

**HONEYWOOD HOUSE NURSING HOME  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

# HONEYWOOD HOUSE NURSING HOME

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S M White D W Triggs V A White P R Johnson (Retired Policeman) I G Blackwell
<b>Charity number</b>	221746
<b>Principal address</b>	Honeywood House Horsham Road Rowhook Horsham West Sussex England RH12 3QD
<b>Auditor</b>	Cleghorn Suite F10 London Road Hardham Pulborough West Sussex RH20 1LA
<b>Bankers</b>	National Westminster Bank Plc 77 High Street Goldaming Surrey GU7 1AR
<b>Solicitors</b>	DMH Stallard LLP Ridgeland House 15 Carfax Horsham West Sussex RH12 1DY

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# HONEYWOOD HOUSE NURSING HOME

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# HONEYWOOD HOUSE NURSING HOME

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 JANUARY 2020*

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The trustees present their report and financial statements for the year ended 31 January 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, 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 (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The objectives of the charity, which have been applied during the year, are set out in the Trust Deed. Such objectives require the trustees to apply the property, Honeywood House, as a nursing home for the members of the public requiring long or short term care.

It is the overall philosophy of Honeywood House that each resident should be viewed as an individual with basic rights of privacy, dignity and respect. The aims of the nursing care are - to endeavour to provide a homely, caring, safe and tranquil environment - to implement and maintain a planned approach to nursing care where emphasis is placed on the promotion of independence wherever possible, but able to identify self-care deficits when they arise. It is the Home's responsibility to prepare and encourage genuine teamwork within this multi-disciplinary setting. Finally, the importance of maintaining a quality of living and all that can be done to help until life's end is recognised. The trustees are required to levy a charge for the provision of such services of an amount, which they in their absolute discretion consider fair and reasonable.

The accommodation is full board and welfare facilities such as a library, general shopping, hairdressing, chiropody, physiotherapy, visiting optician and dentist and personal laundry are provided. A communion service is held monthly. Musical entertainment is provided on a regular basis. A fulltime activity Co-Ordinator is also employed to deliver activities daily.

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

#### **Achievements and performance**

The charity's philosophy of providing a high standard of nursing care and kind attention according to its objectives was continued throughout the year. This has enabled the Nursing Home to maintain an excellent reputation within the community.

The Home has continued its registered membership with the Care Quality Commission (CQC), the National Care Homes Association (NCHA) and the West Sussex Partners in Care (WSPiC).

The Home continues its association with Citation and Quality Compliance System (QCS) with regard to policies and procedures for Health & Safety & Employment Law.

Staff are continually kept up to date on Health and Safety, Moving and Handling, Protection of Vulnerable Adults, Fire Safety, Wound Care, Infection Control, First Aid & Care of the Dying, Equality & Diversity, Diet & Nutrition, MCA & DOLS, Dementia, Medication and Data Protection & Governance. They receive tuition from professional trainers in-house and on-line training is available from Gateway, Laser and Citation e-courses. We continue to use Crawley College for Health & Social care training and all new Health Care Assistants complete the Care Certificate.

The trustees have ensured that Honeywood House continues to be maintained to the highest standard and in the year to 31 January 2020 and in the forthcoming year, the nursing home continues to be upgraded and maintained inside and outside with various refurbishment having taken place last year. Bedrooms continue to be refurbished as they become vacant ready for new residents.

Current year achievements include:

- Necessary redecorations to all corridors, conservatory, dining room and lounge.
- Refurbishments to the Arjo bathroom to implement a tracking hoist and bath.
- Refurbishment of storage rooms 19 & 20 to isolation rooms.

# HONEYWOOD HOUSE NURSING HOME

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2020

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There is a on-going refurbishment plan to continue in making the Home a better place. Therefore for the coming year further works are planned for.

Various fundraising events continue to help the running of the minibus and outings for our residents.

#### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The total income receivable from residents amounts to £1,268,543 (2019 - £1,242,249). Resident's occupancy numbers increased in the year.

The total expenditure in the year increased by 6.5% (2019 - 5.6%). Trustee, staff and agency cost account for 74.5% (2019 - 74.3%) of total charity expenditure. Food, provisions, medical and patient care consumables also account for 6.7% (2019 - 6.1%) of total charity expenditure.

The deficit for the year was £102,330 compared to a deficit in 2019 of £38,946.

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

#### **Structure, governance and management**

The charity is governed by its Trust Deed dated 1st December 1959.

