

Charity Registration No. 701912

Company Registration No. 02236170 (England and Wales)

HALAS HOMES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

HALAS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr A Billingham
Mrs N Billingham (Chairperson)
Mrs S Hampton
Mr S Scriven
Mr J Brettle
Mrs Y Davies
Ms G Leno

Charity number 701912

Company number 02236170

Principal address

Wassell Road
Halesowen
West Midlands
United Kingdom
B63 4JX

Registered office

Wassell Road
Halesowen
West Midlands
United Kingdom
B63 4JX

Auditor

Azets Audit Services
Harance House
Rumer Hill Business Estate
Rumer Hill Road
Cannock
Staffordshire
United Kingdom
WS11 0ET

Bankers

Lloyds Bank Plc
153 High Street
Rowley Regis
West Midlands
United Kingdom
B65 0EB

Solicitors

Thursfields
36 Hagley Road
Halesowen
West Midlands
United Kingdom
B52 4RH

HALAS HOMES

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditor's report	5 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 26

HALAS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their report and audited financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Our main activities and who we try to help are described below. All our charitable activities focus on the promotion and support for people with learning disabilities and are undertaken to further our charitable purposes for the public benefit.

We have referred to the guidance contained in the Charity's Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

The objectives are to promote and support the care of people with learning disabilities; to increase public knowledge of the problems faced by people with learning disabilities and their families, creating a sympathetic climate of public opinion to encourage acceptance in the community; to be available to give advice to people with learning disabilities and their families within the area of the charity, and to carry on and promote the establishment of residential homes, supported living homes and day care opportunities.

Activity undertaken in relation to these objectives include the provision of residential care for 30 residents in Halas Homes, assessing their changing needs and care as required, meeting all requirements of the regulatory body (CQC), and providing social housing locally, for rent by people with a learning disability whose support needs are also provided by Halas Support Service.

Achievements and performance

The Covid pandemic continued to be significant throughout this business year affecting operating procedures which required strict adherence to Government guidance at all times in order to protect vulnerable service users, and the organisation's employees.

Due to the dedication and hard work of all staff, Covid was kept out of the care home, supported living services, Coffee Cups and the Day Centre.

Staff turnover has remained low.

Much work was inputted to obtain grants.

Donations and fundraising provided opportunity to have a Covid secure stage built in the Meeting Place (day centre) and allow activities to be provided on site when the restrictions of Covid-19 prevented outings and lockdown ensued.

Activities for health and wellbeing continued throughout the year either by Zoom when in lockdown, or within the Covid safe stage when permissible, which provided much needed communication and mental stimulation.

Live transmissions of two Festivals - Halas Fest 1 & 2 kept vital links with stakeholders and provided opportunities for people with learning disabilities to showcase their talents and abilities.

B:Music (Birmingham Town Hall/Symphony Hall) filmed Halas Homes' clients performing Sing and Sign, and this was showcased at a live event online in December "*Families together at Christmas 2020*"

HALAS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

June 2021 saw the re-opening of the Meeting Place for community clientele with the Centre being physically divided to ensure separation of residential clients and dedicated staff from community clients for Covid precautions.

A video of Halas Homes performers dancing and signing was filmed and used for an NHS Trust event.

Links carefully resumed with outside activities (allotment gardening, golf, and working with Halesowen College for Halesowen Bid).

Service users' artwork was created and placed in the local town shopping centre to re-connect with our local community.

Coffee Cups community café was required to change from a seated cafe to a takeaway to ensure Health & Safety of clients and staff whilst also enabling it to still operate and support people with learning disabilities. A Lottery grant entitled *Tea Time Treats* provided further opportunities for people with learning disabilities to support lonely and vulnerable people in the local community (who had been impacted by the restrictions of the pandemic) by providing free, freshly prepared food and a friendly face to talk to.

The Employment Project continued to support clients to enhance employability skills and continued guidance on Covid procedures.

Financial review

The Trustees review of the financial position of the charity indicates a sound financial position. In deciding on the investment of funds a cautious approach is adopted having taken into account social, environmental and ethical considerations.

The charity's reserves policy is:

- a) To continue to provide a secure environment for the residents.
- b) To assist the development of supported living with the provision of appropriate accommodation and support.
- c) The reserves at 30 September 2021 were £2,010,214.
- d) In the opinion of the Trustees this level of reserves is needed to ensure the continuing care and support of its residents in the coming years. This policy will be regularly reviewed.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

To continue to adapt as required to maintain a quality provision of care and support and to the changing needs of clients.

