

**Penrice House (St Austell)
Limited
(Limited by Guarantee)**

**Annual report and financial statements
For the year ended 31 March 2021**

Company registration number 01475148

Charity registration number 280039

Penrice House (St Austell) Limited (Limited by Guarantee)

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Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a director's report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102.

Reference and administrative details

Registered name	Penrice House (St Austell) Limited
Company registration number	01475148
Charity registration number	280039

Trustees

The following Trustees constitute directors of the company for the purpose of the Companies Act 2006 at the year end:

Mr PG Snell #§	(Chair)
Mr AP Tregilgas *	(Vice Chair)
Dr PB Foster †	
Dr R Bown *§	
Mrs LB Sampson †	(Vice Chair)
Mr DS Boardman *	
Mrs MK Bawden †	(Resigned 3 April 2020)
Mr A Bawden §	(Resigned 3 April 2020)
Mrs J Burden	

* Member of Finance Committee

Member of Estate Management Committee

† Member of Home Staff and Residents' Welfare Committee

§ Member of House Maintenance and Transport Committee

The Trustees retiring by rotation in accordance with Articles 29 and 30 of the Company's Memorandum and Articles of Association, at the 2021 Annual General Meeting of Members will be P Snell, and Mrs J Burden. These Trustees, being eligible, offer themselves for re-election.

Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

Officers

Company Secretary	Alison Phillips (resigned 30 April 2020) Jonathan Childs (appointed 18 January 2021)
Business Manager	Jonathan Childs (appointed 18 January 2021)
Care Manager	Clare Rowe-Hall
Principal address of the charity	Penrice House Porthpean ST AUSTELL Cornwall PL26 6AZ
Bankers	National Westminster Bank Plc 1 Church Street ST AUSTELL Cornwall PL25 4AW
Solicitors – property matters	Coodes LLP St Austell Business Park Carclaze ST AUSTELL Cornwall PL25 4FD
Solicitors – other matters	Stephens Scown LLP 1 High Cross Lane ST AUSTELL Cornwall PL25 4AB
Auditors	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP
Investment advisers	Investec Investments 2 Gresham Street LONDON EC2V 7QN

Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

Structure, governance and management

Governing document

Penrice House (St Austell) Limited is incorporated as a company limited by guarantee and not having a share capital. In accordance with the company's Memorandum and Articles of Association, adopted by Special Resolution on 24 July 2001, each member is liable to contribute no more than £10 in the event of the company being wound up or dissolved. The main property (Penrice House) remaining after the settlement of all liabilities will be given or transferred to the National Trust for places of Historic Interest or Natural Beauty and if that cannot be done to some other charitable object chosen by the members of the charity.

There were 9 members at 31 March 2021 (2020: 11).

Recruitment and induction of Trustees

The business of the charity is managed by the Trustees. The Trustees may at any time appoint as a Trustee any eligible individual either to fill a casual vacancy or as an additional Trustee. Such appointment is effective only until the next Annual General Meeting but the appointee will then be eligible for election. At each Annual General Meeting the number nearest to one-third of the Trustees retires from office and is eligible for re-election. The Trustees to retire are those who have been longest in office since their last election.

Newly appointed Trustees are provided with copies of the charity financial statements, brochure and Memorandum and Articles of Association. Guidance on the charity's ethos and activities is provided by the Chair and Company Secretary.

Risk management

The Trustees have considered the major strategic, business and operational risks to which the charity is exposed and systems have been established to mitigate those risks. Each committee is responsible for monitoring risk strategies for their specific area and risk plans are regularly reviewed.

Pay policy for senior staff

The Trustees set the remuneration for senior staff and review this annually at the same time as the annual cost of living pay award for staff. The review takes into account the need to retain and motivate key staff and recognise individual and overall performance as well as the wider staff pay award and affordability. Salaries are benchmarked against local competitors and factors other than pay, such as development opportunities, are taken into consideration.

Pay awards agreed for senior staff and the wider staff take effect from 1 April in each year.

Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

Objectives and activities

Charitable objects

The charity's objects are to operate a home for the elderly with or without provision for the elderly when they are sick or infirm.

In setting objectives and planning the activities of the Home the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and supplementary guidance on fee charging.

