

**BERNHARD BARON COTTAGE HOMES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr P A Appleton Mrs K Ashcroft Ms K Gibbs Mrs S N Hallett Mr D H Hitchin Mrs P A Sear Mrs J E Stock Mr J Thurley
<b>Treasurer</b>	Mr D Hitchin
<b>Charity number</b>	1070891
<b>Company number</b>	3580252
<b>Registered office</b>	Eastbourne Road Polegate East Sussex BN26 5HB
<b>Auditors</b>	Knill James One Bell Lane Lewes East Sussex BN7 1JU
<b>Bankers</b>	Barclays Bank Plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE
<b>Solicitors</b>	Gaby Hardwicke 33 The Avenue Eastbourne East Sussex BN21 3YD
<b>Investment advisors</b>	Rathbone Investment Management Limited 1 Northgate Chichester West Sussex PO19 1AT

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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The Trustees are pleased to present their report together with the financial statements for the year ended 31 March 2019.

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 charitable company'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)" (as amended for accounting periods commencing from 1 January 2016).

**Bernhard Baron Cottage Homes**

Bernhard Baron Cottage Homes (also referred to as BBCH or the Homes) are a residential home for older people situated in Polegate, East Sussex, in the shadows of the Sussex Downs. We have facilities to take up to 70 male and female Residents from 65 years of age.

The Homes are administered by the Religious Society of Friends (Quakers). BBCH welcomes all older people who may benefit from the care and spirit of community offered by the Homes, whatever their religious beliefs or background.

**Objectives and activities**

The Charity's objects are the relief of elderly persons who are in need by providing housing and items, services or facilities calculated to reduce the need of such persons.

To meet our objects we provide residential care in a homely community setting encouraging independence and improving the quality of life of our residents. We are more of a community than a residential care home while providing 24 hour loving care for our residents in a lovely setting with dedicated, experienced and well trained staff.

Everything we do is aimed at achieving these objectives. This ranges from the personal care provided to the hygiene in the facilities, from the meals and drinks available all day and night to the choice of ornaments in the garden. Important in this is the fund which we established a few years ago to provide financial support to Residents who, after some time in the Homes, run out of money to pay fees.

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

**The year in review**

People are living longer, coming into care homes later in life resulting in higher levels of care every year. This is on top of the external pressures of rising wage, energy, food and other operating costs. At BBCH we can look back on another good year despite losing good friends because we also gained new friends.

A major step forward for us has been the introduction of a Leads programme in which every Senior Carer takes on a Lead responsibility. These include falls, hydration, oral hygiene and many others. The enthusiasm with which the Seniors have adopted their roles has been palpable and all of us in the Homes gained from their guidance and energy.

Our operating costs, excluding salaries and fee subsidy costs, increased by 2.6%. This was achieved by managing our costs more tightly by giving the departments their own cost area responsibility.

Our staff numbers have continued to increase as we aim to have cover for all eventualities. BBCH always seeks to be a good employer in terms of work environment, staff participation, pay and benefits and general terms and conditions. This year we did an extensive survey of our staff to try to see what we could do to make working at BBCH more attractive. The responses were extremely positive for which we are grateful, and some improvements were made.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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Our facilities are excellent and we have a continuous programme of not simply maintaining facilities but also upgrading those that look as though they will fall behind today's standards. All showers are being converted to wet rooms and even the lighting in the rooms is being upgraded so those Residents with failing eyesight have maximum light benefit. No detail is too small to get attention.

We are once again the grateful recipients of donations and legacies. These donations and legacies are never used to cover operational expenses of the Homes but rather for adding facilities in the Homes which we would otherwise not be able to afford.

We have also been able to increase our bursary fund, the fund which enables us to support Residents who are no longer able to pay part or all of our fees. We are very grateful for all the contributions to this fund and hope it conveys the message that the Homes take care of Residents for the rest of their lives whenever it is possible.

If we then look at the financial results for the year excluding the legacies, the stock market gains and the bursary fund, the Homes has run an operating loss. The inflation in our two biggest cost areas, wages and provisions, far exceeds headline inflation. With the current economic uncertainty the inflationary pressures are likely to continue in the coming years.

