

Penrice House (St Austell) Limited
Company Limited by Guarantee
Financial Statements
31 March 2023

WILLS BINGLEY

Chartered accountants & statutory auditor
St Denys House
22 East Hill
St Austell
Cornwall
PL25 4TR

Penrice House (St Austell) Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

	Page
Trustees' annual report (including directors' report)	1
Trustees' responsibilities statement	7
Independent auditor's report to the members	8
Statement of financial activities (including income and expenditure account)	13
Statement of financial position	14
Statement of cash flows	15
Notes to the financial statements	16

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name Penrice House (St Austell) Limited

Charity registration number 280039

Company registration number 01475148

Principal office and registered office Penrice House
Porthpean
St Austell
Cornwall
PL26 6AZ
United Kingdom

The trustees

Mr D Boardman
Dr R Bown
Miss J Burden
Mr G Clarke
Dr P Foster
Dr A Hereward
Mrs N Hughes
Dr L Sampson
Mr P Snell
Mrs F Tregaskes
Ms A Allan

Auditor Wills Bingley
Chartered accountants & statutory auditor
St Denys House
22 East Hill
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Cornwall
PL25 4TR

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report) *(continued)*

Year ended 31 March 2023

Objectives and activities

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.

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

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 jointly by the Business Manager and 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.

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.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report) *(continued)*

Year ended 31 March 2023

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.

Subject to Covid 19 infection rates in the community, and where considered safe to do so, some excursions off site e.g. church attendance, have recommenced. Visits by relatives and a few in house activities have also resumed but not events such as fayres which would attract large attendances of visitors.

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.

Financial review

The charity's income for the year was £1,091,701 (2022: £1,163,248) and its expenditure was £1,265,707 (2022: £1,116,907). The net movement in funds for the year was an decrease of £174,006 (2022: increase of £140,251). The charity has free reserves at the end of the year of £2,162,194 (2022: £2,336,201).

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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report) *(continued)*

Year ended 31 March 2023

Financial review *(continued)*

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 2023 a total of £2,523,629 was invested with Investec (2022: £2,507,150).

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.

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. There is a proposed investment in solar panels to help power the home.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management

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 11 members at 31 March 2023 (2022: 9).

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr PG Snell #§
Mr AP Tregilgas *
Dr PB Foster †
Dr R Bown §
Mrs LB Sampson †^
Mr DS Boardman *
Miss J Burden#
Mrs N Hughes*^
Dr A Hereward^
Mr G Clarke (Appointed 1 January 2023)
Mrs F Tregaskes (Appointed 1 January 2023)

* Member of Finance Committee

Member of Estate Management Committee

† Member of Home Staff and Residents' Welfare Committee

§ Member of House Maintenance and Transport Committee

^Member of Grounds and Woodlands Committee

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.

The Trustees retiring by rotation in accordance with Articles 29 and 30 of the Company's Memorandum and Articles of Association, at the 2023 Annual General Meeting of Members will be R Bown, A Hereward and N Hughes. These Trustees, being eligible, offer themselves for re-election.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Annual Report (Including Directors' Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management *(continued)*

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

Auditor

In accordance with the company's articles, a resolution proposing that BWM Partners LLP be reappointed as auditor of the company will be put at a General Meeting.

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.

The trustees' annual report (including directors' report) and the strategic report were approved on and signed on behalf of the board of trustees by:

Dr L Sampson
Trustee

Penrice House (St Austell) Limited

Company Limited by Guarantee

Trustees' Responsibilities Statement

Year ended 31 March 2023

The trustees, who are also directors for the purposes of company law, 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).

Company law 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 charitable company and the incoming resources and application of resources, including the income and expenditure, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 Companies Act 2006. 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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Penrice House (St Austell) Limited

Year ended 31 March 2023

Opinion

We have audited the financial statements of Penrice House (St Austell) Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), 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 2023 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 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 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Penrice House (St Austell) Limited *(continued)*

Year ended 31 March 2023

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

Penrice House (St Austell) Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Penrice House (St Austell) Limited *(continued)*

Year ended 31 March 2023

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 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
- certain disclosures of trustees' remuneration specified by law are not made; 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 (who are also the directors 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 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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Penrice House (St Austell) Limited *(continued)*

Year ended 31 March 2023

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 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, employment law 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk>

Use of our report

This report is made solely to the charity'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 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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Penrice House (St Austell) Limited *(continued)*