To develop further the links we have created with the local community, schools, and community leaders.

To continue to develop the programme of opportunities within the Meeting Place and further encourage and inform of how to have healthy lifestyles through activities on offer.

Structure, governance and management

The Governing Document is the Articles and Memorandum of Association. The charity is incorporated as a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

HALAS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Mr A Billingham
Mrs N Billingham (Chairperson)
Mrs S Hampton
Mr S Scriven
Mr J Brettle
Mrs Y Davies
Ms G Leno
Mr R Smith (Resigned 21 September 2021)
Mrs S Jones (Resigned 10 September 2021)

The recruitment and appointment of new Trustees, when applicable, follows the established procedures as for new employees.

In accordance with the Articles of Association, Mrs N Billingham retires at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Trustees, with Mrs N Billingham as Chairperson manage the charity. Mrs A Sayer, the CEO, has day-to-day control of the management of the charity.

Trustees are not remunerated, and are responsible for setting remuneration of key management personal.

During the year goods and services have been provided to Halas Homes by Locke & Eastwood, of which the trustee Mr S Scriven is the sole proprietor.

Funds held as custodian trustee

Funds belonging to residents are maintained in separate bank accounts and regularly reconciled.

Auditor

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

Fundraising Standards Information

The charity does not carry out any significant fundraising activities.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

On behalf of the Council

Mrs N Billingham (Chairperson)

Trustee

Dated: 26 April 2022

HALAS HOMES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees, who are also the directors of Halas Homes for the purpose 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

HALAS HOMES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HALAS HOMES

Opinion

We have audited the financial statements of Halas Homes (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HALAS HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HALAS HOMES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

HALAS HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HALAS HOMES

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HALAS HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HALAS HOMES

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Swann BA (Hons) BFP FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

26 April 2022

Chartered Accountants
Statutory Auditor

Harance House
Rumer Hill Business Estate
Rumer Hill Road
Cannock
Staffordshire
United Kingdom
WS11 0ET

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HALAS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	38,378	240,151	278,529	99,942	82,119	182,061
Charitable activities	4	1,613,611	-	1,613,611	1,763,975	-	1,763,975
Investments	5	620	-	620	1,505	-	1,505
Total income		1,652,609	240,151	1,892,760	1,865,422	82,119	1,947,541
Expenditure on:							
Charitable activities	6	1,724,658	211,457	1,936,115	1,905,193	39,932	1,945,125
Net (outgoing)/ incoming resources before transfers		(72,049)	28,694	(43,355)	(39,771)	42,187	2,416
Gross transfers between funds		23,839	(23,839)	-	133,108	(133,108)	-
Net (expenditure)/income for the year/ Net movement in funds		(48,210)	4,855	(43,355)	93,337	(90,921)	2,416
Fund balances at 1 October 2020		2,023,609	29,960	2,053,569	1,930,272	120,881	2,051,153
Fund balances at 30 September 2021		1,975,399	34,815	2,010,214	2,023,609	29,960	2,053,569

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HALAS HOMES

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	1,811,659		1,828,246	
Current assets					
Stocks	12	596		596	
Debtors	13	150,251		177,264	
Cash at bank and in hand		298,970		298,033	
		449,817		475,893	
Creditors: amounts falling due within one year	15	(251,262)		(250,570)	
Net current assets		198,555		225,323	
Total assets less current liabilities		2,010,214		2,053,569	
Income funds					
Restricted funds	16	34,815		29,960	
<u>Unrestricted funds</u>					
Designated funds	18	38,351		56,532	
General unrestricted funds		1,937,048		1,967,077	
		1,975,399		2,023,609	
		2,010,214		2,053,569	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 April 2022

Mrs N Billingham (Chairperson)
Trustee

Company Registration No. 02236170

HALAS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		786		40,462
Investing activities					
Purchase of tangible fixed assets		-		(41,771)	
Investment income received		620		1,505	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			620		(40,266)
Financing activities					
Payment of obligations under finance leases		(469)		(5,835)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(469)		(5,835)
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			937		(5,639)
Cash and cash equivalents at beginning of year			298,033		303,672
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			298,970		298,033
			<u> </u>		<u> </u>

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

Halas Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is Wassell Road, Halesowen, West Midlands, B63 4JX, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". 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. The principal accounting policies adopted are set out below.