Whilst Penrice House welcomes both private and publically funded residents, it benefits from the Fred Lovering Assistance Fund which is used to support residents who are in financial need.

Principal activities of the year

The charity is principally engaged in the operation of a home for the elderly at Penrice House, Porthpean, St Austell which is registered for 29 residents under the Registered Homes Act 1984.

The business of the charity is managed by the Trustees who meet at least four times each calendar year. A number of sub-committees have been established with specific responsibilities and the day-to-day management of the Home is undertaken by the Care Manager. There has been no significant change in the activities of the charity during the year other than those necessitated by the threat of Covid-19. In particular, no new residents have been admitted since before March 2020, whilst Day-care and visiting has been suspended.

All of our charitable activities focus on the provision of care to the elderly and are undertaken to further our charitable purposes for the public benefit.

Achievements and performance

The Trustees are committed to ensuring that residents at Penrice House receive high quality care in a comfortable environment. During the year staff training and development has continued to ensure that residents are well supported by trained and professional staff. A programme of redecoration and refurbishment of the house has continued this year to ensure that the Home remains a comfortable and pleasant environment for residents, staff and visitors to enjoy.

Residents are encouraged to become involved in local community events and the charity has arranged regular trips for all its residents including visits to local garden centres and cafes. Members of the local community are invited to attend events at the Home, for example fayres. The Home also arranges a wide variety of activities for residents including craft, music and cooking activities and trips around the grounds in the Home's golf buggy.

Unfortunately, the threat of Covid-19 in March 2020 resulted in excursions off site being abandoned and activities which it is not practical to hold outdoors have been restricted to in-house games and crafts, often organised by members of staff.

Residents' meetings take place monthly with feedback included in the monthly newsletter in addition to the minutes of these meetings. In addition the Trustees meet with staff and residents and their families regularly. Requests and suggestions from residents, staff and others are carefully considered by the Trustees and supported whenever reasonably possible.

Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

Plans for future periods

The Trustees will continue to focus on providing the highest levels of care for residents at Penrice House. This includes investing in staff development but also in maintaining and improving the house and its facilities. In 2021-22 there will be a particular focus on technology and updating these systems to provide WiFi for the benefit of all residents and to support a move towards paper light administration of the home.

Auditors

A resolution for the re-appointment of RRL LLP as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Reserves policy

In order that the charity can meet its objective of managing and operating a home for elderly people the Trustees have considered its resources and commitments. The charity is responsible for the maintenance of Penrice House and its surroundings. As this is a Grade II* listed historic building, the Trustees consider that significant reserves need to be accumulated in the event of any major maintenance being required. Furthermore, with regard to funding the annual charitable expenditure, the charity is reliant on obtaining full occupancy of its residential accommodation and must therefore establish reserves in the event that this is not achieved in any year.

Investment policy and objectives

The Trustees review their policy for investing funds regularly. Investment returns on term deposits had historically provided above inflation returns, with the changing economic climate, however, the Trustees felt that this was unlikely to remain the case and sought ways of mitigating against declining investment income. Accordingly following extensive research and careful consideration Investec investment managers, were appointed for limited funds adopting a cautious investment policy. These investments have provided a healthy return and accordingly the Board has now placed further deposits with Investec. At 31 March 2021 a total of £2,399,416 was invested with Investec (2020: £1,213,605).

Given the possible development of the stable buildings and the Trustees' commitment to continue to invest in improvements to the house the Board is comfortable with the current level of investments.

Penrice House (St Austell) Limited (Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2021

Trustees' responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provision in part 15 of the Companies Act 2006 relating to small companies.

By order of the Trustees

Penrice House
Porthpean
ST AUSTELL
Cornwall
PL26 3AZ

AP Tregilgas
Trustee

21 July 2021

Penrice House (St Austell) Limited (Limited by Guarantee)

Independent auditors' report to the members of Penrice House (St Austell) Limited (Limited by Guarantee)

Opinion

We have audited the financial statements of Penrice House (St Austell) Limited (Limited by Guarantee) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Penrice House (St Austell) Limited (Limited by Guarantee)

Independent auditors' report to the members of Penrice House (St Austell) Limited (Limited by Guarantee)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Penrice House (St Austell) Limited (Limited by Guarantee)

Independent auditors' report to the members of Penrice House (St Austell) Limited (Limited by Guarantee)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

