>2</b>
Name & address of charity	
Trustees	
Independent Examiners	
Bankers	
Investment bankers	
	<b>3</b>
<b>STRUCTURE, GOVERNANCE &amp; MANAGEMENT</b>	
Nature of charity & governing document	
Recruitment & training of Trustees	
Risk Assessment	
<b>ANNUAL REVIEW</b>	<b>5</b>
<b>FINANCIAL REVIEW</b>	<b>6</b>
Compliance - Responsibilities of Trustees	
Investment Policy	
Investment Review	
Reserves Policy	
General reserves	
Fundraising	
Legacies	
Public Benefit	
<b>PLANS FOR 2022/2023</b>	<b>9</b>
Aims	
Budget for 2022/2023	
<b>APPROVAL OF REPORT</b>	<b>9</b>
<b>INDEPENDENT EXAMINERS REPORT</b>	<b>10</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Activities	<b>11</b>
Balance Sheet	<b>12</b>
Notes to the Financial Statements	<b>13-21</b>
Income and Expenditure account	<b>22</b>

### **Charity Information**

**Registered charity number:** 243968

**Charity name & address:** PenCare  
PO Box 2526  
Cardiff  
CF23 0GU

**Trustees (Management Committee):**

Mrs J Cotsen JP (Chair)  
Mrs L Cawston  
Mr L Kahn  
Mrs R Levene  
Mr J Minkes  
Mr P Stewart  
Mrs J Whitten  
Dr R Whitten

**Life Governors** Prof P D J Weitzman  
Mr C N Harris

**Independent Examiners:** Hodge Bakshi  
Chartered Accountants & Registered Auditors  
Churchgate House  
3 Church Road  
Whitchurch  
Cardiff  
CF4 2DX

**Bankers:** Lloyds Bank plc  
1 Queen Street, Cardiff  
CF10 2AF

HSBC Bank  
94 Albany Rd, Roath, Cardiff  
CF24 3RT

**Investment Managers:** CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Ecclesiastical Investment Managers Limited  
PO Box 3733  
Royal Wootton Bassett  
Swindon  
SN4 4BG

**Administrator:** Mr P Evans

## **STRUCTURE, GOVERNANCE & MANAGEMENT**

### **Nature of charity & governing document.**

The charity was originally set up in 1946 as "South Wales, Monmouthshire and West of England Home for Aged Jews". In 1988 the name was changed to Penylan House, Jewish Retirement & Nursing Home, Cardiff ("Penylan House") to reflect the actual name of the care and nursing home operated by the charity. Following the sale of the home in 2013, the name of the charity was changed to PenCare. It is an independent organisation constituted as a charity under a Trust deed. After prior consultation with the Charity Commission, a resolution regarding a change of objectives was approved at a Special General Meeting held in October 2017, details of which are as follows:

### **Objectives**

- 1 The charity's objectives are to assist beneficiaries in need of care, such beneficiaries being:
  - (a) aged persons of the Jewish faith living in the Local Jewish Community;
  - (b) other persons of the Jewish faith living in the Local Jewish Community;
  - (c) other persons with a significant connection to the Local Jewish Community;
  - (d) other persons in need of care.
- 2 For the purposes of this constitution "care" means any of the following within the Local Jewish Community:
  - (a) nursing, residential or dementia care;
  - (b) care in a beneficiary's home;
  - (c) the provision of accommodation.
- 3 For the purposes of this constitution "Local Jewish Community" means the Jewish communities in South Wales, Bristol and the counties of Somerset and Gloucestershire.

Other changes to the governing document (constitution), not requiring Charity Commission authorisation, were approved at the same meeting.

At the Annual General Meeting of the charity held on 9th January 2022, further changes to the Constitution's objectives were agreed and subsequently submitted to the Charity Commission for approval.

Until April 2013 the charity operated a care home, providing nursing and residential care for the aged within a Jewish Orthodox environment. The charity operated solely at one premises in Cardiff, although the catchment area covered the whole of South Wales and the West of England, with some service users originating from further afield.