1.2 Going concern

The emergence of COVID-19 as a global pandemic has created uncertainty. The management of the charity has seen a drop in its activity; however, management are conducting continuing evaluations on the charity and its economic environment in order to minimise the risks stated in the trustees report. The trustees and the charity's management are constantly monitoring the ever-changing situation, in order to successfully deal with all possible impacts, both financial and non-financial. Therefore, the trustees have decided that the charity should continue to adopt the going concern basis for preparing the financial statements.

The charity manages its day to day working capital requirements within its existing financial resources. The current economic conditions continue to create uncertainty. However, the charity's forecasts and projections, taking account reasonably, of possible changes in trading performance, show that the charity should be able to operate within its own working capital cycle. After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Charitable funds

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

Designated funds are custodian funds set aside for the charity residents and supported living clients.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.4 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.

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party bearing the cost.

The charity receives government grants in respect of care provided to residents. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

No amount is included in the financial statements for volunteer time in line with the SORP.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Land and Buildings	Not depreciated
Furniture and equipment	12.5% to 25% Straight Line
Motor Vehicles	25% Straight line

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 net income/(expenditure) for the year.

No depreciation is provided on freehold property as in the opinion of the trustees there has been an increase in the value between the date of purchase and the balance sheet date.

It is the charity's policy to maintain its property to a high standard through a continuing programme of refurbishment and maintenance and consequently the useful economic life of the property and its residual value is such that any depreciation would be immaterial. In accordance with FRS102 the trustees carry out a review for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable. In the opinion of the trustees the residual value of the buildings will at least equal their book value. No provision has therefore been made, contrary to FRS102.

FRS102 requires that each class of tangible fixed asset is either revalued regularly or not at all. The policy that has been adopted is not to revalue in the future.

The cost of minor additions or those costing below £500 are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

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.

1.12 Retirement benefits

The charity auto-enrolment staging date was July 2014, and all employees receive the minimum employer contribution rate based on qualifying earnings, as defined by the government. Pension costs have been taken to the Statement of Financial Activities as they arise.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.14 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.15 Government grants

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

As a result of the COVID-19 pandemic the charity has made applications to the HMRC Coronavirus Job Retention Scheme (CJRS) and has received support for employees who have been furloughed. The income from CJRS has been recognised on a straight line basis over the furlough period for each relevant employee.

The charity has received other COVID-19 related grants and they have been recognised for the period to which they relate.

1.16 Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not consider that the financial statements are subject to any significant judgements or key accounting estimates.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	29,490	-	29,490	29,303	-	29,303
Grant income	8,888	240,151	249,039	70,639	82,119	152,758
	<u>38,378</u>	<u>240,151</u>	<u>278,529</u>	<u>99,942</u>	<u>82,119</u>	<u>182,061</u>

During the year the charity received £249,039 (2020 - £152,758) of government grants, most of which were to support the charity through the COVID-19 pandemic.

4 Charitable activities

	2021 £	2020 £
Incoming resources from charitable activities	<u>1,613,611</u>	<u>1,763,975</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	<u>620</u>	<u>1,505</u>

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Charitable activities

	Charitable activities 2021 £	Charitable activities 2020 £
Staff costs	1,554,814	1,559,741
Depreciation and impairment	16,587	25,466
Food, toiletries and cleaning	104,565	128,065
Welfare expenditure	10,839	23,607
Cleaning and miscellaneous expenses	19,791	15,994
Residents expenses	9,310	17,201
Day centre activities	1,068	5,854
Property and equipment maintenance	28,367	35,480
Grant expenditure	49,231	18,127
	<u>1,794,572</u>	<u>1,829,535</u>
Share of support costs (see note 7)	114,654	104,806
Share of governance costs (see note 7)	26,889	10,784
	<u>1,936,115</u>	<u>1,945,125</u>
Analysis by fund		
Unrestricted funds	1,724,658	1,905,193
Restricted funds	211,457	39,932
	<u>1,936,115</u>	<u>1,945,125</u>