Year ended 31 March 2023

Wills Bingley
Chartered accountants & statutory auditor
St Denys House
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Penrice House (St Austell) Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Costs of raising donations and legacies	4	18,920	—	18,920	41,256
Charitable activities	5	1,047,306	—	1,047,306	898,743
Investment income	6	18,582	—	18,582	54,050
Other income	7	6,893	—	6,893	169,199
Total income		<u>1,091,701</u>	<u>—</u>	<u>1,091,701</u>	<u>1,163,248</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	10,485	—	10,485	26,554
Expenditure on charitable activities	9,10	1,255,222	—	1,255,222	1,090,353
Total expenditure		<u>1,265,707</u>	<u>—</u>	<u>1,265,707</u>	<u>1,116,907</u>
Net gains on investments		—	—	—	(93,910)
Net (expenditure)/income and net movement in funds		<u>(174,006)</u>	<u>—</u>	<u>(174,006)</u>	<u>140,251</u>
Reconciliation of funds					
Total funds brought forward		4,058,469	321,065	4,379,534	4,239,284
Total funds carried forward		<u>3,884,463</u>	<u>321,065</u>	<u>4,205,528</u>	<u>4,378,494</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 16 to 27 form part of these financial statements.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	220,279	234,423
Investments	16	3,937,165	3,937,165
		<u>4,157,444</u>	<u>4,171,588</u>
Current assets			
Debtors	17	22,898	21,820
Cash at bank and in hand		<u>47,152</u>	<u>235,391</u>
		70,050	257,211
Creditors: amounts falling due within one year	18	<u>21,966</u>	<u>49,265</u>
Net current assets		<u>48,084</u>	<u>207,946</u>
Total assets less current liabilities		<u>4,205,528</u>	<u>4,379,534</u>
Net assets		<u>4,205,528</u>	<u>4,379,534</u>
Funds of the charity			
Restricted funds		321,065	322,986
Unrestricted funds		<u>3,884,463</u>	<u>4,055,507</u>
Total charity funds	19	<u>4,205,528</u>	<u>4,378,493</u>

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

Dr L Sampson
Trustee

The notes on pages 16 to 27 form part of these financial statements.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (expenditure)/income	(174,006)	140,251
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	45,203	47,201
Net gains on investments	—	(93,910)
Other interest receivable and similar income	(18,582)	(54,050)
Gains on disposal of tangible fixed assets	—	(136,400)
Accrued income	(1,328)	—
<i>Changes in:</i>		
Stocks	—	878
Trade and other debtors	(1,078)	5,969
Trade and other creditors	(25,971)	(8,933)
Cash generated from operations	(175,762)	(98,994)
Interest received	18,582	—
Net cash used in operating activities	(157,180)	(98,994)
Cash flows from investing activities		
Purchase of tangible assets	(31,059)	(38,368)
Proceeds from sale of tangible assets	—	136,400
Purchases of other investments	—	(431,096)
Proceeds from sale of other investments	—	328,930
Investment income received	—	54,050
Net cash (used in)/from investing activities	(31,059)	49,916
Net decrease in cash and cash equivalents	(188,239)	(49,078)
Cash and cash equivalents at beginning of year	235,391	284,469
Cash and cash equivalents at end of year	47,152	235,391

The notes on pages 16 to 27 form part of these financial statements.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Penrice House, Porthpean, St Austell, Cornwall, PL26 6AZ, United Kingdom.

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 Companies Act 2006.

3. Accounting policies

Taxation

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

Basis of preparation

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 the 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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principle accounting policies adapted are set out below.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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 financial statements.

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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

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.

Retirement benefits

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

Retirement benefits

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

Judgements and key sources of estimation uncertainty

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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 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 of the financial statements.

Incoming resources

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.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is unknown, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Resources expended

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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Tangible assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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.

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

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:

Freehold property	-	50 years
Plant and machinery	-	20%-100%
Fixtures and fittings	-	5 years
Motor vehicles	-	3 years
Equipment	-	5 years

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding the 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.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amount 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).

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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 intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash at bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortisation 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 classed 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.

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations - Resident Amenity	771	771	(792)	249
Government grants	18,149	18,149	41,007	41,007
	<u>18,920</u>	<u>18,920</u>	<u>40,215</u>	<u>41,256</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Resident's fees	1,047,306	1,047,306	898,743	898,743

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Rent received	17,993	—	17,993
Interest receivable	589	—	589
Dividend and other income	—	—	—
	<u>18,582</u>	<u>—</u>	<u>18,582</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Rent received	18,379	—	18,379
Interest receivable	3,369	—	3,369
Dividend and other income	29,438	2,864	32,302
	<u>51,186</u>	<u>2,864</u>	<u>54,050</u>

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Net gain on disposal of tangible fixed assets	1,440	1,440	136,400	136,400
Other income	3,249	3,249	4,055	4,055
Renewable heating incentive	2,204	2,204	28,744	28,744
	<u>6,893</u>	<u>6,893</u>	<u>169,199</u>	<u>169,199</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Costs of raising donations and legacies	<u>10,485</u>	<u>—</u>	<u>10,485</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies	<u>24,418</u>	<u>2,136</u>	<u>26,554</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Direct Costs	1,202,221	1,202,221	1,060,582	1,060,582
Support costs	<u>53,001</u>	<u>53,001</u>	<u>29,771</u>	<u>29,771</u>
	<u>1,255,222</u>	<u>1,255,222</u>	<u>1,090,353</u>	<u>1,090,353</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Direct Costs	<u>1,202,221</u>	<u>53,001</u>	<u>1,255,222</u>	<u>1,090,353</u>