## **PenCare**

### **STRUCTURE, GOVERNANCE & MANAGEMENT (Cont.)**

#### **Nature of charity & governing document. (Cont.)**

Following the sale of the care home to Linc-Cymru Housing Association Limited in April 2013, the focus of the charity changed from the operation of a care home to the funding of care for the Jewish community within a brand new nursing and residential care home operated by Linc Cymru, the underwriting of costs of operating kosher facilities within the new home, and the provision of care within the Jewish Community.

In adopting such an approach the Trustees consider that public benefit is being met in that potential residents or beneficiaries are not excluded from the opportunity to benefit from the activities of the charity. The Trustees consider that they have complied with the duty stated in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission (i.e. public benefit statement).

#### **Trustees**

Governance of the charity is through an elected Management Committee (i.e. The Trustees) of up to eight persons. All Trustees give their time on a voluntary basis and receive no payment or other benefit. Where necessary, specific sub-committees are appointed, e.g. to review investment policy, with all decisions being referred to the main Management Committee for approval.

Applicants for Trusteeship are appointed by election at the charity's Annual General Meeting and are drawn from the local Jewish community. Most Trustees are already familiar with the work of the charity, frequently through having had family members or friends who had received nursing or residential care, or through the close networking that exists within the Jewish community. In addition, Trustees often participate as volunteers in the charity's activities prior to and after becoming Trustees.

Trustees are included in the Home's training programme, which covers areas such as:

- Obligations of Trustees ;
- Structure, governance and operation of the charity ;
- Financial management ;
- Planning for the future.

Day to day administration and financial management is undertaken by an administrator, acting on a part time paid basis.

The Management Committee meets at least every three months. Minutes of all meetings are issued to Trustees, together with supporting documentation and financial reports.

## **PenCare**

### **STRUCTURE, GOVERNANCE & MANAGEMENT (Cont.)**

#### **Risk Assessment**

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the charity's free reserves at an appropriate level, combined with an annual review of financial systems controls, will provide sufficient resources in the event of adverse conditions.

The Trustees also examine other operational and business risks which the charity faces and confirm that they have established systems to mitigate the significant risks. The Trustees believe the charity has sufficient reserves to allow it to meet its stated objectives.

#### **Nature of charity & governing document.**

The Trustees have identified the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and have identified means of mitigating the risks. As part of this process the Trustees have reviewed the adequacy of the charity's current internal controls. The Trustees are pleased to report that the charity's financial controls conform to guidelines issued by the Charity Commission.

#### **ANNUAL REVIEW**

The overwhelming factor affecting the charity during the year was the continuing effect of the Covid-19 pandemic, first experienced in March 2020. Following various national lockdowns during the year, it was anticipated that the effects would be felt for some considerable time and this proved to be correct, with restrictions carrying on into 2021 and 2022. Although the introduction of vaccines in 2021 helped mitigate the risk of the disease, the effect on care homes continued to be severe, with care homes continuing to exercise strict restrictions regarding visitors and activities.

Since the takeover of Penylan House by Linc-Cymru in 2012, members of PenCare have been closely involved in the activities of the home. However, as a result of the pandemic restrictions imposed, involvement and interaction came to a sudden halt in 2020 and has not returned to previous levels. Jewish cultural items within Penylan House include an ark, lectern and ner tamid all situated in the main lounge. Whereas in previous years religious services in the Home were well supported by both service users and visitors, because of the pandemic no services were held in the home during the 2020-2021 and this continued throughout 2021-2022, the year in review.

The Home caters for Jewish dietary requirements through the provision of a dedicated kosher kitchen and dining area. PenCare contributes to the cost of catering staff working within the kosher area and also funds a catering supplement in respect of the greater costs of kosher food items. By funding and providing for the requirements of the Jewish religion, the Trustees consider that the charity continues to meet the requirements of the Charity Commission regarding public benefit.