**How we fulfil our objects and aims**

We provide full service 24/7 residential care for older people, including accommodation and all aspects of care, nutrition, hydration, cleaning and laundry, and by offering an increasingly strong and varied activities programme.

The Homes have twenty four cottages and a main building with 34 rooms, all with ensuite facilities. In addition the main building houses the dining room, three lounges, the main kitchen and the reception and administrative facilities. Several rooms in the main building have been arranged in such a way that we can offer couples their own bedroom and sitting room.

A community spirit is encouraged, with all Residents, both from the cottages and from the main building eating together at lunchtime each day. Bed and breakfast accommodation is available for relatives and friends on the premises and we believe this provides additional comfort for Residents and their families.

Communications are enhanced by monthly meetings with the Residents Forum, three general Residents meetings annually, and the inclusion of Residents in the annual general meeting of the Homes in addition to the regular chats with Residents by trustees, management and staff.

Our Spring, Summer and Christmas Fayres provide an open door to the local community, promote the Homes and raise funds to support the activities programme for our Residents. It provides an opportunity to show what the Homes are about and for people of all ages to visit in a relaxed way. The stands are staffed by Residents, staff, trustees and volunteers. The Summer Fayre normally attracts over 200 people and provides an enjoyable day for our Residents as well as visitors.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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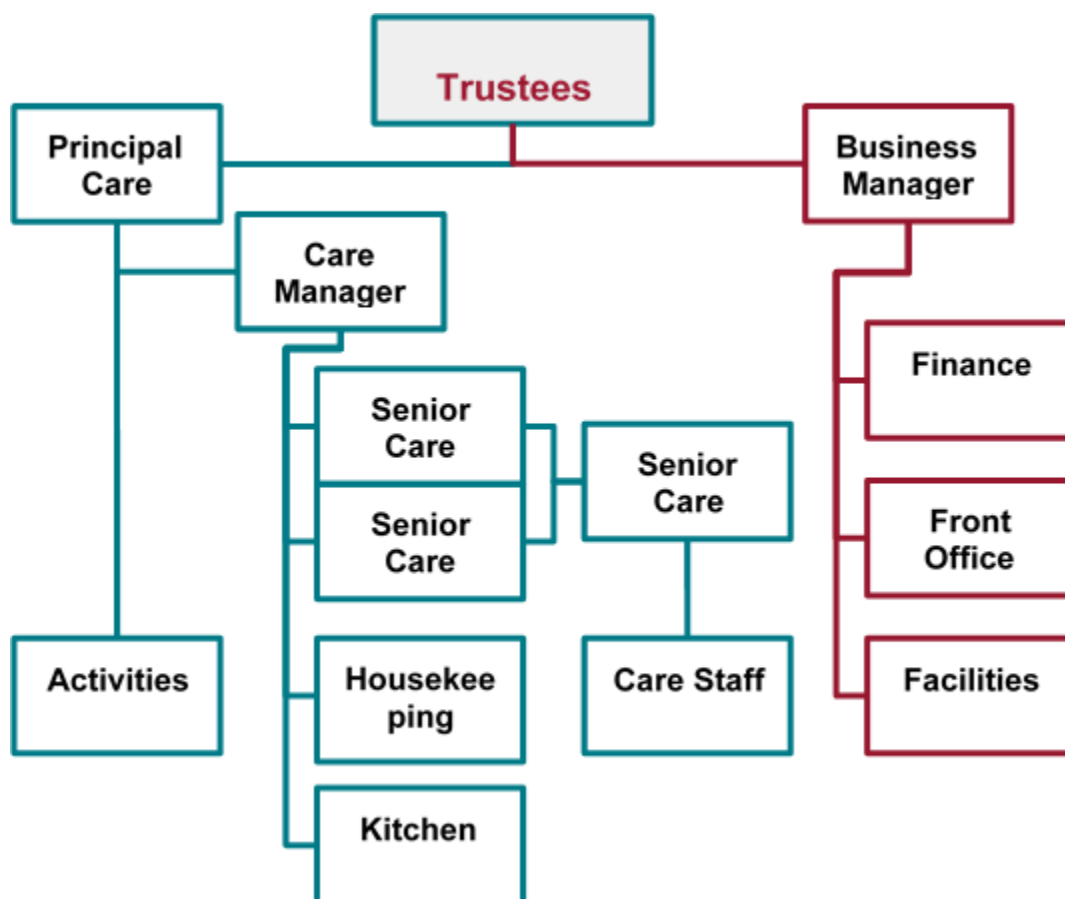
**Organisation and management**

This was our first full year under the revised management structure introduced in 2018 and trustees are pleased to report that the result has met if not exceeded expectations.

