

JAH-JIREH CHARITY HOMES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

JAH-JIREH CHARITY HOMES

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JAH-JIREH CHARITY HOMES

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Jah-Jireh Charity Homes
Charity registration number	1062023
Trustees	E W Delaney - Chairman P J Cutting R Jones A Kendall F Sartin C Stringer J Stacey R Telles C Bland G Cockshott J Wigmore R Daniel L Chadwick
Chief executive officer	E W Delaney
Registered office	317 Lytham Road Warton Preston PR4 1TE
Auditor	MHA Moore and Smalley Chartered Accountants & Statutory Auditors Richard House Winckley Square Preston PR1 3HP
Bankers	National Westminster Bank plc 13 Whitegate Drive Blackpool FY3 9AG
Solicitors	Roland Robinsons and Fentons 85-89 Adelaide Street Blackpool FY1 4LX

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Structure, governance and management

Governing document

Jah-Jireh Charity Homes is governed by a Trust Deed dated 1 April 1997 as amended by a supplemental deed dated 25 February 2005. The charity is registered under the name Jah-Jireh Charity Homes with the Charity Commission (charity number 1062023).

Recruitment, appointment, induction and training of trustees

The minimum number of trustees shall be four with no maximum number. The trustees must be a respected member of a Congregation of Jehovah's Witnesses and shall remain so and be in good standing. Trustees are appointed by a resolution of a meeting of the trustees. A memorandum of his appointment shall be signed by the persons present at such meeting and every new trustee, before acting in the trust of the deed must sign the minute book for which provision is made, a declaration of acceptance and of willingness to act in the trusts declared in the trust deed.

Whilst it is likely that our trustee appointments will be current or previous trustees of another charity and therefore have relevant experience, we nonetheless share with them the Charity Commission Trustee Welcome Pack, a copy of the Trust Deed, the current charity registration with the Charity Commission, copies of previous meeting minutes and background to the work of the charity. Further training will be considered as it is identified. The Trustees hold a range of professional qualifications including in accountancy, law and civil engineering.

Organisational structure

The trustees who served during the year are shown on page 1. The trustees meet at least twice a year. In addition, there are various committees that support the trustees. The current committees are Operations, Finance, Buildings, Legal, Media and International. The committees are made up of trustees and some head office staff. Day to day decisions are made by the Operations committee and are assisted by staff at the head office and homes of the charity.

Related parties

The trustees provide advice and assistance to Jehovah's Witness communities internationally and at home, including direct visits to explain and replicate the Jah-Jireh Charity Homes experience.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2019

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Remuneration of key management personnel

The charity considers its key management personnel to comprise of the chief executive officer, senior care manager, operating committee member/property asset manager, finance manager, administration manager, and the business and care managers from each of the four homes. Remuneration of key management is set in line with the market rate for the specific role and is reviewed annually by the Operations Committee.

Objectives and activities

Objects

The objects of the charity are:

- The provision of care facilities for Jehovah's Witnesses in good standing who have need of such facilities by reason of their age, infirmity or economic circumstances;
- The advancement of Christian religion as practised by Jehovah's Witnesses; and
- The relieving of Jehovah's Witnesses in hardship and/or distress.

Aims

The charity aims to continue its work in accordance with its charitable objects, so long as funding is available. It is looking to develop its existing portfolio of care homes as well as further development of land which is owned by the charity.

Objectives for the year

Each year the trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on public benefit and fee charging and the advancement of religion for the public benefit.

The trustees consider the beliefs and practises of the Christian religion, as practised by Jehovah's Witnesses, assist in the advancement of religion for the purposes of charity law, and promote morals and ethics of the Christian faith which can have a positive impact on society as a whole.

