

Charity Registration No. 1114653

Company Registration No 05639165

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 September 2019

**Wenn Townsend
Chartered Accountants
Oxford**

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

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FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Charity information

The Management Committee, who are also Trustees, up to the date of signing the financial statements was as follows:

| | |
|----------------------------------|---|
| Management Committee | Mr J Cole (Chair, resigned 27 March 2020) Dr JJ Guy OBE(appointed 4 October 2019, Chair from 27 March 2020) Mrs C I Balme Mrs H Bliss (resigned 22 March 2019) Dr C A Chivers Mr C B Gardner (resigned 18 June 2019) Mr K Minns Mrs W Robinson Mr A O'Hickey Dr S L Hope |
| Secretary | Mr P T Reeves |
| Solicitors | Freeths Solicitors LLP 5000 Oxford Business Park South Oxford OX4 2BH |
| Auditors | Wenn Townsend 30 St Giles Oxford OX1 3LE |
| Bankers | Handelsbanken Seacourt Tower West Way Oxford OX2 0JJ |
| Investment advisors | CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ |
| Registered Charity number | 1114653 |
| Company Number | 05639165 |
| Registered office | 115A Banbury Road Oxford OX2 6LA |
| Manager | Mrs D Hayes |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2019

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. All of the Management Committee on page 2 are directors.

Structure, governance and management

Governing Document

Fairfield Residential Home is a company limited by guarantee governed by its Memorandum and Articles of Association dated 29 November 2005. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the chair of the trustees is appointed by the board of trustees. The trustees have appointed Mr J Cole as Chair. After many years' service as Chair of Fairfield Mr J Cole has decided to resign on 27 March 2020. The trustees have invited Mr J Guy to be Chair with effect from 27 March 2020 and he has accepted. Mr J Guy became a Trustee on 4 October 2019. In accordance with the Articles of Association Mrs Balme, Dr Chivers and Mr Minns retire at the annual general meeting and are eligible for re-election.

Trustee induction and training

New trustees are given documentation containing information on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the recent financial performance and the future financial plans of the charity. Trustees are encouraged to attend appropriate training events that will facilitate the undertaking of their role, and from time to time members of the Management Committee attend seminars on their role as trustees.

Key management personnel

The Trustees' have identified the Manager of Fairfield Residential Home, Mrs Deborah Hayes, and the Director of Care, Mrs Michelle Williams as key members of the management team. Mrs Hayes' and Mrs Williams' salaries are fixed by reference to the salaries of comparable posts in care homes in Oxfordshire.

Organisation

During the course of the year the management responsibility of the Charity has changed, with the agreement of all trustees. The trustees delegate the management of the Charity to an Operations Group which reports to trustees at each meeting of Trustees. The Operations Group comprises the Manager, the Director of Care, the Treasurer, The Administrator, the Training Co-ordinator and the Assistant Manager. The trustees have meetings on seven or eight occasions each year. At the meetings of the trustees the broad strategy of the Trust is considered. This includes allocation of resources, investment in leasehold improvements to the Home, reserves and risk management, management of staff, charges to residents, compliance with all legal and charitable obligations as well as the requirements of the local authority and social care services. The management of the day to day operations are the responsibility of the Manager. This includes decisions relating to the admission of new residents.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2019

Risk management

The trustees have a risk management strategy which comprises:

- A risk register has been compiled that categorises every identified perceived risk by reference to "Risk Impact" and "Risk Likelihood", and sets out proposed mitigating actions.
- The risk register is reviewed regularly, at agreed intervals, by the Operations Group, and the implementation of procedures designed to minimise any potential impact on the charity is reviewed on those occasions, alongside potential new risks which may have been identified.

The trustees are satisfied that the implementation of the risk register is the best way of remaining alert to the potential risks facing Fairfield Residential Home.

COVID-19

At the conclusion of the financial year ended 30 September 2019, COVID-19 had not emerged as a risk to Fairfield's operations and, consequently, it did not have any impact on the numbers in the financial statements included in this document.