The Homes are now managed by Trudi Knight, the Principal Care Manager and Dirk van Dijk, the Business Manager. Between them they have 40 years of BBCH experience and even more experience in management positions. They are supported by a strong team of senior managers and department heads, all of whom have been with the Homes for between 4 and 22 years.

Just after the year end Sue Varley passed away. She had been quite ill through most of the year but continued to support the Homes in every way possible. Trustees are very grateful for the 22 years she gave the Homes and her dedication and support throughout.

Anne Harrison stepped up into the role of Care Manager while Sue was convalescing and now, while we look for a permanent replacement. Vicki Hancott stepped up from her role as Senior Carer to Senior Care Practitioner. Trustees thank all the senior management team for their hard work and for having ensured the care and safety of our Residents and staff never wavered.



**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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**Achievements and performance**

The care for our Residents has our complete focus and the feedback we get from our Residents remains positive and supportive. The comments from the Residents as well as the comments of relatives and other visitors, frequently highlight the warm and caring atmosphere within the Homes, and the level of dedication and care which is shown by all the staff. Critical comments and complaints help us keep our focus, allow us to correct our errors quickly and to continually improve our performance.

This year we introduced more in depth surveys of Residents, staff and soon friends and family and other people supporting the Homes. These surveys follow the KLOEs (Key Lines of Enquiry) of the CQC.

We offer a wide and varied programme of activities and events for Residents throughout the year, including craft groups, exercise classes, Bible study, music for pleasure, scrabble, and a range of games. Residents are encouraged to suggest areas of interest and to get personally involved in both the activity and the organisation thereof.

Our outings in our own minibus our wide and varied and have included trips to farmers' markets, garden centres, shopping centres and church flower festivals, scenic drives to beauty spots and ice cream on the Eastbourne seafront, afternoon tea at local hotels and other venues, trips to the cinema and theatre. In the summer particularly we organise longer trips out with a picnic. Our outings are so successful that it becomes a challenge to manage the bookings and to ensure everyone gets fair access.

We have two full time Care Activities Assistants for group as well as one to one activities for Residents and to help with individual needs to maintain quality of life. This includes taking Residents shopping and to garden centres, lunch out at the local pub and evening trips to the pub during the summer months. The aim is to have something for everyone and to ensure everyone's needs and interests are catered for in some way.

We have added Amazon Video and Netflix to provide a wider film offering. A group of Residents select films together with one of the activities assistants and these are then streamed on Friday and or Saturday evenings when the main lounge is converted to a cinema configuration.

Bank holidays and special occasions are celebrated with special teas, and lunches at a local restaurant, and fish and chips evenings are all part of the busy programme. Cheese and wine evenings are particularly popular. Birthdays and anniversaries are also acknowledged, and Father Christmas visits every Christmas with a gift for every Resident.

Every year we have a number of Residents who leave us so this year we introduced an annual remembrance day to commemorate those who have left us in the past year. Family and friends of those who have left are invited to attend. We will be repeating this every year around February.

Our website is used as an information source for new Residents and their families, but it is also a staff recruitment tool. Interested Residents and staff can apply online. We are in the process of upgrading the technology behind our current website and will no doubt use the opportunity to improve the content of the information supplied.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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Facebook has seen an even larger growth in usage, with many family and friends following what happens in the Homes. We sometimes get several hundred “likes” to a posting on Facebook which is extraordinary as we do not advertise the site.

For over eight years we have offered Residents free WiFi service throughout the Homes. As a result, over 40% of our Residents are now linked to the internet, computers, laptops, iPads and tablets. It is interesting to see that many new Residents arrive with technology in tow and we have a laptop in one of our lounges for general use. The activities team support those with computers and tablets by holding monthly “computer group” sessions.