## **PenCare**

### **ANNUAL REVIEW (Cont)**

The charity enjoys a high profile locally and as well as volunteer participation at Trustee level, the charity benefits from the active involvement of the Jewish community in a wide range of social activities, notably through its support group, "Penfriends". The numerous activities undertaken by the group would normally include a programme of regular weekly concerts, entertainment, bingo sessions and outings. Special events and evenings, such as the "Proms Night", aimed at promoting the charity's work within the community, rather than to raise funds would also have been arranged. However, due to the pandemic, it was not possible for any of these events to take place.

While direct involvement with Penylan House and the Jewish community of south Wales was impossible, PenCare was able to make a contribution to the community through an expansion of its grant funding programme, started the previous year. In the view of the trustees, all of the funding of causes and organisations supported by the charity constituted public benefit expenditure, a full list of which is shown elsewhere in this report.

While direct involvement with Penylan House and the Jewish community of south Wales was impossible, PenCare was able to make a contribution to the community through an expansion of its grant funding programme, started the previous year. In the view of the trustees, all of the funding of causes and organisations supported by the charity constituted public benefit expenditure, a full list of which is shown elsewhere in this report.

The charity is grateful for the unstinting efforts of its volunteers who are involved in service provision and helping to ensure that Penylan House remains a focus of activity within the Jewish community. Trustees are hopeful that the involvement and participation of community volunteers in the home, which came to such an abrupt halt, can recommence in the near future.

### **FINANCIAL REVIEW**

#### **Compliance – Responsibilities of Trustees**

Company and charity law 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 surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees have:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any
- Prepared the financial statements on a going concern basis.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the

## **FINANCIAL REVIEW (Cont.)**

charity and enable them to ensure that the financial statements comply with the regulatory requirements. 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 and to provide reasonable assurance that:

- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the charity or for publication is reliable.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- The charity complies with relevant laws and regulations;
- A strategic review and an annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- Identification and management of risks.

### **Investment Policy**

The aim of the charity's investment policy is to produce income in order to fund the costs of providing for the Jewish culture in Penylan House - including the those associated with the provision of kosher catering - and, where required, to fund residential, nursing and respite care for those from the community who may otherwise not be able to afford the costs of nursing or residential care. Until 2013, all the charity's funds were managed by CCLA Investment Managers Limited. However, after an investment review in 2014, in order to mitigate financial risk the charity transferred part of its assets into the EdenTree Amity investment fund operated by Ecclesiastical Investment Managers Limited. Both companies are required to operate within parameters approved by the charity's Management Committee. Investment performance reports are provided on a quarterly basis and valuations are received monthly, enabling the Trustees to monitor and assess the effectiveness of the charity's investment policy.

### **Investment Review**

In May 2017 the Trustees carried out a review of the charity's investments, which included meetings with investment companies CCLA and EdenTree. At a meeting of the Management Committee in July 2017, a recommendation from the Finance Committee that the charity's current advisors and the current spread of investments be retained was agreed unanimously. Ordinarily, a further review of investments would have taken place in 2020. However, because of the continuing effects of the Coronavirus pandemic, any review has been deferred until later in 2022.



## **PenCare**

### **FINANCIAL REVIEW (Cont.)**

#### **Reserves Policy**

The Trustees again reviewed the reserves of the charity during the year, which embraced the nature of income and expenditure streams, the charity's fixed commitments and the nature of the reserves.

- Designated Funds & Fixed Asset Reserve

There are no provisions for designated funds and fixed asset reserves in the accounts.

- General Reserves

As at 31st March 2022, the charity held £4,262,988 of unrestricted funds.

The Statement of Financial Activities (SoFA) set out on Page 11 shows that the total income of the charity for the year was £126,937, principally through the return from investments. Total resources expended by the charity totalled £102,151.

#### **Fundraising**

Given the charity's current financial reserves the trustees have determined that no fund-raising activities should be taken in the foreseeable future and that all Pen Care expenditure, including that of Penfriends, be met by income from investments and any shortfall should be met out of capital.

#### **Legacies**

Though legacies have contributed substantially to the charity's finances over many years, income from this source is excluded from the budget due to the unpredictable nature of such payments.