The trustees who served during the year and up to the date of signature of the financial statements were:

S M White

D W Triggs

V A White

P R Johnson (Retired Policeman)

I G Blackwell

Appointment of trustees is governed by the Trust Deed. The board of trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. Suitable candidates would be interviewed and a training course would be made available.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees of the charity are legally responsible for the overall management and control of the nursing home. The day to day running of the nursing home is delegated to the full-time registered manager Ivy Blackwell, and the general manager Sandra White, who are supported by fully trained nursing staff on duty 24 hours a day and domestic and maintenance staff. Weekly visits are made by a doctor and physiotherapist.

# HONEYWOOD HOUSE NURSING HOME

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2020**

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### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and 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 year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient 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.

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

**S M White**

Trustee

Dated: 27 November 2020

# HONEYWOOD HOUSE NURSING HOME

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

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#### Opinion

We have audited the financial statements of Honeywood House Nursing Home (the 'charity') for the year ended 31 January 2020 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 charity's affairs as at 31 January 2020 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 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.

# HONEYWOOD HOUSE NURSING HOME

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

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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 are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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.

#### **Other matter**

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.



# HONEYWOOD HOUSE NURSING HOME

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF HONEYWOOD HOUSE NURSING HOME

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#### Use of our report

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

**Matthew Cleghorn FCA BSc (Hons) (Senior Statutory Auditor)**  
**for and on behalf of Cleghorn**

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

Suite F10 London Road  
Hardham  
Pulborough  
West Sussex  
RH20 1LA

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

# HONEYWOOD HOUSE NURSING HOME

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
<b>Income from:</b>									
Donations and legacies	3	2,102	-	-	2,102	5,938	-	-	5,938
Charitable activities	4	1,268,543	-	-	1,268,543	1,242,249	-	-	1,242,249
Other trading activities	5	1,429	-	-	1,429	3,609	-	-	3,609
Investments	6	319	-	-	319	237	-	-	237
<b>Total income</b>		1,272,393	-	-	1,272,393	1,252,033	-	-	1,252,033
<b>Expenditure on:</b>									
Raising funds	7	963,903	-	-	963,903	880,263	-	-	880,263
Charitable activities	9	410,820	-	-	410,820	410,716	-	-	410,716
<b>Total resources expended</b>		1,374,723	-	-	1,374,723	1,290,979	-	-	1,290,979
Gross transfers between funds		-	-	-	-	15,000	(15,000)	-	-
<b>Net movement in funds</b>		(102,330)	-	-	(102,330)	(23,946)	(15,000)	-	(38,946)
Fund balances at 1 February 2019		208,524	1,385,000	1,000,000	2,593,524	232,470	1,400,000	1,000,000	2,632,470
<b>Fund balances at 31 January 2020</b>		106,194	1,385,000	1,000,000	2,491,194	208,524	1,385,000	1,000,000	2,593,524

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

All income and expenditure derive from continuing activities.

# HONEYWOOD HOUSE NURSING HOME

## BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	13		2,493,884		2,432,259
<b>Current assets</b>					
Stocks	14	2,821		2,640	
Debtors	15	34,666		48,336	
Cash at bank and in hand		90,146		229,814	
			127,633		280,790
<b>Creditors: amounts falling due within one year</b>	16	(130,323)		(119,525)	
Net current (liabilities)/assets			(2,690)		161,265
<b>Total assets less current liabilities</b>			2,491,194		2,593,524
<b>Capital funds</b>					
Endowment funds - general	18		1,000,000		1,000,000
<b>Income funds</b>					
Restricted funds	19		1,385,000		1,385,000
Unrestricted funds			106,194		208,524
			2,491,194		2,593,524

The financial statements were approved by the Trustees on 27 November 2020

S M White  
Trustee

# HONEYWOOD HOUSE NURSING HOME

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 JANUARY 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(43,413)		(32,508)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(96,574)		(12,787)	
Proceeds on disposal of tangible fixed assets		-		15,000	
Interest received		319		237	
<b>Net cash (used in)/generated from investing activities</b>			(96,255)		2,450
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(139,668)		(30,058)
Cash and cash equivalents at beginning of year			229,814		259,872
<b>Cash and cash equivalents at end of year</b>			90,146		229,814

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2020

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#### 1 Accounting policies

##### Charity information

Honeywood House Nursing Home is an unincorporated charity. The principal address is Rowhook, Horsham, West Sussex, RH12 3QD.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### *Impact of COVID-19*

The COVID-19 pandemic resulted in severe disruption to the trading and investment environment in the UK and globally commencing March 2020. Care homes have been particularly impacted by the pandemic due to the vulnerability of their residents. The charity has taken the necessary steps to protect its residents and staff (such as restricting access to visitors and providing 'COVID safe' areas and PPE for staff) as at the reporting date the occupancy levels remain at (or around) capacity. No adjustment has been made to financial information reported for the year ended 31 January 2020, while any future financial impact remains uncertain the prospect of a vaccine being approved for use in the near future provides some assurance that the impact on the charity's activities will be minimal.