In the period March 2020 to the present time, COVID-19 has had a significant impact on the whole of the Care sector; its impact on Fairfield will be the subject of a thorough review by Trustees in the current financial year (2019-2020). In March 2020, Fairfield introduced a lockdown to visitors, regular recording of temperatures of residents and staff, and a ban on any but essential trades' visits; staff showing symptoms were required to self-isolate at home for a period of at least 7 days before returning to work if asymptomatic. In early April 2020, three residents tested positive for Covid-19, all of whom have recovered and are now well; as a consequence of the tests, residents were isolated in their rooms, barrier caring for those showing symptoms was introduced using full PPE (Personal Protective Equipment) at considerable expense, and a decision was taken to postpone any new admissions to the Home during the height of the pandemic.

The availability of testing has been a major concern to trustees and to managers. Fairfield has played a significant role in bringing the matter to national attention through correspondence in the Times, and interviews on influential national radio and television programmes.

A further impact of COVID-19 on operations continues to be its effect on Fairfield's ability to maintain adequate staffing ratios and to ensure the safety of its staff and residents. Operating expenses have increased through staff absence by self-isolation and the cost of using agency personnel; the agile response of the senior team enabled the swift introduction of 12-hour shifts with 7-day managerial presence to mitigate the impact.

The consequence in the early part of the financial year 2019-20 has been increased costs for the care home and a reduction in income through the decision to suspend admission of new residents which has led to the current occupancy of 24.

The Trustees will keep all of the above matters under constant review and will report further in the Trustees' Report for 2020; at the date of this Report, Fairfield does not rely in any way upon charitable donations. The Trustees are pleased to conclude, therefore, that, by prompt and decisive management to minimise the impact of Covid-19 on the home and by maintaining the number of residents at an economically viable number, backed by significant assets situated in a prime location, sustainability and the going-concern status of Fairfield are unaffected by COVID-19.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2019

Objectives and activities

Object of the Charity

The objects of the Charity are the relief of elderly persons who have ceased to be, or are not fully, employed in particular through the provision of accommodation, food, care and other facilities. During the period of this report the Home has had 38 registered bedrooms, gardens, lounge, activity areas and a fully equipped dining area. Most residents are long stay residents.

Review of the Charity's activities for the public benefit

The Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake.

The number of residents during the year averaged 29 (2018 19).

In order that members of the public can benefit from the activities of the Home the Trustees keep the monthly charges for residence as low as is consistent with the continuance of activities and provision of outstanding care. All applications from elderly persons who meet the Home's admission criteria for health are considered and equal merit is given to all such applicants. Applicants who are unable to meet the Home's residential charges are able to make application to the local authority to meet all or part of them. The Trustees are considering several initiatives whereby non-residents and their carers can use some of the facilities of the home at no charge in order to provide relief for the non-resident and carer.

The activities of the Home are published in the *Care in Oxfordshire, Oxfordshire Care Directory* and *Healthcare Media* publications.

Financial review, investment policy and reserves

The Charity made a surplus of £20,277 during the year (2018 deficit £180,923). At the end of the financial year the assets of the Charity were represented by leasehold property, furniture and fittings and cash and bank balances and money deposits with COIF and Handelsbanken. The Trustees consider that free reserves should be the equivalent of six months' expenditure excluding depreciation. At the end of the year free reserves were c£455,000, (2018: £437,500) and this is some £245,000 less than the free reserves target. The Trustees will keep the position under close scrutiny during the forthcoming year.

Investment Policy

The Charity's money is held in deposit accounts with COIF and Handelsbanken. The Management Committee consider this to give an adequate return consistent with the need to keep funds available to meet future building costs, contingencies and due to the uncertain nature and inherent risk of the stock market.