#### **Public Benefit**

During the year the charity provided public benefit of £72,735 including:

- £17,987 Care fees for a number of permanent residents in Penylan House who were unable to pay Linc-Cymru charges for care, whether in part or in full.
- £1,071 Supplementary catering costs for the provision of kosher food.
- £1,631 Cost of equipment repair and servicing in kosher kitchen.
- £13,200 Cost of staffing a kosher kitchen.
- £3,725 Community activities and events organised by Cardiff United Synagogue.

## PenCare

### FINANCIAL REVIEW (Cont.)

- £850 Community activities and events organised by Cardiff Reform Synagogue.
- £22,798 Special educational needs
- £1,280 Funding of Megillah for CUS
- £4,032 Funding of temporary home care & equipment.
- £1,000 Donation to Community Security Trust
- £2,660 Provision of audio equipment etc to CRS
- £2,500 Donation to Cardiff Jewish Helpline

### PLANS FOR 2022/2023

#### Aims

The charity intends to continue to provide funding to those who require nursing, residential or respite care and to underwrite the costs of providing kosher catering, including contributions towards catering staff costs and equipment repair and servicing within Penylan House.

The Trustees are aware that there is room for development and funding of other services and, as stated above in the schedule of public benefit, the opportunity was taken during the year to support a range of initiatives. The requirement for expanding areas to be funded will continue to be explored further by trustees.

#### Budget for 2022/2023

Budgeted income for the year is projected to be £121,468. Total expenditure, including public benefit, administration and other costs, is estimated to be £132,722, resulting in a projected deficit for the year of £11,254.


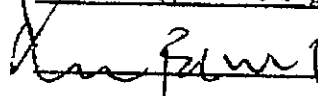
### APPROVAL OF REPORT

This report was approved by the Trustees on:

Mrs J COTSEN (Chair & Trustee)

Mr P STEWART (Trustee)

23rd June 2022

  
J Cotsen  
  
P Stewart



CHARTERED ACCOUNTANTS  
& CHARTERED TAX ADVISERS

*Independent examiner's report to the Trustees of PenCare*

I report to the trustees on my examination of the accounts of PenCare (the Trust) for the year ended 31<sup>st</sup> March 2022, which are set out on pages 11 to 21.

*Responsibilities and basis of report*

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

*Independent examiner's statement*

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Name: Pankaj Bakshi

Relevant professional qualification or membership of professional body: ICAEW

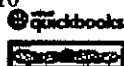
Address:  
Churchgate House  
3 Church Road  
Whitchurch  
Cardiff  
CF14 2DX

Date:

24 June 2022



Page 10



Directors: Pankaj S. Bakshi FCA CTA BPP & Sameer P. Bakshi ACA CTA BPP & Melanie O'Connor CTA  
Churchgate House, 3 Church Road, Whitchurch, Cardiff CF14 2DX. t029 2052 9529 f029 2052 1666  
e

# help@hodgebakshi.com

# www.hodgebakshi.com

Registered to carry on audit work in the UK and regulated for a range of investment business by the Institute of Chartered Accountants in England and Wales.  
Registered with The Chartered Institute of Taxation as a firm of Chartered Tax Advisers.  
Hodge Bakshi is the trading name of Hodge Bakshi Limited. Company number 07399071. Registered in Wales at the above address.

**PENCARE****STATEMENT OF FINANCIAL ACTIVITIES****INCLUDING INCOME & EXPENDITURE ACCOUNT AND****STATEMENT OF RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted Funds	Total	year ended
		Undesignated		31st March 2021
	Notes	£	£	£
<b>Incoming</b>				
Donations	2	500	500	500
Income from charitable activities		86	86	180
Investment income	5	126,351	126,351	117,149
<b>Total income</b>		<u>126,937</u>	<u>126,937</u>	<u>117,829</u>
<b>Expenditure</b>				
Charitable activities	3	102,151	102,151	109,346
<b>Total Expenditure</b>	3	<u>102,151</u>	<u>102,151</u>	<u>109,346</u>
Net income and net movement in funds before gains and losses on investments		<u>24,786</u>	<u>24,786</u>	<u>8,483</u>
Net gain on investments	8	284,608	284,608	554,483
Net movement in funds for the year		<u>309,394</u>	<u>309,394</u>	<u>562,966</u>
<i>Reconciliation of funds</i>				
Total funds brought forward		3,953,594	3,953,594	3,390,628
<b>Total funds carried forward</b>	12	<u>4,262,988</u>	<u>4,262,988</u>	<u>3,953,594</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 form part of these financial statements.