##### 1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2020

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#### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

Nursing home accommodation fee income from residents are invoiced monthly in advance and give rise to deferred income as at the year end. These are recognised accordingly within these financials.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

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

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

Freehold land and buildings	Held at valuation
Fixtures and fittings	20% on cost

The charity has adopted a policy to revalue its freehold property at least every five years by a suitably qualified person, independent of Honeywood House Nursing Home with the most recent valuation carried out on 29 August 2015 by ML Surveyors LLP. An interim revaluation was carried out by the trustees as at 31 January 2019 following the sale of some land.

As the asset is held at valuation rather than cost it has not been deemed necessary to depreciate the asset.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

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

#### 1.8 Stocks

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

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

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.11 Taxation**

The charity is exempt from tax on its charitable activities.

#### **1.12 Employee benefits**

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

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

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	2,102	5,938



# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 4 Charitable activities

	Nursing home 2020 £	Nursing home 2019 £
Income from residents	1,268,543	1,242,249

### 5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Fundraising events	1,429	3,609

### 6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	319	237

### 7 Raising funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Trading costs</u>		
Other trading activities (see note 8)	963,903	880,263
	963,903	880,263

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 8 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Opening stock	2,640	3,347
Purchases of food, provisions and medical goods	62,899	56,837
Closing stock	(2,821)	(2,640)
Staff costs	833,809	755,723
Laundry & cleaning	36,549	35,458
Newspapers, magazines etc.	1,825	2,285
Patient care consumables	29,002	21,982
Freelance nursing care	-	7,271
	<u>963,903</u>	<u>880,263</u>

### 9 Charitable activities

	Nursing home 2020	Nursing home 2019
	£	£
Agency staff salaries	75,184	116,774
Rates and water	6,803	5,498
Insurance	11,528	9,162
Light and heat	35,095	40,289
Sundries	1,188	1,142
Garden maintenance costs	8,138	9,816
Repairs and maintenance costs	34,791	43,787
Fire alarm and security costs	2,195	2,032
Subscriptions	8,883	6,450
	<u>183,805</u>	<u>234,950</u>
Share of support costs (see note 10)	207,792	158,319
Share of governance costs (see note 10)	19,223	17,447
	<u>410,820</u>	<u>410,716</u>

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

### 10 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Trustees' remuneration, social security and pension	115,413	-	115,413	79,530	-	79,530
Depreciation	34,949	-	34,949	32,575	-	32,575
Motor expenses	1,945	-	1,945	1,766	-	1,766
Travelling expenses	9,218	-	9,218	9,966	-	9,966
Office costs	10,954	-	10,954	11,892	-	11,892
Entertainment	6,273	-	6,273	6,861	-	6,861
Bank and credit card charges	1,298	-	1,298	638	-	638
Computer, website and software costs	1,315	-	1,315	1,815	-	1,815
Staff related expenses	8,257	-	8,257	7,370	-	7,370
Advertising	8,269	-	8,269	1,287	-	1,287
Accountancy fees	9,901	-	9,901	4,619	-	4,619
Audit fees	-	3,000	3,000	-	4,800	4,800
Legal and professional	-	16,223	16,223	-	12,647	12,647
	<u>207,792</u>	<u>19,223</u>	<u>227,015</u>	<u>158,319</u>	<u>17,447</u>	<u>175,766</u>
Analysed between						
Charitable activities	<u>207,792</u>	<u>19,223</u>	<u>227,015</u>	<u>158,319</u>	<u>17,447</u>	<u>175,766</u>

Governance costs includes payments to the auditors of £3,000 (2019- £4,800) for audit fees.

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 11 Trustees

During the year, the following trustees received remuneration, social security and pension contributions as follows:

	2020 £	2019 £
S M White - Remuneration	32,032	30,829
S M White - Social Security	3,230	3,094
S M White - Pension	747	466
W K Trett - Remuneration	-	14,576
W K Trett - Social Security	-	1,249
I G Blackwell - Remuneration	46,800	25,869
I G Blackwell - Overtime	22,917	-
I G Blackwell - Social Security	8,428	3,170
I G Blackwell - Pension	1,260	277
	<u>115,413</u>	<u>79,530</u>

None of the trustees (or any persons connected with them) were paid or reimbursed expenses from the charity during the year.

S White is employed by the charity as a General Manager and I Blackwell is employed as the Registered Manager. Permission to employ trustees to occupy these specific roles has been obtained from The Charity Commission in the past. Before awarding these roles a market salary benchmark review is carried out and other candidates are considered.