The charity's main objectives for the year were to:-

- Make places available for those members of the Jehovah's Witness community in need of such a provision on a full-time or respite basis;
- Progress with the plans for a care home facility on the land in the South East of England;
- Continuing the programme of refurbishing existing homes.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2019

Significant activities for achieving objectives

The charity is continuing to pursue the above objectives through actively seeking donations to enable them to continue to develop further sites for future development, continuing to refurbish its existing homes and offering subsidised places to those service users who cannot afford our full fees through funding from local authorities and/or through charitable donations from Jehovah's Witnesses.

Volunteers

Due to the increasing demands on the charity, a program has been put in place to enable those who are able to volunteer their time to assist the homes. This can include assisting with small maintenance tasks at the homes or visiting the residents. All volunteers are given appropriate training and are not remunerated.

Achievements and performance

In view of the current economic climate, the trustees are pleased to have maintained occupancy levels close to previous years. This has been achieved through the provision of a good standard of facilities together with a high level of care in each home. The trustees are pleased to have provided advice internationally to enable other Jehovah's Witnesses to follow the same pattern for developing homes. The Jah-Jireh brand has been registered as a trademark across Europe.

Financial review

The statement of financial activities on page 10 (SOFA) shows net incoming resources of £350,168 (2018: incoming resources of £76,930). Occupancy of homes averaged 93.3% (2018: 91.5%)

There are several factors which have led to the increase of net income during the period. The reasons for this are: better occupancy/increased fees and controlled costs below inflation overall.

Reserves policy

It is the policy of the charity to maintain unrestricted funds to cover any emergency repairs which may arise from time to time, together with utilising these with a view to developing additional facilities. The charity continues to build up reserves to provide subsidised places to those service users who cannot afford our full fees and have been refused funding from local authorities.

The amount of cash reserves held at the year ended 31 December 2019 is £1,485,455, which is held for the reasons stated above. The cash reserves are equivalent to just about four months expenditure, which the trustees consider to be reasonable for continued operations.

The total amount of funds held include designated funds of £163,584. The designated funds represent funds received towards the proposed new home in the South of England, less amounts already expended in order to obtain planning approval.

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2019

Principal funding sources

The charity's principal funding sources continue to be from local authority funding, residents' charges and voluntary donations.

With regard to fundraising no professional fundraising organisations are used in any of our activities. We do not solicit funds, all donations are voluntary. Payment methods offered include; card payment via our website using the Virgin Money service; payroll giving; direct payment from banks and cash and cheques deposited in donation boxes within our homes, or sent to head office.

Plans for future periods

The charity plans to continue to provide a good standard of care, remunerate its staff appropriately and develop their skills as well as continuing to develop other homes and sheltered accommodation/assisted living whilst this continues to be practicable. The charity plans to continue to move towards providing respite and charitably funded care beds through donated income. In addition, the Trustees will continue to assist and support other members of the international Jehovah's Witness community where and when such support is required. The cost of such support will remain entirely at the discretion of the Trustees.

With regard to COVID 19 we have specific policies and procedures in place and have no reported outbreaks currently. The key risks from a financial perspective relate to a loss of income due to a higher number of deaths of residents in the year and potential for increased costs. We continue to maintain a waiting list for new residents. Respite has been suspended for a short time and will be reviewed in May 2020, the totality of current bookings to the year-end equates to £15,000, respite bookings for 2019 were £74,000, we expect to re-start respite later in the year. The potential for increased costs are in two key areas;

- 1) extra hygiene related activity/ PPE
- 2) more expensive staff costs due to COVID 19 related absences.

We have seen little impact from COVID 19 related absences. Government funding is being sought for a few staff under the Job Retention Scheme for those that may come under the requirement to shield for 12 weeks. We are confident in maintaining good levels of occupancy and managing of the potential increased costs. The situation is being constantly monitored.

Trustees' responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;

JAH-JIREH CHARITY HOMES

TRUSTEES' ANNUAL REPORT (CONTINUED)

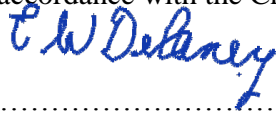
YEAR ENDED 31 DECEMBER 2019

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to re-appoint MHA Moore and Smalley as auditor for the ensuing year will be proposed at the annual trustees' meeting in accordance with the Charities Act 2011.