**PENCARE**

Registered Charity Number: 243968

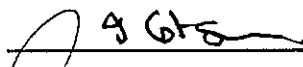

**BALANCE SHEET****31 MARCH 2022**

		As at 31st March 2022		As at 31st March 2021	
		£	£	£	£
	Notes				
<b>FIXED ASSETS:</b>					
Heritage Assets	7	-	-	-	-
Social investment	8	350,000		350,000	
Investment portfolio	8	<u>3,828,057</u>		<u>3,543,449</u>	
			4,178,057		3,893,449
<b>CURRENT ASSETS:</b>					
Debtors	9	30,946		30,654	
Cash at bank and in hand		<u>69,121</u>		<u>39,350</u>	
		100,067		70,004	
<b>CREDITORS:</b>					
Amounts falling due within one year	10	<u>15,136</u>		<u>9,859</u>	
<b>NET CURRENT ASSETS</b>			84,931		60,145
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£4,262,988</u>		<u>£3,953,594</u>
<b>THE FUNDS OF THE CHARITY:</b>	12				
Unrestricted Funds					
General Reserves			4,262,988		3,953,594
<b>TOTAL CHARITY FUNDS</b>			<u>£4,262,988</u>		<u>£3,953,594</u>

Approved by the Board of Trustees 23rd June 2022 and signed on its behalf by

Mrs. J COTSEN (Chair of Trustees)

Mr. P STEWART (Trustee)

The notes form part of these financial statements

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **1 ACCOUNTING POLICIES**

##### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the charity's Trust Deed 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)" (as amended for accounting periods commencing from 1 January 2016) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared under the historic cost convention. The principal accounting policies adopted are set out below.

The accounting policies have been applied consistently throughout the year and in the preceding

The presentation currency of the financial statements is the Pound Sterling (£)

##### **Going Concern**

The financial statements have been prepared on a going concern basis which assume the charity will continue in operational existence for the foreseeable future.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of key assumptions that affect items in the accounts are with respect to the next reporting period, 2021-22, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

The Trustees have prepared forecasts for 2022/23 and 2023/24. The Trustees believe that these forecasts are based on realistic income assumptions and are confident that the charity will continue to be able to meet its liabilities as they fell due.

The trustees have a reasonable expectation that the charity has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **1 ACCOUNTING POLICIES (continued)**

##### **Significant Judgements and Estimates**

In the application of the charity's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Listed Investments** - Listed Investments were initially recognised at the transaction price excluding costs and are subsequently re measured to fair value at each reporting date. Transaction costs are expenses thorough the SoFA. The change in the fair value is recognised in the SoFA.

##### **Incoming resources**

- Income represents donations and miscellaneous income, excluding value added tax. All incoming resources are included in the SoFA when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

##### **Donations**

- All donations, and voluntary income are recognised as income on receipt except where the donor requires the sum to be invested to provide income for the charity's purpose, in which case it is treated as an endowment.

##### **Investment Income**

- Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.
- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the charity's investment advisor of the dividend yield of the investment portfolio.

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **Resources expended**

- Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

#### **Allocation of support and governance costs**

- Support costs have been allocated between governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent review and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the invoice cost heading.

#### **Costs of raising funds**

- The costs of generating funds consist of Penfriends expenditure.

#### **Charitable activities**

- Costs of charitable activities include grant payments, residents catering and top up payments, governance costs and an apportionment of support costs as shown in note 3.