All new Residents are invited to join the Homes’ telephone system allowing them to keep their previous home number in most cases and call rates which are lower than those offered by any commercial providers.

We continued our rolling programme of maintenance and refurbishment of the Homes. This year we have been able to spend more time on simple redecorating and a few bathrooms and kitchens and we have not had to face the disruption of big projects.

All members of staff are encouraged to undertake further training. Some are working towards Health and Social Care Diplomas, and all of the managers have attended suitable training courses.

The success of our staff and volunteer training programme led us to offer similar courses to our Residents and their families including dementia awareness, falls prevention, as well as Lasting Powers of Attorney, Do Not Attempt Resuscitation and Advance Decisions and others. We encourage Residents and families to request courses if they feel they would be beneficial.

The personalisation of the care for our Residents continues not only with the activities organisers but with all care and other staff. Personalisation is focused on the individual to our offering differs by person and may include:

- bringing not just personal items, but also their own furniture to the Homes;
- changing the colour scheme in rooms or cottages;
- enabling Residents to make their own tea, coffee or hot chocolate at any time, or one of the staff will provide it;
- meals can be taken in rooms or in the dining room, depending on individual likes, though Residents are encouraged to share the main meal in the dining room to maintain the community feeling.



**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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**Financial review**

Our financial performance continues to be strong and trustees believe we are prepared for any adverse impact of exiting the EU or other global issues which may come our way. An annual risk review is done and while the impact of some risk areas would be high, the risk of the event happening has been mitigated in all cases.

Seven years ago trustees considered the risk of Residents possibly running out of money as they continued to live longer than they had expected. We have been paying out of the fund for a few Residents from the start, yet the fund has built up to a healthy balance. Trustees have asked that the fund be held at £250,000 a year and any excess funds be transferred to operating costs.

Revenue remained strong despite the impact of having 6 empty rooms for a few months while the en-suites were upgraded to wetrooms accessible to Residents with mobility problems and the necessary widening of the rooms to allow for access to the wetrooms. The resulting rooms and wetrooms have allowed us to provide higher level and improved care to Residents.

We were able to show a surplus in part due to two legacies for which we are very grateful and for a refund from one of our bathroom suppliers as we had incorrectly been charged VAT on their conversions to wetrooms over many years.

The National Living Wage continues to increase every year and both this year and the coming years are no exceptions. While the Homes pride itself in paying everyone more than National Living Wage, the increase does increase our benchmarks. Staff pay makes up 76% of our total costs versus 72% last year.

The high percentage of staff costs relative to total costs is caused by:

- the fact BBCH carries no debt or financing costs and owns its properties outright
- we fixed our utility costs at low levels several years ago, which is protecting the Homes against the rapidly increasing of heating and lighting
- the large investment over the years in energy saving things like double glazing, LED lighting and solar panels.

Based on the results of this year we have been able to keep the fee increase to 5% (against 6% in the two previous years) while at the same time continuously increasing the level of care we provide.

**Plans for the future:**

We are grateful that our big “infrastructure” projects are largely behind us, though, with a 70 year old building, there is always the opportunity for surprise. We do have plans for two projects:

- Trustees are looking to develop an activities space in the Warden's cottage. The plans are about ready to be shared with Residents for their comments
- The roundabout at the top of our driveway is in need of repair and there are plans to make it easier for Residents to use as well as our suppliers.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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**Structure, governance and management**

**Corporate structure, governing documents and charity registration.**

Bernhard Baron Cottage Homes started as a charity in 1945 and is now a company limited by guarantee which was incorporated on 12 June 1998 and is a charity registered with the Charity Commission. Its governing documents are its Memorandum and Articles of Association.

**Appointment of Trustees**

Trustees, who are also the directors of the BBCH, are nominated by nearby Area Quaker Meetings of the Religious Society of Friends, and then appointed at the Annual General Meeting of BBCH. In order to provide continuity, trustees are appointed to serve for a rolling three year period, with a change-over or reappointment of four trustees every year. The articles allow for 12 Trustees and we are fortunate to have 8 Trustees at this time.

**Trustee involvement in the Homes**

Trustees attend four meetings a year, plus the AGM and a number of committee meetings, including the Management and Development Group, the Premises Committee and the Finance and Investment Committee. When attending a meeting Trustees try to join Residents for lunch to encourage a free flow of information about life in the Homes.