- Obtain a understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011, the Companies Act 2006 and the Care Quality Standards;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Penrice House (St Austell) Limited (Limited by Guarantee)

Independent auditors' report to the members of Penrice House (St Austell) Limited (Limited by Guarantee)

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Williams FCA DChA (Senior Statutory Auditor)

For and on behalf of RRL LLP

Chartered Accountants

Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

26 July 2021

Penrice House (St Austell) Limited (Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2021

	Notes	Restricted funds £	Unrestricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	109	75,387	75,496	3,523
Investment income	3	3,933	58,320	62,253	82,837
<i>Income from charitable activities:</i>					
Residents' fees	4	-	798,498	798,498	877,768
Other income	6	-	29,561	29,561	34,414
Total income		4,042	961,766	965,808	998,542
Expenditure on:					
<i>Costs of raising funds</i>					
Investment management costs		-	14,975	14,975	12,360
Rental expenses	5	-	7,766	7,766	7,494
<i>Expenditure on charitable activities</i>					
Residential care costs	7	682	957,407	958,089	947,162
Total expenditure		682	980,148	980,830	967,016
Net income/(expenditure) for the year before investment gains	9	3,360	(18,382)	(15,022)	31,526
Gains/(losses) on investments		(1,342)	416,797	415,455	(127,047)
Gains on revaluation of investment properties		-	-	-	225,000
Net income for the year and net movement in funds		2,018	398,415	400,433	129,479
Reconciliation of funds					
Fund balances brought forward		324,946	3,513,905	3,838,851	3,709,372
Fund balances carried forward		326,964	3,912,320	4,239,284	3,838,851

The charity has no recognised gains or losses other than those passing through the statement of financial activities. There were no acquisitions or discontinued operations within the charity during the year to 31 March 2021 or 2020.

Penrice House (St Austell) Limited (Limited by Guarantee)

Balance sheet

As at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	11		1,068,256		1,096,664
Investments	12		2,916,089		2,629,792
			<hr/>		<hr/>
			3,984,345		3,726,456
Current assets					
Stock	13	878		865	
Debtors	14	27,789		37,368	
Cash at bank and in hand		284,470		137,470	
			<hr/>	<hr/>	
			313,137	175,703	
Creditors: amounts falling due within one year	15	(58,198)		(63,308)	
			<hr/>	<hr/>	
Net current assets			254,939		112,395
			<hr/>		<hr/>
Net assets			4,239,284		3,838,851
			<hr/>		<hr/>
The funds of the charity:					
Restricted	16		326,964		324,946
Unrestricted - Designated funds	17		550,000		550,000
- General funds	17		2,155,072		2,085,446
- Revaluation reserve	17		1,207,248		878,459
			<hr/>		<hr/>
Total charity funds	18		4,239,284		3,838,851
			<hr/>		<hr/>

These financial statements are prepared in accordance with special provisions of Part 15 of the Companies Act relating to small companies. They constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the members of the company.

AP Tregilgas

Trustee

Approved by the trustees on 21 July 2021

Company registration No. 01475148

Penrice House (St Austell) Limited (Limited by Guarantee)

Cash flow statement

For the year ended 31 March 2021

	£	2021 £	£	2020 £
Net cash outflow from operating activities		(23,189)		(3,093)
Cash flows from investing activities				
Dividends, interest and rent from investments	62,253		82,837	
Proceeds from the sale of:				
Fixed asset investments	1,406,174		10,000	
Purchase of:				
Tangible fixed assets	(21,222)		(50,350)	
Fixed asset investments	(1,277,016)		(27,948)	
Net cash provided by investing activities		170,189		14,539
Change in cash and cash equivalents in the reporting period		147,000		11,446
Cash and cash equivalents at 1 April 2020		137,470		126,024
Cash and cash equivalents at 31 March 2021		284,470		137,470
Reconciliation of net movements in funds to net cash flow from operating activities				
	£			£
Net movement in funds		(15,022)		31,526
Adjustments for				
Depreciation charges		49,630		42,699
Dividends, interest and rent from investments		(62,253)		(82,837)
Increase in stock		(13)		(59)
Decrease/(increase) in debtors		9,579		(6,940)
(Decrease)/increase in creditors		(5,110)		12,518
Net cash outflow from operating activities		(23,189)		(3,093)
Analysis of cash and cash equivalents				
Cash in hand		284,470		137,470

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation

Penrice House (St Austell) Limited (Limited by Guarantee) is a company limited by guarantee incorporated in England and Wales. The registered office is Penrice House, Porthpean, ST AUSTELL, Cornwall, PL26 6AZ. The liability of each member in the event of winding up is limited to £10.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. For grants, income is recognised in the statement of financial activities when receivable.