11. Analysis of support costs

	Analysis of support costs £	Total 2023 £	Total 2022 £
Advertising	1,164	1,164	307
Telephone	11,905	11,905	13,529
Printing, stationery and postage	1,856	1,856	1,796
Bookkeeping and accountancy	2,697	2,697	1,167
Legal and professional fees	26,600	26,600	5,831
Bank charges	679	679	1,021
Audit fees	<u>8,100</u>	<u>8,100</u>	<u>6,120</u>
	<u>53,001</u>	<u>53,001</u>	<u>29,771</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>45,203</u>	<u>47,201</u>

13. Staff costs

The average head count of employees during the year was 29 (2022: 33). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>29</u>	<u>33</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

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

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2022	129,640	403,621	8,681	29,495	28,774	600,211
Additions	–	25,990	3,069	2,000	–	31,059
At 31 Mar 2023	<u>129,640</u>	<u>429,611</u>	<u>11,750</u>	<u>31,495</u>	<u>28,774</u>	<u>631,270</u>
Depreciation						
At 1 Apr 2022	23,337	299,399	8,680	29,495	4,877	365,788
Charge for the year	2,593	37,291	42	167	5,110	45,203
At 31 Mar 2023	<u>25,930</u>	<u>336,690</u>	<u>8,722</u>	<u>29,662</u>	<u>9,987</u>	<u>410,991</u>
Carrying amount						
At 31 Mar 2023	<u>103,710</u>	<u>92,921</u>	<u>3,028</u>	<u>1,833</u>	<u>18,787</u>	<u>220,279</u>
At 31 Mar 2022	<u>106,303</u>	<u>104,222</u>	<u>1</u>	<u>–</u>	<u>23,897</u>	<u>234,423</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2022	825,000	3,112,165	3,937,165
Additions	—	—	—
At 31 March 2023	<u>825,000</u>	<u>3,112,165</u>	<u>3,937,165</u>
Impairment			
At 1 April 2022 and 31 March 2023		—	—
Carrying amount			
At 31 March 2023	<u>825,000</u>	<u>3,112,165</u>	<u>3,937,165</u>
At 31 March 2022	<u>825,000</u>	<u>3,112,165</u>	<u>3,937,165</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investment properties were revalued at 31 March 2020 by Lewis & Co, professional valuers, on an open market basis, and by the trustees at 31 March 2023.

17. Debtors

	2023 £	2022 £
Trade debtors	22,898	4,650
Other debtors	—	17,170
	<u>22,898</u>	<u>21,820</u>

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	14,335	40,475
Accruals and deferred income	5,672	7,000
Other creditors	1,677	1,790
Other creditors	282	—
	<u>21,966</u>	<u>49,265</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
General funds	2,336,200	1,091,701	(1,265,707)	142,173	–	2,304,367
Extraordinary repairs fund	492,000	–	–	(142,173)	–	349,827
Revaluation reserve	1,230,269	–	–	–	–	1,230,269
	<u>4,058,469</u>	<u>1,091,701</u>	<u>(1,265,707)</u>	<u>–</u>	<u>–</u>	<u>3,884,463</u>
	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General funds	2,155,072	1,159,343	(1,114,771)	45,079	88,515	2,333,238
Extraordinary repairs fund	550,000	–	–	(58,000)	–	492,000
Revaluation reserve	1,207,248	–	–	23,021	–	1,230,269
	<u>3,912,320</u>	<u>1,159,343</u>	<u>(1,114,771)</u>	<u>10,100</u>	<u>88,515</u>	<u>4,055,507</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
The Fred Lovering Assistance fund	315,137	—	—	—	—	315,137
Amenity fund - bank account	5,838	—	—	—	—	5,838
Amenity fund - petty cash	90	—	—	—	—	90
	<u>321,065</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>321,065</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
The Fred Lovering Assistance fund	319,115	2,864	(2,136)	(10,101)	5,395	315,137
Amenity fund - bank account	7,748	—	—	—	—	7,748
Amenity fund - petty cash	101	—	—	—	—	101
	<u>326,964</u>	<u>2,864</u>	<u>(2,136)</u>	<u>(10,101)</u>	<u>5,395</u>	<u>322,986</u>

Penrice House (St Austell) Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	220,279	—	220,279
Investments	3,622,028	315,137	3,937,165
Current assets	42,156	5,928	48,084
Net assets	3,884,463	321,065	4,205,528

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	234,423	—	234,423
Investments	3,622,028	315,137	3,937,165
Current assets	202,019	5,928	207,947
Net assets	4,058,470	321,065	4,379,535

21. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	235,391	(188,239)	47,152