The Trustees also meet once a year off site for a strategy day and to have the opportunity to discuss confidential matters. Outcomes of these meetings are discussed with management and areas of concern are addressed.

The House Committee, consisting of our volunteers, helps with activities and on social occasions. They also visit Residents, and are another good source of feedback from the Residents. The House Committee meets four times a year with the management and activities organisers of the Homes to review life in the Homes and particularly our activities programme. The minutes of the House Committee is provided to the Trustees as well as the monthly list of activities.

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 P A Appleton  
Mrs K Ashcroft  
Ms K Gibbs  
Mrs S N Hallett  
Mr D H Hitchin  
Mrs P A Sear  
Mrs J E Stock  
Mr J Thurley

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2019***

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**Investment Powers and Policy**

The Memorandum and Articles of Association give the charity the power to invest in any way the trustees see fit. The performance and investment options are monitored by Trustees serving on the Investment Sub-committee. The investments are managed by Rathbone Investment Management Limited.

The Investment Sub-committee reviews our investments and our ethical policy annually.

The Trustees have adopted a Medium Risk Profile as defined in the Rathbone Client Agreement with specific Investment Restrictions

- No direct overseas investment
- No direct investment in Aerospace or Defence
- No direct investment in Breweries, Alcohol or Tobacco
- No investment in unregulated investment vehicles
- interest in environmentally responsible companies.

**Reserves Policy**

The Reserves policy was reviewed in January 2014 and reserves are now held to cover possible emergencies, contingencies and planned future investments. For emergencies and contingencies the Homes seek to maintain three months' expenditure, which is approximately £250,000, in readily available funds. The reserves policy is reviewed annually.

Significant expenditure has been made this last year but there are other areas which have been identified as needing refurbishment. The Trustees identified that they will need to undertake further improvements to the property and they seek to maintain a reserve for this.

**Public benefit**

The trustees continually strive to expand our public benefit offering.

Whilst maintaining our fees at low levels ensuring the affordability of the Homes for the widest possible population, BBCH also accepts Residents paid for by social services and supports Residents who have a financial need where possible. 16% of our Resident population has benefited from this support in the past year.

As mentioned earlier in this report, the Homes have initiated a fund for the support of more Residents with a financial need. The balance in the fund has now reached almost £250,000 and is a designated fund in the accounts.

**Key management personnel**

Remuneration for the senior managers is set by the trustees. Remuneration for the other members of staff is proposed by senior managers and is subject to approval by Trustees.

**Auditor**

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

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

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**Mr D H Hitchin**

Trustee

Dated: .....

## **BERNHARD BARON COTTAGE HOMES**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### ***FOR THE YEAR ENDED 31 MARCH 2019***

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The Trustees, who are also the directors of Bernhard Baron Cottage Homes for the purpose of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES**

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**Opinion**

We have audited the financial statements of Bernhard Baron Cottage Homes (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES**

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**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 charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Knill James**

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**Chartered Accountants**  
**Statutory Auditor**

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

Knill James is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

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**BERNHARD BARON COTTAGE HOMES****STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2019**

		Unrestricted funds General	Unrestricted funds Designated	Total 2019	Total 2018
	Notes	£	£	£	£
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	85,501	-	85,501	190,903
Charitable activities	4	1,746,955	102,847	1,849,802	1,793,682
Investments	5	22,423	-	22,423	21,823
Other income	6	57,859	-	57,859	16,655
<b>Total income and endowments</b>		<b>1,912,738</b>	<b>102,847</b>	<b>2,015,585</b>	<b>2,023,063</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	5,036	-	5,036	5,319
Charitable activities	8	1,982,621	41,305	2,023,926	1,891,616
<b>Total resources expended</b>		<b>1,987,657</b>	<b>41,305</b>	<b>2,028,962</b>	<b>1,896,935</b>
Net gain/(loss) on investments	12	29,307	-	29,307	(5,044)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(45,612)</b>	<b>61,542</b>	<b>15,930</b>	<b>121,084</b>
Gross transfers between funds		57,561	(57,561)	-	-
<b>Net movement in funds</b>		<b>11,949</b>	<b>3,981</b>	<b>15,930</b>	<b>121,084</b>
Fund balances at 1 April 2018		2,776,286	796,019	3,572,305	3,451,221
<b>Fund balances at 31 March 2019</b>		<b>2,788,235</b>	<b>800,000</b>	<b>3,588,235</b>	<b>3,572,305</b>