Future plans

Registration with the CQC has been obtained for the occupancy of 38 of the Charity's 39 rooms. In the future reporting period the Trustees have obtained CQC registration of a bungalow, formerly constructed as staff accommodation, to be registered with CQC as an assisted living residence. The total number of persons that can be accommodated within Fairfield will then increase to 42. The Trustees will also be investigating extending services to a wider population of elderly people in Oxford.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2019

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of Fairfield Residential Home for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Charity at the end of the financial period and of its income or expenditure for the financial period. In doing so the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and the Statements of Recommended Practice have been followed, subject to any departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the accounts comply with the Companies Act 2006. The trustees are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Management Committee

**Dr J J Guy OBE
Chairman**

31st July 2020

FAIRFIELD RESIDENTIAL HOME

Independent Auditors' Report to the members of Fairfield Residential Home

Opinion

We have audited the financial statements of Fairfield Residential Home (the 'charitable company') for the year ended 30th September 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th September 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Management Committee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FAIRFIELD RESIDENTIAL HOME

Independent Auditors' Report to the members of Fairfield Residential Home

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

FAIRFIELD RESIDENTIAL HOME

Independent Auditors' Report to the members of Fairfield Residential Home

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Cole BA, FCA
Senior Statutory Auditor
For and on behalf of Wenn Townsend, Statutory Auditor

31st July 2020

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

**Statement of Financial Activities
Including income and expenditure account**

For the year ended 30 September 2019

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|--|------|-------------------------|-----------------------|------------------|-------------------------|-----------------------|------------------|
| Income | | | | | | | |
| <i>Income from charitable activities</i> | | | | | | | |
| Residents' and visitors' fees | | 1,388,196 | - | 1,388,196 | 785,341 | - | 785,341 |
| <i>Income from generated funds</i> | | | | | | | |
| Investment income | | 16,378 | - | 16,378 | 8,056 | - | 8,056 |
| Donations | | 31,244 | 215 | 31,459 | 98,212 | 6,020 | 104,232 |
| Total income | | <u>1,435,818</u> | <u>215</u> | <u>1,436,033</u> | <u>891,609</u> | <u>6,020</u> | <u>897,629</u> |
| Expenditure | | | | | | | |
| Cost of raising funds | 1 | 21,808 | - | 21,808 | 16,169 | - | 16,169 |
| <i>Charitable expenditure</i> | | | | | | | |
| Costs of operating Home | 2 | 1,384,570 | 1,884 | 1,386,454 | 1,055,296 | 7,087 | 1,062,383 |
| Other | 3 | 7,494 | - | 7,494 | - | - | - |
| Total expenditure | | <u>1,413,872</u> | <u>1,884</u> | <u>1,415,756</u> | <u>1,071,465</u> | <u>7,087</u> | <u>1,078,552</u> |
| Net income / (expenditure) | | 21,946 | (1,669) | 20,277 | (179,856) | (1,067) | (180,923) |
| Transfers between funds: | | | | | | | |
| Unrestricted general funds – transfer to Buildings Maintenance Fund | | (136,800) | - | (136,800) | - | - | - |
| Unrestricted designated funds – transfer to Buildings Maintenance Fund | | 136,800 | - | 136,800 | - | - | - |
| Total funds brought forward | | <u>7,632,792</u> | <u>3,036</u> | <u>7,635,828</u> | <u>7,812,648</u> | <u>4,103</u> | <u>7,816,751</u> |
| Total funds carried forward | | <u>7,654,738</u> | <u>1,367</u> | <u>7,656,105</u> | <u>7,632,792</u> | <u>3,036</u> | <u>7,635,828</u> |

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

Balance Sheet

30 September 2019

| | Note | 2019 | | 2018 | |
|---|------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Leasehold property, furniture and fittings | 5 | | 7,061,822 | | 7,146,545 |
| Fixed asset investments | 6 | | 1 | | 1 |
| | | | <u>7,061,823</u> | | <u>7,146,546</u> |
| Current assets | | | | | |
| Cash at bank and in hand | | 653,025 | | 425,151 | |
| Debtors | 7 | <u>121,690</u> | | <u>132,691</u> | |
| | | 774,715 | | 557,842 | |
| Deduct: Current Liabilities | | | | | |
| Creditors - amounts falling due within one year | 8 | (180,433) | | (68,560) | |
| Net current assets | | | <u>594,282</u> | | <u>489,282</u> |
| Total assets less current liabilities | | | <u>7,656,105</u> | | <u>7,635,828</u> |
| Net assets | | | <u>7,656,105</u> | | <u>7,635,828</u> |
| Represented by: | | | | | |
| Unrestricted general funds | | | 317,938 | | 432,792 |
| Unrestricted designated funds | | | | | |
| - Building Reserve | 10 | | 7,200,000 | | 7,200,000 |
| - Buildings Maintenance Fund | 10 | | 136,800 | | - |
| Restricted funds | 9 | | <u>1,367</u> | | <u>3,036</u> |
| | | | <u>7,656,105</u> | | <u>7,635,828</u> |