1.3 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headlines:

- Costs of raising funds comprise the costs of managing the Charity's investments;
- Expenditure on charitable activities includes the cost of running the care home to further the purposes of the charity and their associated support costs.

1.4 Tangible fixed assets and depreciation

Penrice House and any subsequent improvements to the property have not been capitalised on the basis that they represent an historical and inalienable asset. Details are given in note 11.2.

Depreciation is provided to write off the cost less the estimated residual value of the charity's fixed assets over their estimated useful economic lives at the following rates:

Freehold building improvements	50 years
Motor vehicles	5 years
Plant and equipment	20% - 100%
Biomass boiler	10 years
Fixtures and fittings	5 years

Assets costing £500 or less are written off to the statement of financial activities in the period in which they are acquired.

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

1.5 Fixed asset investments

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 Charity does not acquire put options, derivatives or other complex financial instruments.

1.6 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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Debtors

Trade debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of other loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

1.12 Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

1.14 Funds structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

1.15 Investment properties

Investment properties are included in the balance sheet at their open market value and revalued annually by the Trustees with the aggregate surplus or deficit transferred to a revaluation reserve. No depreciation is provided in respect of investment properties. During 2020 the investment properties were revalued by an external valuer. See note 11.3.

2 Donations and legacies

	Restricted	Unrestricted	2021	Restricted
	£	£	£	2020
				£
Donations	109	1,000	1,109	3,523
Infection control grant	-	47,154	47,154	-
Furlough grant	-	19,879	19,879	-
Rapid testing fund grant	-	7,354	7,354	-
	<u>109</u>	<u>75,387</u>	<u>75,496</u>	<u>3,523</u>

HMRC grants have been received totalling £19,879 (2020: £Nil) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

Infection control and Rapid testing fund grants have been received totalling £54,508 (2020: £Nil) to help support adult social care providers whilst in a national lockdown due to COVID-19.

3 Investment income

	Restricted	Unrestricted	2021	2020
	£	£	£	£
UK bank and other deposit interest	3,933	7,968	11,901	26,593
Dividend and other income (from Investec)	-	25,331	25,331	29,682
Rental income (see note 5)	-	25,021	25,021	26,562
	<u>3,933</u>	<u>58,320</u>	<u>62,253</u>	<u>82,837</u>

Investment income of £62,253 was received (2020: £82,837), of this £58,320 was unrestricted (2020: £75,363) and £3,933 was restricted (2020: £7,474).

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

4 Income from charitable activities

	Unrestricted 2021 £	Unrestricted 2020 £
Residents' fees	798,498	877,768

5 Rental income and expenses

	Unrestricted 2021 £	Unrestricted 2020 £
Rent receivable	25,021	26,562
Less: rental property repairs, refurbishment and expenses	(7,766)	(7,494)
	17,255	19,068

6 Other income

	Unrestricted 2021 £	Unrestricted 2020 £
Renewable heating incentive	27,503	32,784
Sale of timber	1,600	1,630
Other income	458	-
	29,561	34,414

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

7 Expenditure on charitable activities

	Restricted £	Unrestricted £	2021 £	2020 £
<i>Residential care costs</i>				
Staff costs	-	653,342	653,342	591,290
Food	-	45,339	45,339	60,165
Staff clothing and training	-	6,644	6,644	8,202
Household sundries	682	33,928	34,610	24,974
Heating and electricity	-	50,161	50,161	53,428
Repairs and renewals to Penrice House (incl. woodland management)	-	49,804	49,804	112,216
Insurance	-	15,188	15,188	14,304
Motor expenses	-	2,282	2,282	2,554
Water rates and council tax	-	5,762	5,762	5,644
Depreciation	-	49,630	49,630	42,699
Subscriptions	-	5,195	5,195	5,336
Support costs (see note 8)	-	34,765	34,765	17,975
Governance costs (see note 8)	-	5,367	5,367	8,375
	<u>682</u>	<u>957,407</u>	<u>958,089</u>	<u>947,162</u>

Expenditure on charitable activities was £958,089 (2020: £947,162), of this £657,407 was unrestricted (2020: £939,970) and £682 was restricted (2020: £7,192).