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

**BALANCE SHEET**

**AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	14	2,816,836		2,551,955	
Investments	15	901,648		855,190	
		<u>3,718,484</u>		<u>3,407,145</u>	
<b>Current assets</b>					
Stocks	17	6,547		6,250	
Debtors	18	17,243		25,147	
Cash at bank and in hand		89,873		381,486	
		<u>113,663</u>		<u>412,883</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(243,912)</u>		<u>(247,723)</u>	
Net current (liabilities)/assets			(130,249)		165,160
<b>Total assets less current liabilities</b>		<u>3,588,235</u>		<u>3,572,305</u>	
<b>Income funds</b>					
Unrestricted funds - Designated	21	800,000		796,019	
Unrestricted funds - General		2,788,235		2,776,286	
		<u>3,588,235</u>		<u>3,572,305</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 board of directors and authorised for issue on ..... and are signed on its behalf by:

.....  
Mr P A Appleton  
**Trustee**

.....  
Mr D H Hitchin  
**Trustee**

**Company Registration No. 3580252**



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		115,527		328,793
<b>Investing activities</b>					
Purchase of tangible fixed assets		(412,413)		(265,521)	
Purchase of investments		(17,150)		(16,865)	
Interest received		22,423		21,823	
<b>Net cash used in investing activities</b>			(407,140)		(260,563)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(291,613)		68,230
Cash and cash equivalents at beginning of year			381,486		313,256
<b>Cash and cash equivalents at end of year</b>			89,873		381,486

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies**

**Company information**

Bernhard Baron Cottage Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is Eastbourne Road, Polegate, East Sussex, BN26 5HB.

**1.1 Accounting convention**

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

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

The accounts have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

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 accounts.

**1.4 Incoming resources**

Income is recognised when the charitable company 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 charitable company 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 charitable company 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.

Income from charitable activities are all accounted for in the period in which the service is provided.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies** **(Continued)**

**1.5 Resources expended**

Expenditure is recognised when a liability is incurred. Resources expended are accounted for on an accruals basis and includes irrecoverable VAT where appropriate.

Costs of generating funds are the costs relating to investment management fees.

Charitable activity expenditure comprises all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an appropriate proportion of overhead and support costs.

Governance costs include those costs associated with the governance of the charity and are primarily associated with constitutional and statutory requirements.

**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:

Land and buildings - Freehold	2% straight line
Fixtures, fittings & equipment	10% and 20% straight line
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

**1.7 Fixed asset investments**

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

**1.8 Stocks**

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

**1.9 Cash and cash equivalents**

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

**1.10 Financial instruments**

The Company 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 when the charitable company becomes party to the contractual provisions of the instrument.

**Basic financial assets**

Basic financial assets, which include trade and other receivables 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1 Accounting policies**

**(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.11 Retirement benefits**

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

The charity contributes to the Pensions Trust's Growth Plan at rates set by the Scheme Actuary and advised to the Trustees by the Scheme Administrator. The scheme is a defined benefit, multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the charity. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. Contributions to the scheme are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**2 Critical accounting estimates and judgements**

In the application of the charitable company'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.

**3 Donations and legacies**

	2019	2018
	£	£
Donations and gifts	2,938	3,094
Legacies receivable	82,563	187,809
	<u>85,501</u>	<u>190,903</u>

All donations and legacies are unrestricted.