Grant expenditure relates to resources expended, from restricted funds, for activities and projects for the charities beneficiaries.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Rent	6,500	-	6,500	7,728	-	7,728
Rates	8,521	-	8,521	7,794	-	7,794
Heat and light	33,856	-	33,856	27,334	-	27,334
Telephone, postage and stationery	15,172	-	15,172	14,390	-	14,390
Insurance	15,427	4,166	19,593	15,107	1,741	16,848
Administration costs	35,178	-	35,178	32,367	-	32,367
Hire purchase interest payable	-	-	-	86	-	86
Audit fees	-	22,723	22,723	-	9,043	9,043
	<u>114,654</u>	<u>26,889</u>	<u>141,543</u>	<u>104,806</u>	<u>10,784</u>	<u>115,590</u>
Analysed between Charitable activities	<u>114,654</u>	<u>26,889</u>	<u>141,543</u>	<u>104,806</u>	<u>10,784</u>	<u>115,590</u>

Governance costs includes payments to the auditors of £13,800 (2020- £5,820) for audit fees and accountancy fees of £8,923 (2020- £3,223).

8 Trustees

No Trustees (or any persons connected with them) received any remuneration during the year. The Trustees were reimbursed a total of £Nil travelling expenses (2020 - £Nil).

Trustees' indemnity insurance of £4,166 was paid during the year (2020- £1,741).

Key management personnel remuneration

The total amount of employee benefits received by key management personnel is £66,187 (2020 - £61,008).

The charity considers its key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Supervisory and domestic staff	70	72
Management and administration	16	16
	<u>86</u>	<u>88</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,432,879	1,439,715
Social security costs	101,840	97,145
Other pension costs	20,095	22,881
	<u>1,554,814</u>	<u>1,559,741</u>

There was one employee whose annual remuneration was £60,000 or more.

10 Taxation

As a charity, Halas Homes is exempt from tax on income and gains in accordance with sections 466 to 493 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that the income and gains are applied to its charitable objects. No tax charges have therefore arisen in the charity.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Tangible fixed assets

	Freehold Land and Buildings	Furniture and Motor Vehicles equipment		Total
	£	£	£	£
Cost				
At 1 October 2020	1,758,275	379,027	109,954	2,247,256
Disposals	-	(161,893)	-	(161,893)
At 30 September 2021	1,758,275	217,134	109,954	2,085,363
Depreciation and impairment				
At 1 October 2020	-	318,680	100,330	419,010
Depreciation charged in the year	-	11,776	4,811	16,587
Eliminated in respect of disposals	-	(161,893)	-	(161,893)
At 30 September 2021	-	168,563	105,141	273,704
Carrying amount				
At 30 September 2021	1,758,275	48,571	4,813	1,811,659
At 30 September 2020	1,758,275	60,347	9,624	1,828,246

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £0 (2020 - £2,812) for the year.

	2021 £	2020 £
Motor Vehicles	-	5,625

12 Stocks

	2021 £	2020 £
Raw materials and consumables	596	596

Stock amounting to £596 (2020 - £596) is made up of food, linen and utensils

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	124,789	137,100
Other debtors	15,868	27,000
Prepayments and accrued income	9,594	13,164
	150,251	177,264

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021 £	2020 £
Within one year	-	469

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	14	-	469
Other taxation and social security		31,861	33,812
Trade creditors		11,282	31,717
Other creditors		134,739	121,669
Accruals and deferred income		73,380	62,903
		<u>251,262</u>	<u>250,570</u>

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Restricted funds

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

	Balance at 1 October 2019	Movement in funds			Balance at 1 October 2020	Movement in funds			Balance at 30 September 2021
	£	Incoming resources	Resources expended	Transfers	£	Incoming resources	Resources expended	Transfers	£
Building and furnishing	101,368	-	-	(101,368)	-	-	-	-	-
Arts	1,400	-	(500)	-	900	-	-	-	900
Lifestyle	191	-	-	-	191	-	-	-	191
Forbes (Community Engagement)	684	25,000	(24,834)	-	850	25,000	(26,455)	605	-
Money Management	4,800	-	-	-	4,800	-	-	-	4,800
Lottery IT	8,843	-	-	-	8,843	-	-	-	8,843
Coffee Cups refurbishment	3,499	-	-	-	3,499	-	-	-	3,499
Do You See What I See	96	6,930	(7,026)	-	-	-	-	-	-
Lottery tea time treats	-	9,850	-	-	9,850	34,152	(27,420)	-	16,582
COVID Infection control	-	40,339	(7,572)	(31,740)	1,027	-	(1,491)	464	-
COVID SSP Infection control	-	-	-	-	-	21,671	(21,671)	-	-
COVID Discretionary grant	-	-	-	-	-	10,000	(10,967)	967	-
COVID Rapid testing fund	-	-	-	-	-	23,836	(23,836)	-	-
COVID Workforce capacity	-	-	-	-	-	12,296	(12,296)	-	-
COVID IPC grant	-	-	-	-	-	14,416	(14,416)	-	-
COVID Cultural Recovery grant	-	-	-	-	-	98,780	(72,905)	(25,875)	-
	120,881	82,119	(39,932)	(133,108)	29,960	240,151	(211,457)	(23,839)	34,815