#### **Cash & Cash equivalents**

- Cash and cash equivalents are basic financial instruments and include cash in hand and bank accounts.

#### **Financial instruments**

- The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments".

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets are 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.



## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **Basic financial assets**

- Basic financial assets, which include accrued income 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Basic financial liabilities**

- Basic financial liabilities, including trade and other creditors, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due, are initially recognised at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

#### **Fixed asset investments**

##### ***Investment portfolio:***

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

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

##### ***Social Investment:***

- Loans made as a social investment to further the objects of the charity are recognised and measured as concessionary loans at cost, being at the amount of the loan made.

#### **Realised gains and losses**

- All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **Contingent liabilities**

- A contingent liability is identified and disclosed for those grants resulting from:
  - a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
  - a present obligation following a top up fees and catering expenditure where settlement is either not considered probable; or
  - the amount has not been communicated in the residents expenditure and that amount cannot be estimated reliably.

#### **Taxation**

- As a charity, Pencare is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

#### **Fund Accounting**

- Details of the nature and purpose of each fund is set out on note 12.

## **2 INCOME**

	unrestricted funds	year ended 31-Mar-2022	period ended 31-Mar-2021
	£	£	£
<b>Donations</b>			
Donations	500	500	500
	<hr/> 500	<hr/> 500	<hr/> 500
 <b>Charitable activities</b>			
Misc. income	86	86	180
	<hr/> 86	<hr/> 86	<hr/> 180

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **3 EXPENDITURE**

	<b>Basis of allocation</b>	<b>Charitable activities</b>	<b>Governance</b>	<b>year ended 31-Mar-2022</b>	<b>year ended 31-Mar-2021</b>
		£	£	£	£
Travel & Subsistence	actual	6,568	-	6,568	2,775
Insurances	actual	681	1,540	2,221	1,851
Pen friends costs	actual	210	-	210	485
Sundries	actual	658	580	1,238	418
Administration costs	actual	-	11,384	11,384	11,527
Printing & Stationery	actual	225	901	1,126	874
Storage	actual	-	3,175	3,175	2,858
Cultural Expenditure	actual	15	-	15	355
Grants made	actual	38,845	-	38,845	19,936
Residents catering payments	actual	15,902	-	15,902	22,624
Residents top up payments	actual	17,987	-	17,987	42,283
Legal Fees & professional Fees	actual	350	-	350	300
Accountancy Fees	actual	-	3,130	3,130	3,060
		<b>81,441</b>	<b>20,710</b>	<b>102,151</b>	<b>109,346</b>

#### **4 STAFF COSTS**

	<b>year ended 31-Mar-2022</b>	<b>year ended 31-Mar-2021</b>
	£	£
Staff Costs	<b>0</b>	<b>0</b>

There were no members of staff directly employed by the charity during the current or previous years. However, as previously stated, one member of the Management Committee (the Administrator) receives remuneration for accounting, administrative and other work carried out for and on behalf of the charity. Such duties are carried out on a self-employed, part-time basis.

#### **Related party transactions and trustees' expenses and remuneration**

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). Expenses paid to the trustees in the year totalled £nil (2021: £nil).

No remuneration is paid to any key management personnel.

There were no related party transactions during the year.

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **5 INVESTMENT INCOME**

	year ended 31-Mar-2022	year ended 31-Mar-2021
	£	£
General Deposit Interest	1	3
Dividend distributions received from	126,350	117,146
	<u>126,351</u>	<u>117,149</u>

#### **6 OPERATING SURPLUS**

The operating surplus (2021: surplus) is stated after charging:

	year ended 31-Mar-2022	year ended 31-Mar-2021
	£	£
Independent examiners remuneration	<u>3,130</u>	<u>3,060</u>

#### **7 TANGIBLE FIXED ASSETS**

##### **Heritage asset**

Included within the assets of the Charity are the Torah Scrolls. These assets are not included in the balance sheet as they were donated to the charity some time ago and, due to their unique nature, reliable cost information is not available and conventional valuation approaches lack sufficient reliability. Provision for use, storage and security of the Scrolls is made within the Synagogue area of Penylan House.