**BERNHARD BARON COTTAGE HOMES****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****4 Charitable activities**

	Fees received	Meal money received	Shop sales	Welfare gifts etc	Telephone money received	Total 2018	Total 2018
	£	£	£	£	£	£	£
Incoming resources	1,812,975	4,786	27	(1,520)	9,277	1,825,545	1,777,084
Charitable rental income	24,257	-	-	-	-	24,257	16,598
	<u>1,837,232</u>	<u>4,786</u>	<u>27</u>	<u>(1,520)</u>	<u>9,277</u>	<u>1,849,802</u>	<u>1,793,682</u>
Analysis by fund							
Unrestricted funds - General	1,734,385	4,786	27	(1,520)	9,277	1,746,955	
Unrestricted funds - Designated	102,847	-	-	-	-	102,847	
	<u>1,837,232</u>	<u>4,786</u>	<u>27</u>	<u>(1,520)</u>	<u>9,277</u>	<u>1,849,802</u>	
<b>For the year ended 31 March 2018</b>							
Unrestricted funds - General	1,667,491	3,866	134	(1,804)	9,395		1,679,082
Unrestricted funds - Designated	114,600	-	-	-	-		114,600
	<u>1,782,091</u>	<u>3,866</u>	<u>134</u>	<u>(1,804)</u>	<u>9,395</u>		<u>1,793,682</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**5 Investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income from listed investments	22,187	21,548
Interest receivable	236	275
	<u>22,423</u>	<u>21,823</u>
<b>For the year ended 31 March 2018</b>		
Unrestricted funds		<u>21,823</u>

**6 Other income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other income	57,859	16,655
	<u>57,859</u>	<u>16,655</u>
<b>For the year ended 31 March 2018</b>		
Unrestricted funds		<u>16,655</u>

**7 Raising funds**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Investment management	5,036	5,319
	<u>5,036</u>	<u>5,319</u>
<b>For the year ended 31 March 2018</b>		
Unrestricted funds		<u>5,319</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**8 Charitable activities**

	<b>2018</b> <b>£</b>	<b>2018</b> <b>£</b>
Staff costs	1,140,190	1,056,785
Depreciation and impairment	147,531	138,976
Provisions	173,316	167,545
Training and conference expenses	20,933	16,088
Fee subsidy	97,354	109,488
Electricity	24,491	23,224
Gas	21,445	24,702
Water	17,106	19,104
Council tax	4,700	4,700
Cleaning and consumables	10,142	8,214
Insurance	9,924	7,605
Garden expenses	13,594	4,862
Repairs	118,846	78,090
Decorations	17,772	19,952
Travel expenses	7,063	5,610
Welfare expenses	8,882	8,753
Other charitable expenditure	105,416	104,092
	<u>1,938,705</u>	<u>1,797,790</u>
Share of governance costs (see note 9)	85,221	93,826
	<u>2,023,926</u>	<u>1,891,616</u>
<b>Analysis by fund</b>		
Unrestricted funds - General	1,982,621	1,851,106
Unrestricted funds - Designated	41,305	40,510
	<u>2,023,926</u>	<u>1,891,616</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**9 Support costs**

	<b>Governance costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Audit fees	6,350	6,350	6,050
Legal and professional	20,616	20,616	50,247
Bank charges and interest	1,380	1,380	(186)
Registration fees	15,499	15,499	9,191
Stationery, advertising and software	26,537	26,537	16,080
Postage and telephone	14,750	14,750	11,762
Committee expenses	89	89	682
	<u>85,221</u>	<u>85,221</u>	<u>93,826</u>
Analysed to:			
Charitable activities	<u>85,221</u>	<u>85,221</u>	<u>93,826</u>

**10 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration during the year. The trustees (2018 - 0) were reimbursed £188 for travelling and sustenance expenses in the year (2018 - £Nil).

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Housing care for residents	63	61
Administration	3	3
	<u>66</u>	<u>64</u>

**Employment costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,012,560	940,841
Social security costs	58,124	50,647
Other pension costs	69,506	65,297
	<u>1,140,190</u>	<u>1,056,785</u>

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



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12 Net (losses)/gains on investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	27,495	(5,044)
Gain/(loss) on sale of investments	1,812	-
	<u>29,307</u>	<u>(5,044)</u>

**13 Taxation**

The Company is a registered charity and under section 505(1) of the Income and Corporation Taxes Act 1988 is exempt from taxation.