8 Analysis of support and governance costs

	2021 £	2020 £
<i>Support costs</i>		
Advertising	739	297
Telephone	4,933	3,490
Printing, stationery and postage	4,872	5,246
Bookkeeping and accountancy	8,688	6,922
Bank charges	943	868
Legal and consultancy fees	14,590	1,152
	<u>34,765</u>	<u>17,975</u>
<i>Governance costs</i>		
Auditors remuneration - audit	4,680	4,200
Secretary's honorarium	687	4,175
	<u>5,367</u>	<u>8,375</u>

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

9 Net income for the year

	2021 £	2020 £
Net income for the year is stated after charging:		
Depreciation	49,630	42,699
Staff costs:		
Wages and salaries	604,466	545,585
Social security costs	38,855	36,722
Pension costs	10,021	8,983
	653,342	591,290

No employee earned more than £60,000 per annum.

The total remuneration benefits of key management personnel for the year was £60,808 (2020: £51,458).

	2021	2020
The average number of persons employed during the year was as follows:		
	34	36

10 Taxation

The company is a registered charity and as such is exempt from taxation on its income and capital gains.

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

11 Tangible assets

11.1 Tangible fixed assets

	Investment properties £	Freehold land and buildings £	Motor vehicles £	Plant and equipment £	Fixtures and fittings £	Total £
Cost/valuation						
At 1 April 2020	825,000	129,640	29,495	372,805	8,681	1,365,621
Additions	-	-	-	21,222	-	21,222
At 31 March 2021	825,000	129,640	29,495	394,027	8,681	1,386,843
Depreciation						
At 1 April 2020	-	18,151	20,646	224,084	6,076	268,957
Charge for the year	-	2,593	5,899	39,402	1,736	49,630
At 31 March 2021	-	20,744	26,545	263,486	7,812	318,587
Net book value						
At 31 March 2021	825,000	108,896	2,950	130,541	869	1,068,256
At 31 March 2020	825,000	111,489	8,849	148,721	2,605	1,096,664

11.2 Freehold land and building

A nominal value of £1 has been placed on the property known as Penrice House by the Trustees on the basis that they believe it cannot be disposed of because this would be contrary to the original bequest. The property is a large Grade II* listed early Georgian historic building set in grounds of approximately 76 acres and is used for the charity's primary objective, being registered for the occupation of 29 elderly residents.

The property is insured for £6.7 million.

11.3 Investment properties

The investment properties were revalued on 31 March 2020 by Lewis & Co, professional valuers, on an open market basis, and by the trustees at 31 March 2021.

No depreciation is provided in respect of these properties.

The historical cost of the investment properties is £Nil.

12 Investments

	2021 £	2020 £
Deposit accounts	516,673	1,416,187
Other investments	2,399,416	1,213,605
	2,916,089	2,629,792

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

12 Investments (continued)

	Other investments £
At 1 April 2020	1,213,605
Additions at cost	1,277,016
Disposals	(406,575)
Revaluation	315,370
	<hr/>
At 31 March 2021	2,399,416
	<hr/> <hr/>

Other investments comprise the following:

	Restricted Cost £	2021 £	Unrestricted Cost £	2021 £	2020 £
Investments at market value					
Fixed interest	44,827	44,186	275,673	286,566	207,079
UK equities	66,273	67,411	461,265	568,664	309,913
Overseas equities	138,357	136,422	655,765	890,212	471,426
Property	6,152	6,031	40,940	44,191	20,319
Alternative assets	40,158	40,197	236,725	263,741	144,414
Other	4,411	4,411	46,622	47,384	60,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	300,178	298,658	1,716,990	2,100,758	1,213,605
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
				2021 £	2020 £
Deposit accounts					
National Savings Income Bonds				1,000	610,000
Secure Trust Bank				-	461,546
Redwood Bank				87,900	86,829
Hampshire Trust Bank				86,957	85,598
Shawbrook Bank				-	86,540
Cambridge & Counties Bank				85,671	85,674
United Trust Bank				85,109	-
Buckinghamshire Building Society				85,036	-
Charity Bank				85,000	-
				<hr/>	<hr/>
				516,673	1,416,187
				<hr/> <hr/>	<hr/> <hr/>

The cost of investments at 31 March 2021 was £2,533,841 (2020: £2,576,333).