On behalf of the board

E W Delaney - Chairman of the Board of Trustees

07/08/2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

Opinion

We have audited the financial statements of Jah-Jireh Charity Homes (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charity's affairs as at 31st December 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

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.

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 trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 regulations made under section 154 of that Act.

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

JAH-JIREH CHARITY HOMES

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

MHA Moore and Smalley

MHA Moore and Smalley
Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

10/08/2020

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MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

JAH-JIREH CHARITY HOMES

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds £	Designated Funds £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:					
Donations and legacies	2	214,610	3,144	217,754	299,274
Charitable activities					
<i>Rents received</i>		33,250	-	33,250	36,340
<i>Residents charges</i>		4,493,454	-	4,493,454	4,179,378
Investments					
<i>Interest – savings accounts</i>		15,690	-	15,690	15,550
Other income					
<i>Other Event Income</i>		-	-	-	-
Total income and endowments		4,757,004	3,144	4,760,148	4,530,542
Expenditure on:					
Charitable activities	3	4,409,980	-	4,409,980	4,453,612
Total expenditure		4,409,980	-	4,409,980	4,453,612
Net income/(expenditure)		347,024	3,144	350,168	76,930
Transfers between funds		-	-	-	-
Net movement in funds		347,024	3,144	350,168	76,930
Reconciliation of funds:					
Total funds brought forward		4,836,206	160,440	4,996,646	4,919,716
Total funds carried forward		5,183,230	163,584	5,346,814	4,996,646

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on pages 13 to 23 form part of these financial statements.

JAH-JIREH CHARITY HOMES

BALANCE SHEET

31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	7,737,282	7,861,903
Current assets			
Stocks	11	1,950	1,950
Debtors	12	262,186	177,784
Saving accounts		1,294,272	1,157,669
Cash at bank and in hand		191,183	250,463
		<u>1,749,591</u>	<u>1,587,866</u>
Creditors: amounts falling due within one year	13	<u>(556,473)</u>	<u>(602,384)</u>
Net current assets		<u>1,193,118</u>	<u>985,482</u>
Total assets less current liabilities		8,930,400	8,847,385
Creditors: amounts falling due after more than one year	14	<u>(3,583,586)</u>	<u>(3,850,739)</u>
Net assets		<u>5,346,814</u>	<u>4,996,646</u>
Charity Funds			
Unrestricted funds		5,183,230	4,836,206
Designated funds		163,584	160,440
Total charity funds	16	<u>5,346,814</u>	<u>4,996,646</u>

These financial statements were approved and authorised for issue by the board of trustees on07/08/2020.....

Signed on behalf of the board of trustees

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E W Delaney – Chairman

JAH-JIREH CHARITY HOMES

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the year	350,168	76,930
Depreciation of tangible fixed assets	213,350	191,077
Increase in debtors	(84,402)	(7,036)
(Decrease)/increase in creditors	(45,911)	49,190
Net cash flow from operating activities	433,205	310,161
Cash flow from investing activities		
Receipts from sale of tangible fixed assets	300	-
Payments to acquire tangible fixed assets	(89,030)	(317,577)
Net cash flow from investing activities	(88,730)	(317,577)
Cash flow from financing activities		
Repayment of long term loans	(267,152)	(254,180)
Net cash flow from financing activities	(267,152)	(254,180)
Net (decrease)/increase in cash and cash equivalents	77,323	(261,596)
Cash and cash equivalents at 1 Jan 2019	1,408,132	1,669,728
Cash and cash equivalents at 31 Dec 2019	1,485,455	1,408,132
Cash and cash equivalents consists of:		
Savings accounts	1,294,272	1,157,669
Cash at bank and in hand	191,183	250,463
Cash and cash equivalents at 31 Dec 2019	1,485,455	1,408,132

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1 Summary of significant accounting policies

General information and basis of preparation

Jah-Jireh Charity Homes is a registered charity in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed on page 3 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with 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 (FRS102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds

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

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

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Wherever possible residents are charged a full fee, subject to the availability of local authority funding and the use of charitable donations where residents and their families are not able to afford fees.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where 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. It is categorised under the following headings:

- Expenditure on charitable activities includes residential home care costs; and
- Other expenditure represents those items not falling into the categories above.