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Restricted funds

(Continued)

Building & Furnishing - funds raised from the public appeal for the initial freehold properties and their refurbishment. All terms of the grants have now been satisfied.

The Arts fund - grants received, specifically to be used on performing arts.

The Lifestyle fund - to be used in connection with the Health & Wellbeing of residents.

The Forbes (Community Engagement) fund - This project was set up to help people with learning disabilities into employment.

Big Lottery IT fund - This fund is to run a series of workshops/lessons on various aspects of IT, to help people learn new online skills.

Coffee Cups refurbishment fund - This was set up to help raise funds for the Coffee Cups refurbishment.

Do You See What I See fund - The project enables participants, through engagement in the arts, to explore how they perceive themselves. The project also produces a touring exhibition.

Money Management fund - This project was set up to try and increase financial awareness to people with learning disabilities and encourage them to see the value of money.

Tea Time Treats - Due to COVID-19 lockdown restrictions Coffee Cups coffee shop had to close. Funded by a lottery grant, this project allowed people with learning disabilities to continue to engage with the local community and deliver fresh food and conversation to vulnerable and lonely residents who were severely impacted by the pandemic.

COVID grants - funds received are to be used to help control the spread of COVID-19 within the care home, including support towards payroll costs for staff who are isolating. The Cultural Recovery grant is to support the performing arts activities and aid recovery after lockdown restrictions.

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 30 September 2021 are represented by:						
Tangible assets	1,808,160	3,499	1,811,659	1,824,747	3,499	1,828,246
Current assets/ (liabilities)	167,239	31,316	198,555	198,862	26,461	225,323
	<u>1,975,399</u>	<u>34,815</u>	<u>2,010,214</u>	<u>2,023,609</u>	<u>29,960</u>	<u>2,053,569</u>

18 Designated funds

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

	Balance at 1 October 2020 £	Movement in funds Incoming resources £	Resources expended £	Balance at 30 September 2021 £
Supported living custodian fund	21,952	249,358	(270,661)	649
Residents custodian fund	34,580	176,766	(173,644)	37,702
	<u>56,532</u>	<u>426,124</u>	<u>(444,305)</u>	<u>38,351</u>

The charity acts as custodian for the residents and supported living clients. Amounts set aside as designated funds are for funds included in individual bank accounts for these clients.

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	2,225	3,363
Between two and five years	3,588	1,854
In over five years	-	2,651
	<u>5,813</u>	<u>7,868</u>

HALAS HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

20 Events after the reporting date

The charity has continued to comply with the restrictions imposed by Government guidance as a result of the ongoing impact of the Covid-19 pandemic. These restrictions mean that certain of the charities services remain unable to operate, but the trustees are hopeful that these can resume when the national restrictions are eased.

21 Related party transactions

During the year goods and services totalling £Nil (2020 - £1,086), at normal market prices have been provided to Halas Homes by Locke & Eastwood, of which the trustee Mr S Scriven is the sole proprietor. At the balance sheet date, Halas Homes owed £Nil (2020 - £Nil) to the company.

22 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(43,355)	2,416
Adjustments for:		
Investment income recognised in statement of financial activities	(620)	(1,505)
Depreciation and impairment of tangible fixed assets	16,587	25,466
Movements in working capital:		
(Increase)/decrease in stocks	-	596
Decrease/(increase) in debtors	27,013	(47,535)
Increase in creditors	1,161	61,024
Cash generated from operations	786	40,462

23 Analysis of changes in net funds

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	298,033	937	298,970
Obligations under finance leases	(469)	469	-
	<u>297,564</u>	<u>1,406</u>	<u>298,970</u>