#### **8 FIXED ASSETS**

##### **Investments**

	Listed investments
	£
Valuation at 1 April 2021	3,543,449
increase in valuation as at 31 March 2022	<u>284,608</u>
	3,828,057
Valuation At 31 March 2022	<u>£3,828,057</u>
At 31 March 2021	<u>£3,543,449</u>

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

8 Cost or valuation at 31st March 2022 is represented by;

	<b>Listed investments</b>
	<b>£</b>
Valuation in 2022	<b><u>£3,828,057</u></b>

<b>Social Investment:</b>	<b>as at 31-Mar-2022</b>	<b>as at 31-Mar-2021</b>
	<b>£</b>	<b>£</b>
Cost		
Programme related investment	350,000	350,000

The programme related investment is a concessionary loan that is secured by a charge dated 27th November 2017 over the registered estate of 39 Cyncoed Road Cardiff.

<b>9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>as at 31-Mar-2022</b>	<b>as at 31-Mar-2021</b>
	<b>£</b>	<b>£</b>
Other debtors	30,946	30,654
	<b><u>30,946</u></b>	<b><u>30,654</u></b>

<b>10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>as at 31-Mar-2022</b>	<b>as at 31-Mar-2021</b>
	<b>£</b>	<b>£</b>
Accruals	15,136	9,859
	<b><u>15,136</u></b>	<b><u>9,859</u></b>

### **11 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	4,178,057	84,931	4,262,988
	<b><u>4,178,057</u></b>	<b><u>84,931</u></b>	<b><u>4,262,988</u></b>

## **PENCARE**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2022**

#### **12 FUNDS**

**Unrestricted funds** are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

#### **13 CONTINGENT LIABILITIES**

PenCare (formerly known as Penylan House) will continue as a charitable organisation with nomination rights to older and disabled persons (including persons with dementia), for up to 30 residents from the Jewish community within the new Home and will be responsible for any shortfall funding and for the provision of Jewish cultural and catering facilities.

The following yearly expenditure is expected;

	Year ended 31st March 2023	Year ended 31st March 2022
	£	£
Third party fee top up	36,396	42,000
Catering Facilities	17,640	21,891
Jewish Cultural expenses	600	2,500
	<u>54,636</u>	<u>66,391</u>

Due to the explanation above, there is reasonable uncertainty as to the amount and timing of any future expenditure.

#### **14 GRANTS PAID**

The following grants totalling £38,845 have been paid to organisations and individuals by the Charity during the year:

	£	<b><u>Nature of activity supported by the grant</u></b>
Grants to individuals	26,558	Financial assistance
Grants to institutions	<u>12,287</u>	Supplement existing funds of the organisation
	<u>38,845</u>	

#### **15 RELATED PARTY**

During the year a Trustees relative received £6,660 : (2021 £nil) of funding towards third party top up payments. This approval for the payment was approved by a separate committee, which the Trustee is not a member of.

**PENCARE**

**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<u>year ended</u> <u>31st March 2022</u>		<u>year ended</u> <u>31st March 2021</u>	
	£	£	£	£
<b>Income:</b>				
Donations	500		500	
Misc. Income	86		180	
		586		680
<b>Other income:</b>				
Deposit account interest	1		3	
Dividend distributions received from investments	126,350		117,146	
		126,351		117,149
		126,937		117,829
<b>Expenditure:</b>				
Administration costs	11,384		11,527	
Printing & Stationery	1,126		874	
Storage	3,175		2,858	
Travel & Subsistence	6,568		2,775	
Insurance	2,221		1,851	
Accountancy fees	3,130		3,060	
Legal and professional fees	350		300	
Sundries	1,238		418	
Pen Friends Expenditure	210		485	
Cultural expenses	15		355	
Grants payments	38,845		19,936	
Residents catering payments	15,902		22,624	
Residents top up and respite payments	17,987		42,283	
		102,151		109,346
NET SURPLUS		24,786		8,483