The accounts have been prepared in accordance with the special provisions part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

These financial statements were approved by the Management Committee on 31st July 2020 and signed on its behalf by:

Dr J J Guy OBE
Chairman

Company registration number 05639165 (England and Wales)

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

Cash Flow Statement

30 September 2019

Reconciliation of operating result to net cash outflow from operating activities

| | 2019 | 2018 |
|---|-----------------|--------------------|
| | £ | £ |
| Operating surplus / (deficit) (see below) | 3,899 | (188,979) |
| Loss on disposal of fixed assets | - | 2,975 |
| Depreciation | 14,335 | 22,241 |
| Decrease/(increase) in debtors | 11,001 | (111,544) |
| Increase in creditors | 111,873 | 3,472 |
| | <u>141,108</u> | <u>(271,835)</u> |
| Net cash inflow / (outflow) from operating activities | <u>141,108</u> | <u>(271,835)</u> |
| Cash flow statement | | |
| Net inflow / (outflow) from operating activities | 141,108 | (271,835) |
| Returns on investments and servicing of finance | | |
| Investment income | 16,378 | 8,056 |
| Capital expenditure refunded / (expended) | 70,388 | (3,403,309) |
| Increase / decrease in cash | <u>227,874</u> | <u>(3,667,088)</u> |
| Reconciliation of net cash flow to movement in net debt | | |
| Net funds at 1 October 2018 | 425,151 | 4,092,239 |
| Increase / decrease in cash | <u>227,874</u> | <u>(3,667,088)</u> |
| Net funds at 30 September 2019 | <u>653,025</u> | <u>425,151</u> |
| Reconciliation of net movement in funds to operating surplus | | |
| Net movement in funds per SOFA | 20,277 | (180,923) |
| Less: Investment income | <u>(16,378)</u> | <u>(8,056)</u> |
| Operating surplus / (deficit) | <u>3,899</u> | <u>(188,979)</u> |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Accounting policies

For the year ended 30 September 2019

The following accounting policies have been used consistently in dealing with items which are considered material to the Home's financial statements.

Basis of preparation

The accounts are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Going Concern

The Trustees have considered the impact of COVID and are confident that the charity can operate for at least 12 months from the date of signature of the accounts. The Trustees consider that there are no material uncertainties in relation to the going concern of the charity and the accounts are therefore prepared on a going concern basis.

Income

Income is included in the accounts when entitlement is reasonably certain, receipt is probable and the amount can be measured reliably.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed assets and depreciation

In accordance with charity rules, all items of a capital nature have been classified as additions to fixed assets. The buildings are subject to regular refurbishment and maintenance, and, in light of the foregoing, no depreciation is provided because any charge is considered by the trustees to be immaterial. Depreciation of the other fixed assets is provided as follows:

| | |
|-----------------------|-------------------|
| Fixtures and fittings | 25% straight line |
|-----------------------|-------------------|

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Accounting policies

For the year ended 30 September 2019

Charity funds

- The Charity's unrestricted funds may be spent for the furtherance of the Charity's objects at the discretion of the trustees.
- The Charity's restricted funds may be used in accordance with specific restrictions imposed by donors.