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

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on an insert detail basis and other overheads have been allocated on an insert detail basis.

The analysis of these costs is included in note 4.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended:

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- | | |
|---------------------------------|--|
| • Freehold land and buildings | - Nil on land, 2% of cost of buildings |
| • Leasehold land and buildings | - 2% on cost |
| • Plant, equipment and fixtures | - 20% - 33% on cost per annum |
| • Motor vehicles | - 25% of reducing balance |

Investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Stocks

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

Debtors and creditors receivable / payable within one year

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

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Concessionary loans

Concessionary loans include those receivable / payable / receivable and payable to a third party / parties which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable after more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

Going concern

The trustees are required to assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. Given the nature of the charity's operations, the recent escalation of measures taken by the Government to combat the spread of the coronavirus is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Income from donations and legacies

	Unrestricted funds	Designated funds	Total 2019	Unrestricted funds	Designated funds	Total 2018
Gifts	102,242	3,144	105,386	109,645	7,254	116,899
Legacies	112,368	-	112,368	175,744	-	175,744
Seminar Don.	-	-	-	6,631	-	6,631
	214,610	3,144	217,754	292,020	7,254	299,274

3 Analysis of expenditure on charitable activities

	Staff Costs	Depreciation	Support costs	Total funds
Residential home care costs - 2019	2,759,569	213,351	1,437,060	4,409,980
Residential home care costs - 2018	2,779,883	191,077	1,482,652	4,453,612

Expenditure on charitable activities was £4,409,980 (2018: £4,453,612) of which £4,409,980 (2018: £4,452,412) was attributable to general unrestricted funds and £nil (2018: £1,200) was attributable to designated funds.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

4 Allocation of support costs

	Residential home care costs 2019 £	Total funds 2019 £	Residential home care costs 2018 £	Total funds 2018 £
Governance	17,990	17,990	19,283	19,283
Finance	160,513	160,513	163,491	163,491
Residents costs	721,645	721,645	742,350	742,350
Property costs	461,183	461,183	460,351	460,351
Office costs	75,729	75,729	97,178	97,178
	1,437,060	1,437,060	1,482,653	1,482,653

5 Governance costs

	2019 £	2018 £
Audit fees	11,590	11,142
Accountancy and advisory fees	1,892	1,818
Professional indemnity insurance	2,930	2,744
Board of Trustees' meeting expenses	1,578	3,579
	17,990	19,283

6 Net income for the year

Net income is stated after charging / (crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	213,351	191,077
(Gain)/Loss on sale of tangible fixed assets	-	-
Operating lease rentals	31,931	31,197

7 Auditor's remuneration

The auditors' remuneration of £13,482 (2018: £12,960) comprised £11,590 relating to audit services (2018: £11,142) and £1,892 relating to accountancy and other services (2018: £1,818).

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

8 Trustees' and key management personnel remuneration and expenses

During the year Mr E Delaney and his family received remuneration and benefits in kind totalling £30,444 (2018: £32,184). During the year Mr J Stacey received remuneration and benefits in kind totalling £12,480 (2018: £12,000).

Legal authority to make such payments to Trustees is contained in the charity's Trust Deed.

The total amount of employee benefits received by key management personnel is £322,827 (2018: £341,809). The charity considers its key management personnel comprise of the chief executive officer, senior care manager, operating committee member/property asset manager, finance manager, administration manager, and the business and care managers from each of the four homes.

None of the trustees are accruing pension arrangements (2018: none).