**14 Tangible fixed assets**

	<b>Land and buildings - Freehold</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2018	2,854,830	829,256	49,751	3,733,837
Additions	368,357	44,056	-	412,413
	<u>3,223,187</u>	<u>873,312</u>	<u>49,751</u>	<u>4,146,250</u>
At 31 March 2019	3,223,187	873,312	49,751	4,146,250
<b>Depreciation and impairment</b>				
At 1 April 2018	774,586	365,036	42,261	1,181,883
Depreciation charged in the year	64,464	81,195	1,872	147,531
	<u>839,050</u>	<u>446,231</u>	<u>44,133</u>	<u>1,329,414</u>
At 31 March 2019	839,050	446,231	44,133	1,329,414
<b>Carrying amount</b>				
At 31 March 2019	<u>2,384,137</u>	<u>427,081</u>	<u>5,618</u>	<u>2,816,836</u>
At 31 March 2018	<u>2,080,245</u>	<u>464,220</u>	<u>7,490</u>	<u>2,551,955</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**15 Fixed asset investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash awaiting investment	56,087	38,936
Listed investments	845,561	816,254
	<u>901,648</u>	<u>855,190</u>

**Movements in fixed asset investments**

	<b>Securities</b>
	<b>£</b>
<b>Market valuation</b>	
At 1 April 2018	855,190
Cash account movement	(6,350)
	<u>848,840</u>
At 31 March 2019	<u>848,840</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>848,840</u>
	<u>855,190</u>
At 31 March 2018	<u>855,190</u>

**16 Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	8,684	4,824
Equity instruments measured at cost less impairment	845,561	816,254
	<u>854,245</u>	<u>821,078</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	228,791	230,662
	<u>228,791</u>	<u>230,662</u>

**17 Stocks**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Consumables	6,547	6,250
	<u>6,547</u>	<u>6,250</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**18 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	8,311	4,768
Other debtors	373	56
Prepayments and accrued income	8,559	20,323
	<u>17,243</u>	<u>25,147</u>

**19 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	15,121	17,061
Trade creditors	48,848	45,126
Other creditors	4,862	10,781
Accruals and deferred income	175,081	174,755
	<u>243,912</u>	<u>247,723</u>

**20 Retirement benefit schemes**

**Defined contribution schemes**

The charity participates in a personal pension scheme operated by the Pensions Trust which is a defined contribution scheme.

An amount of £8,492 was outstanding at the balance sheet date (2018 - £646).

The charge to profit or loss in respect of defined contribution schemes was £69,506 (2018 - £65,297).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**21 Designated funds**

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

	Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£	£
Property improvements reserve	300,000	-	-	-	300,000
Other care improvements reserve	250,000	-	-	-	250,000
Bursary fund	246,019	102,847	(41,305)	(57,561)	250,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	796,019	102,847	(41,305)	(57,561)	800,000

Property improvements reserve

Funds to recommence our plans to have a continual improvement and update to the accommodation for residents in order to maintain standards.

Other care improvements reserve

The trustees have decided that residents should be cared for as long as possible within Bernhard Baron Cottage Homes and have set aside funds to cover the inevitable increase in costs of equipment and accommodation and ultimately to have facilities for dementia and other residents.

Bursary fund

To provide a fund to assist those residents whose funds are depleted where we are unable to obtain funding or where there is a shortfall in the funding available.

**22 Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 2019 are represented by:			
Tangible assets	2,816,836	-	2,816,836
Investments	901,648	-	901,648
Current assets/(liabilities)	(130,249)	-	(130,249)
	<u>3,588,235</u>	<u>-</u>	<u>3,588,235</u>

**23 Capital commitments**

**2019**  
**£**

**2018**  
**£**

At 31 March 2019 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	223,433
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**BERNHARD BARON COTTAGE HOMES****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019****24 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	151,655	159,386

There have been no disclosable related party transactions in the year.

**25 Cash generated from operations**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Surplus for the year	15,930	121,084
Adjustments for:		
Investment income recognised in profit or loss	(22,423)	(21,823)
Gain on disposal of investments	(1,812)	-
Fair value gains and losses on investments	(27,495)	5,044
Depreciation and impairment of tangible fixed assets	147,531	138,976
Movements in working capital:		
(Increase)/decrease in stocks	(297)	1,450
Decrease in debtors	7,904	3,580
(Decrease)/increase in creditors	(3,811)	80,482
<b>Cash generated from operations</b>	<b>115,527</b>	<b>328,793</b>