Pensions

The Home contributes to personal defined contribution pension schemes on behalf of certain of its employees. The employer's contributions are charged against the income and expenditure account in the year in which they are made.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

Notes to the accounts

For the year ended 30 September 2019

| | | | | |
|---|---------------------|-------------------|------------------|------------------|
| 1. Cost of raising funds | | | 2019 | 2018 |
| | | | £ | £ |
| Advertising and marketing | | | 21,808 | 16,169 |
| 2. Costs of operating Home | Unrestricted | Restricted | 2019 | 2018 |
| | £ | £ | £ | £ |
| Catering | 171,618 | | 171,618 | 52,989 |
| Rent, water and Council Tax | 5,782 | | 5,782 | 10,168 |
| Light and heat | 37,933 | | 37,933 | 30,318 |
| Insurance | 5,760 | | 5,760 | 4,747 |
| Repairs and maintenance | 32,104 | | 32,104 | 24,421 |
| Repairs to buildings | 2,891 | | 2,891 | 2,465 |
| Laundry and household | 40,066 | | 40,066 | 51,454 |
| Amenities | 22,605 | | 22,605 | 16,374 |
| Wages and national insurance | 829,466 | 1,884 | 831,350 | 691,984 |
| Pension | 20,396 | | 20,396 | 15,909 |
| Staff costs and temporary staff | 78,379 | | 78,379 | 35,957 |
| Postage and stationery | 11,396 | | 11,396 | 9,872 |
| Telephone | 7,000 | | 7,000 | 4,873 |
| Software licences and publications | 12,770 | | 12,770 | 7,423 |
| Registration fees | 5,921 | | 5,921 | 4,375 |
| Professional services | 32,019 | | 32,019 | 31,589 |
| Depreciation and loss on sale | 14,335 | | 14,335 | 25,216 |
| Staff amenities | - | - | - | 4,000 |
| | 1,330,441 | 1,884 | 1,332,325 | 1,024,134 |
| Governance Costs (all unrestricted) | | | | |
| Audit fees | | | 3,894 | 3,602 |
| Other professional fees | | | 49,527 | 33,912 |
| Bank charges | | | 708 | 735 |
| | | | 54,129 | 38,249 |
| | | | 1,386,454 | 1,062,383 |
| 3. Other charitable expenditure | | | | |
| Public benefit subventions | | | 7,494 | - |
| 4. Wages and salaries | | | | |
| Average number of employees (full time equivalent): | | | | |
| Care and domestic | | | 28 | 24 |
| Catering | | | 0 | 2 |
| Maintenance | | | 1 | 1 |
| Administration | | | 5 | 3 |
| | | | 34 | 30 |

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

Notes to the accounts

For the year ended 30 September 2019

4. Wages and salaries (cont)

| | | |
|------------------------------|-----------------------|-----------------------|
| Staff costs were as follows: | 2019 | 2018 |
| | £ | £ |
| Wages and salaries | 774,035 | 642,929 |
| Social security costs | 57,315 | 49,055 |
| Pension costs | 20,396 | 15,909 |
| | <u>851,746</u> | <u>707,893</u> |

No employee was paid more than £60,000 in the current or preceding year.

5. Fixed assets

| | Leasehold property | Fixtures and fittings | Total |
|-----------------------|-------------------------------|----------------------------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 October 2018 | 7,120,747 | 44,158 | 7,164,905 |
| Refunded expenditure | (93,278) | - | (93,278) |
| Additions | - | 22,890 | 22,890 |
| | ----- | ----- | ----- |
| At 30 September 2019 | 7,027,469 | 67,048 | 7,094,517 |
| | ===== | ===== | ===== |
| Depreciation | | | |
| At 1 October 2018 | - | 18,360 | 18,360 |
| Charge for the year | - | 14,335 | 14,335 |
| | ----- | ----- | ----- |
| At 30 September 2019 | - | 32,695 | 32,695 |
| | ===== | ===== | ===== |
| Net book value | | | |
| At 30 September 2019 | 7,027,469 | 34,353 | 7,061,822 |
| | ===== | ===== | ===== |
| At 30 September 2018 | 7,120,747 | 25,798 | 7,146,545 |
| | ===== | ===== | ===== |

The leasehold property has a term of 199 years which commenced on 4 February 2016.
The negative figure for leasehold additions relates to refunds of buildings expenditure.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2019

6. Fixed asset investments

| | Investment in subsidiary £ |
|--|----------------------------------|
| Cost | |
| At 1 October 2018 and 30 September 2019 | <u>1</u> |
| Net book value | |
| At 30 September 2018 and 30 September 2019 | <u>1</u> |

Investment in subsidiary consists of a 100% holding in the ordinary share capital of New Fairfield Development Company Limited (registration number 10479059). At 30 November 2019, the aggregate capital and reserves of the company amounted to £1 and profit for the year amounted to £593 current year (2018: £31,011).

7. Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|----------------|----------------|
| Fees and other payments recoverable | 92,851 | 123,069 |
| Prepayments | 28,839 | 9,622 |
| | <u>121,690</u> | <u>132,691</u> |

8. Creditors – amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------|----------------|---------------|
| Trade creditors | 42,964 | 16,252 |
| PAYE and national insurance | 14,893 | 15,483 |
| Other creditors and accruals | 46,909 | 11,266 |
| Residents' deposits | 75,667 | 25,559 |
| | <u>180,433</u> | <u>68,560</u> |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2019

9. Restricted funds

| | Staff Fund |
|------------------------------|----------------|
| | £ |
| Balance at 1 October 2018 | 3,036 |
| Income for the year | 215 |
| Expenditure for the year | <u>(1,884)</u> |
| Balance at 30 September 2019 | <u>1,367</u> |

The staff fund represents restricted funds that have been donated to provide benefits paid to staff within HM Revenue and Customs limits.

10. Unrestricted designated funds

The Building Reserve represents funds set aside for the construction of a new residential home (see note 5 above).

The buildings maintenance fund is a fund established to provide for the future replacement of major plant and component parts as they reach the end of their economic lives. The contribution rate to the fund has been calculated by Chartered Quantity Surveyors and is based on the cost of the individual elements at 2018 prices adjusted for price inflation.

11. Taxation status

The Home is exempt from taxation on its charitable activities as a registered charity.

12. Trustees' remuneration

The trustees received no remuneration or reimbursement of expenses in the current or preceding year under review.

13. Related Parties

A construction and project management contract was signed on 6 December 2016 between the Charity and New Fairfield Development Company Limited. New Fairfield Development Company Limited is a wholly owned subsidiary of the Charity and was formed on 15 November 2016. During the course of the financial year to 30 September 2019 the charity received £182,307 from New Fairfield Development Company Limited in respect of construction and project management services reimbursed. Fairfield Residential Home has guaranteed the New Fairfield Development Company's liabilities. The guarantee is unlimited, but at 30th November 2019 the company had net assets.

14. Legal status

Fairfield Residential Home is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10.

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

Notes to the accounts

For the year ended 30 September 2019

15. Analysis of net assets between funds

| | General funds 2019 £ | Designated funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|------------------------------------|-------------------------------|----------------------------------|----------------------------------|--------------------|
| Fixed assets | 34,354 | 7,027,469 | - | 7,061,823 |
| Cash and current investments | 342,327 | 309,331 | 1,367 | 653,025 |
| Other current assets / liabilities | (58,743) | - | - | (58,743) |
| Total | 317,938 | 7,336,800 | 1,367 | 7,656,105 |
| | General funds 2018 £ | Designated funds 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
| Fixed assets | 25,799 | 7,120,747 | - | 7,146,546 |
| Cash and current investments | 342,862 | 79,253 | 3,036 | 425,151 |
| Other current assets / liabilities | 64,131 | - | - | 64,131 |
| Total | 432,792 | 7,200,000 | 3,036 | 7,635,828 |

16. Post balance sheet event – COVID-19

Post the balance sheet date, COVID-19 has had a significant impact on the whole of the Care sector; its financial impact on the charity is yet unknown but the Trustees have put in place measures to lock down the Home. A decision was taken to postpone any new admissions to the Home during the height of the pandemic; a review of projected income and expenditure for the following financial year indicates a satisfactory level of cash and reserves despite increased costs relating to PPE and additional staff.