The reimbursement of trustees' expenses was as follows:

	2019 No.	2018 No.	2019 £	2018 £
Travel	5	5	3,320	6,809
Subsistence	13	13	243	257
Accommodation	2	3	238	615
Other	-	-	-	-
	20	21	3,801	7,681

Included above are £481 (2018: £872) which have been paid directly to third parties.

9 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2019 No.	2018 No.
Charitable activities	217	221
	217	221

During the year, there was an average of 33 full-time employees (2018: 35), 184 part-time employees (2018: 186) and 134 full-time equivalent employees (2018: 135).

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

The total staff costs and employees benefits were as follows:

	2019 £	2018 £
Wages and salaries	2,595,548	2,623,138
Social security	133,286	137,220
Defined contribution pension costs	30,735	19,525
	2,759,569	2,779,883

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 in either the current or previous year.

10 Tangible fixed assets

	Freehold land and buildings	Long Leasehold land & buildings	Plant equipment and fixtures	Motor vehicles	Total
Cost					
At 1 January 2019	9,855,469	40,000	1,225,183	43,140	11,163,792
Additions	8,121	-	78,209	2,700	89,030
Disposals	-	-	(200)	(100)	(300)
At 31 December 2019	9,863,590	40,000	1,303,192	45,740	11,252,522
Depreciation					
At 1 January 2019	2,200,319	11,813	1,066,051	23,706	3,301,889
Charge for the year	153,737	640	53,735	5,239	213,351
On disposals	-	-	-	-	-
At 31 December 2019	2,354,056	12,453	1,119,786	28,945	3,515,240
Net book value					
At 31 December 2019	7,509,534	27,547	183,406	16,795	7,737,282
At 31 December 2018	7,655,150	28,187	159,132	19,434	7,861,903

All freehold and leasehold land and buildings, with the exception of land in Kent, together with plant, equipment, fixtures and motor vehicles are held as functional assets. The land in Kent is included in freehold above at cost of £350,000 and is held as an investment to be used to develop a new home in the future.

The trustees are confident, without having a professional valuation carried out, that the true value of the properties detailed in the financial statements is greater than the value stated in the financial statements, and use the insured rebuilding cost as a basis for this confidence.

Included in tangible fixed assets is land totalling £2,111,551 (2018: £2,111,551) which is not depreciated.

Tangible fixed assets with a net book value of £7,497,082 (2018: £7,643,338) have been pledged as security for liabilities of the charity. The assets have restricted title.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

11	Stocks	2019	2018
		£	£
	Finished goods	1,950	1,950

All stock held is for the provision of residential home care.

12	Debtors	2019	2018
		£	£
	Trade debtors	132,492	115,673
	Other debtors	91,224	23,351
	Prepayments and accrued income	38,470	38,760
		262,186	177,784

13	Creditors: Amounts falling due within one year	2019	2018
		£	£
	Trade creditors	58,878	117,732
	Other tax and social security	21,546	23,828
	Accruals and deferred income	93,746	133,880
	Concessionary loans payable	4,918	10,322
	Other creditors	68	-
	Fees received in advance	113,077	61,738
	Bank loans	264,240	254,884
		556,473	602,384

Bank loans totalling £264,240 (2018: £254,884) are secured by a legal charge over certain freehold property of the charity.

The bank loan is currently repayable in quarterly instalments over 10 years. The rate of interest on the loan is 3% over the National Westminster Bank Plc LIBOR rate plus mandatory cost.