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Support staff (excluding agency staff)	51	50
Trustee and management staff	2	2
	<u>53</u>	<u>52</u>

#### Employment costs (excluding agency staff costs)

	2020 £	2019 £
Wages and salaries	868,983	776,097
Social security costs	62,407	51,614
Other pension costs	17,832	7,542
	<u>949,222</u>	<u>835,253</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,000 - £69,999	1	-

### 13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	2,385,000	314,499	2,699,499
Additions	-	96,574	96,574
	<u>2,385,000</u>	<u>411,073</u>	<u>2,796,073</u>
<b>At 31 January 2020</b>			
	<u>2,385,000</u>	<u>411,073</u>	<u>2,796,073</u>
<b>Depreciation and impairment</b>			
At 1 February 2019	-	267,240	267,240
Depreciation charged in the year	-	34,949	34,949
	<u>-</u>	<u>302,189</u>	<u>302,189</u>
<b>At 31 January 2020</b>			
	<u>-</u>	<u>302,189</u>	<u>302,189</u>
<b>Carrying amount</b>			
At 31 January 2020	2,385,000	108,884	2,493,884
	<u>2,385,000</u>	<u>108,884</u>	<u>2,493,884</u>
At 31 January 2019	2,385,000	47,259	2,432,259
	<u>2,385,000</u>	<u>47,259</u>	<u>2,432,259</u>

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 13 Tangible fixed assets

(Continued)

Freehold land and buildings, with a carrying amount of £2,385,000, was revalued as at 29 August 2015 by N.C.D Jones BSc MRICS of ML Surveyors LLP, independent valuers not connected with the charity on the basis of market value at a value of £2,400,000. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. This was revalued down by the trustees as at the 31 January 2019 to £2,385,000 following the sale of some land.

### 14 Stocks

	2020 £	2019 £
Finished goods and goods for resale	2,821	2,640

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	25,337	36,332
Prepayments and accrued income	9,329	12,004
	34,666	48,336

### 16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		22,969	22,291
Deferred income	17	32,706	38,584
Trade creditors		25,866	17,384
Other creditors		11,026	6,634
Accruals and deferred income		37,756	34,632
		130,323	119,525

### 17 Deferred income

	2020 £	2019 £
Arising from residents income received in advance	32,706	38,584

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2020

#### 18 Endowment funds

There have been no movements on Endowment funds during the year ended 31 January 2020 or 31 January 2019. The fund originated from the Trust Deed dated 1 December 1959 which settled the property, known as Honeywood House Nursing Home and surrounding land.

	Movement in funds					Movement in funds					Balance at 31 January 2020
	Balance at 1 February 2018	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 February 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowment	1,000,000	-	-	-	-	1,000,000	-	-	-	-	1,000,000
	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>

#### 19 Restricted funds

The restricted fund represents the total net increase in value of the property, known as Honeywood House Nursing Home and surrounding land from revaluations carried out in prior years. The last independent valuation was carried out in August 2015 at a market value of £2,400,000. This was revised down as at 31 January 2019 to £2,385,000 following the sale of some land.

	Movement in funds					Movement in funds					Balance at 31 January 2020
	Balance at 1 February 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 February 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£	£	£	£
Restricted fund	1,400,000	-	-	(15,000)	-	1,385,000	-	-	-	-	1,385,000
	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>1,385,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,000</u>

# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2020**

### 20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Fund balances at 31 January 2020 are represented by:								
Tangible assets	2,493,884	-	-	2,493,884	2,432,259	-	-	2,432,259
Current assets/(liabilities)	(2,690)	-	-	(2,690)	161,265	-	-	161,265
	<u>2,491,194</u>	<u>-</u>	<u>-</u>	<u>2,491,194</u>	<u>2,593,524</u>	<u>-</u>	<u>-</u>	<u>2,593,524</u>



# HONEYWOOD HOUSE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 21 Operating lease commitments

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

	2020 £	2019 £
Within one year	960	5,958
Between two and five years	960	1,920
	<u>1,920</u>	<u>7,878</u>

### 22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

### 23 Cash generated from operations

	2020 £	2019 £
Deficit for the year	(102,330)	(38,946)
Adjustments for:		
Investment income recognised in statement of financial activities	(319)	(237)
Depreciation and impairment of tangible fixed assets	34,949	32,575
Movements in working capital:		
(Increase)/decrease in stocks	(181)	707
Decrease/(increase) in debtors	13,670	(30,957)
Increase in creditors	16,676	7,660
(Decrease) in deferred income	(5,878)	(3,310)
<b>Cash absorbed by operations</b>	<u>(43,413)</u>	<u>(32,508)</u>

### 24 Analysis of changes in net funds

The charity had no debt during the year.