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

12 Investments (continued)

	Value £	Cost £
Investec	2,399,416	2,017,168
National Savings Income Bonds	1,000	1,000
Redwood Bank	87,900	85,000
Hampshire Trust Bank	86,957	85,000
Cambridge & Counties Bank	85,671	85,000
United Trust Bank	85,109	85,000
Buckinghamshire Building Society	85,036	85,000
Charity Bank	85,000	85,000
	<hr/>	<hr/>
	2,916,089	2,528,168
	<hr/>	<hr/>

13 Stock

	2021 £	2020 £
Consumables	878	865
	<hr/>	<hr/>

14 Debtors

	2021 £	2020 £
Trade and other debtors	21,981	15,770
Prepayments	3,808	3,252
Accrued income	2,000	18,346
	<hr/>	<hr/>
	27,789	37,368
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	26,601	44,578
Taxation and social security	10,967	-
Accruals	20,630	18,730
	<hr/>	<hr/>
	58,198	63,308
	<hr/>	<hr/>

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

16 Restricted funds - 2021

	Brought forward £	Income £	Expenditure £	Loss £	Carried forward £
The Fred Lovering Assistance Fund	316,524	3,933	-	(1,342)	319,115
Amenity fund - bank account	7,688	60	-	-	7,748
- petty cash	734	49	(682)	-	101
	<u>324,946</u>	<u>4,042</u>	<u>(682)</u>	<u>(1,342)</u>	<u>326,964</u>

The Fred Lovering Assistance Fund consists of one half of a donation received from Fred Loverings House on their winding up and is to be used to support residents of Penrice House who are in financial need. A transfer of £Nil (2020: £127) was made to general reserves for this purpose.

The amenity fund consists of income held to benefit residents at Penrice House.

Restricted funds - 2020

	Brought forward £	Income £	Expenditure £	Transfer £	Carried forward £
The Fred Lovering Assistance Fund	309,177	7,474	-	(127)	316,524
Amenity fund - bank account	11,919	2,378	(3,909)	(2,700)	7,688
- petty cash	172	1,145	(3,283)	2,700	734
	<u>321,268</u>	<u>10,997</u>	<u>(7,192)</u>	<u>(127)</u>	<u>324,946</u>

17 Unrestricted funds – 2021

	Brought forward £	Income £	Expenditure £	Revaluation (losses)/gains £	Transfer £	Carried forward £
Designated fund:						
Extraordinary repairs fund	550,000	-	-	-	-	550,000
General fund	2,085,446	961,766	(980,148)	416,797	(328,789)	2,155,072
Revaluation reserve	878,459	-	-	-	328,789	1,207,248
	<u>3,513,905</u>	<u>961,766</u>	<u>(980,148)</u>	<u>416,797</u>	<u>-</u>	<u>3,912,320</u>

The designated fund is held in order to ensure that sufficient funds will be available to meet major unexpected repair costs to Penrice House and its grounds in future years.

Penrice House (St Austell) Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

Unrestricted funds – 2020

	Brought forward £	Income £	Expenditure £	Revaluation gains £	Transfer £	Carried forward £
Designated fund:						
Extraordinary repairs fund	550,000	-	-	-	-	550,000
General fund	2,027,676	987,545	(959,824)	(127,047)	157,096	2,085,446
Revaluation reserve	810,428	-	-	225,000	(156,969)	878,459
	<u>3,388,104</u>	<u>987,545</u>	<u>(959,824)</u>	<u>97,953</u>	<u>127</u>	<u>3,513,905</u>

18 Analysis of net assets between funds - 2021

	Restricted fund £	Designated fund £	Unrestricted fund £	Total £
Fixed assets	319,115	550,000	3,115,230	3,984,345
Current assets	7,849	-	305,288	313,137
Current liabilities	-	-	(58,198)	(58,198)
	<u>326,964</u>	<u>550,000</u>	<u>3,362,320</u>	<u>4,239,284</u>