Concessionary loans payable totalling £4,918 are unsecured loans and consist of two loans repayable in monthly instalments over 20 years and one loan repayable on demand. All concessionary loans payable are interest free.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Concessionary loans payable		
Due within one to two years	-	2,917
Bank loans and overdrafts		
Due within one to two years	273,938	264,240
Due within two to five years	3,309,648	3,583,582
	3,583,586	3,850,739

15

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than one year	22,604	14,638
Later than one year and not later than five years	21,688	32,198
Later than five years	1,046	-
	45,338	46,836

16

Fund reconciliation

	Balance at 1 Jan 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Dec 2019 £
Unrestricted funds	4,836,206	4,757,004	(4,409,980)	-	5,183,230
Designated funds					
South of England Project	160,440	3,144	-	-	163,584
Total funds	4,996,646	4,760,148	(4,409,980)	-	5,346,814

Designated funds

The South of England project funds represent funds received towards the proposed new home in the South of England. The fund has an over and an under subscription clause. This means that any funds over-subscribed can be put to the general use of the Jah-Jireh Charity and any funds under-subscribed, which means the project cannot therefore proceed, can also be put to the general use of the Jah-Jireh Charity, should this become necessary.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

	Balance at 1 Jan 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Dec 2018 £
Unrestricted funds	4,765,330	4,523,288	(4,452,412)	-	4,836,206
Designated funds					
South of England Project	154,386	7,254	(1,200)	-	160,440
Total funds	4,919,716	4,530,542	(4,453,612)	-	4,996,646

17 Analysis of net assets (between unrestricted and designated funds)

	Tangible fixed assets £	Other net assets £	2019 Total £
Unrestricted funds	7,737,282	(2,554,052)	5,183,230
Designated funds	-	163,584	163,584
	7,737,282	(2,390,468)	5,346,814
	Tangible fixed assets £	Other net assets £	2018 Total £
Unrestricted funds	7,861,903	(3,025,697)	4,836,206
Designated funds	-	160,440	160,440
	7,861,903	(2,865,257)	4,996,646

18 Pension and other post-retirement benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £30,735 (2018: £19,525).

19 Events after the end of the period

The charity has become aware of 1 legacy which are estimated to have a value of around of £20,000.

JAH-JIREH CHARITY HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

20 **Related party transactions**

Trustees are employed by the charity, their remuneration and benefits in kind are included in note 8.

During the year the charity paid monies totalling £7,280 to Mr E W Delaney (2018: £7,280) for the use of 317 Lytham Road, Warton, as an administration office. The charity has agreed to rent these premises on a mutually agreed ongoing basis.

During the year the charity received donations totalling £240 (2018: £240) from trustees.

20 **Capital Commitments**

At the 31 December 2019, there are no capital commitments.

JAH-JIREH CHARITY HOMES

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2019

	2019		2018	
Income and endowments from:	£	£	£	£
Donations and legacies		217,754		292,643
<i>Charitable activities</i>				
Rents received		33,250		36,340
Residents charges		4,493,454		4,179,378
<i>Investments</i>				
Interest – savings accounts		15,690		15,550
<i>Other Income</i>				
Other Event Income		-		6,631
Total income and endowments		4,760,148		4,530,542
Expenditure on:				
<i>Charitable activities</i>				
Wages and salaries	2,759,569		2,779,883	
Agency costs	235,539		266,600	
Rent	10,286		10,272	
Rates, insurance and water	102,732		98,069	
Heat and light	165,071		146,805	
Repairs and renewals	183,094		212,455	
Food	254,614		241,683	
Nursing, cleaning and household supplies	157,198		149,843	
Stationery, postage and telephone	35,776		35,014	
Motor and travel expenses	38,663		62,732	
Bank charges	7,661		8,273	
Bank loan interest	152,851		155,218	
Sundry expenses	35,631		30,855	
Training costs	14,021		20,518	
Legal and professional fees	4,259		1,604	
Criminal records applications	2,623		4,500	
Registration fees	19,051		18,926	
Depreciation: Buildings	154,377		153,075	
Plant and fixtures	53,735		31,525	
Motor vehicles	5,239		6,478	
		4,391,990		4,434,328
<i>Governance costs</i>				
Audit fees	11,590		11,142	
Accountancy and advisory fees	1,892		1,818	
Professional indemnity insurance	2,930		2,744	
Board of trustees meeting expenses	1,578		3,579	
		17,990		19,283
Total expenditure		4,409,980		4,453,611
Net (loss)/income for the year		350,168		76,931