Analysis of net assets between funds - 2020

	Restricted fund £	Designated fund £	Unrestricted fund £	Total £
Fixed assets	316,524	550,000	2,859,932	3,726,456
Current assets	8,422	-	167,281	175,703
Current liabilities	-	-	(63,308)	(63,308)
	<u>324,946</u>	<u>550,000</u>	<u>2,963,905</u>	<u>3,838,851</u>

19 Pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £10,021 (2020: £8,983). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20 Emoluments of Trustees

No Trustees received any remuneration or expenses during the year or preceding year.

21 Related party transactions

An officer of the charity had a relative who resided at the home during the year. The total fee income from this resident was £Nil (2020: £29,046). There was a balance outstanding at the year-end of £Nil (2020: £Nil).

Penrice House (St Austell) Limited (Limited by Guarantee)

Income and expenditure account

For the year ended 31 March 2021

	£	2021 £	£	2020 £
Income from residents' fees		798,498		877,768
Less expenditure				
Salaries and wages	653,342		591,290	
Food	45,339		60,165	
Staff clothing and training	6,644		8,202	
Household sundries	34,610		24,974	
Heating and electricity	50,161		53,428	
Improvements, repairs and renewals to Penrice House	49,804		112,216	
Insurance	15,188		14,304	
Motor expenses	2,282		2,554	
Recruitment advertising	739		297	
Telephone	4,933		3,490	
Printing, stationery and postage	4,872		5,246	
Water rates and council tax	5,762		5,644	
Secretary's honoraria	687		4,175	
Bookkeeping and accountancy	8,688		6,922	
Audit fee	4,680		4,200	
Subscriptions	5,195		5,336	
Depreciation	49,630		42,699	
Legal and professional fees	14,590		1,152	
		(957,146)		(946,294)
Deficit on operations		(158,648)		(68,526)
Other income and expenditure				
Bequests/Donations	1,109		2,098	
Income from events	-		1,425	
Bank and other deposit interest	37,232		56,275	
Renewable heating incentive	27,503		32,784	
Furlough and infection control grants	74,387		-	
Rent receivable	25,021		26,562	
Rental property repairs and expenses (including Lobbs Shop Cottage)	(7,766)		(7,494)	
Investment management costs	(14,975)		(12,360)	
Bank charges	(943)		(868)	
Sale of timber	1,600		1,630	
Other income	458		-	
		143,626		100,052
Deficit/(surplus) for the year		(15,022)		31,526
Gains/(losses) on investments		415,455		(127,047)
Gains on revaluation of investment properties		-		225,000
Net increase in funds		400,433		129,479

Penrice House (St Austell) Limited (Limited by Guarantee)

Schedules to the financial statements

	Cost per resident per day £	Total expenditure to 31 March 2021 £	Cost per resident per day £	Total expenditure to 31 March 2020 £
Salaries and wages	77.83	653,342	59.84	591,290
Food	5.40	45,339	6.09	60,165
Staff clothing and training	0.79	6,644	0.83	8,202
Household sundries	4.12	34,610	2.53	24,974
Heating and electricity	5.98	50,161	5.41	53,428
Improvements, repairs and renewals	5.93	49,804	11.35	112,216
Insurance	1.81	15,188	1.44	14,304
Motor expenses	0.27	2,282	0.26	2,554
Advertising	0.09	739	0.03	297
Telephone	0.59	4,933	0.35	3,490
Printing, stationery and postage	0.58	4,872	0.53	5,246
Water rates and council tax	0.68	5,762	0.57	5,644
Secretary's Honoraria	0.08	687	0.42	4,175
Bookkeeping and accountancy	1.03	8,688	0.70	6,922
Audit fee	0.56	4,680	0.43	4,200
Depreciation	5.91	49,630	4.32	42,699
Legal and professional	1.74	14,590	0.12	1,152
Subscriptions	0.62	5,195	0.54	5,336
	114.01	957,146	95.76	946,294

Average number of residents is 23 (2020: 27) (includes respite care and short stays but excludes day care on the basis that additional costs incurred are negligible).

Cost per resident per week is £798.07 (2020: £670.32).