

Charity Registration No. 1070891

Company Registration No. 3580252 (England and Wales)

BERNHARD BARON COTTAGE HOMES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

BERNHARD BARON COTTAGE HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P A Appleton Ms S Coles Ms K Gibbs Mrs S N Hallett Mr D H Hitchin Mrs P A Sear Mrs J E Stock Mr J Thurley Ms S Walton (Appointed 3 July 2020)
Treasurer	Mr D Hitchin
Charity number	1070891
Company number	3580252
Registered office	Eastbourne Road Polegate East Sussex BN26 5HB
Auditors	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU
Bankers	Barclays Bank Plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE
Solicitors	Gaby Hardwicke 33 The Avenue Eastbourne East Sussex BN21 3YD
Investment advisors	Rathbone Investment Management Limited 1 Northgate Chichester West Sussex PO19 1AT

BERNHARD BARON COTTAGE HOMES

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BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their report together with the financial statements for the year ended 31 March 2021.

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

The Bernhard Baron Cottage Homes

The Bernhard Baron Cottage Homes (also referred to as BBCH or the Homes) are a residential home for older people situated in Polegate, East Sussex. We are registered for up to 60 male and female Residents from 65 years of age, but that registration might be increased as far as 70 if more cottages were occupied by couples.

The Homes are administered by the Religious Society of Friends (Quakers). They welcome all older people who may benefit from the care and spirit of community which the Homes provide, whatever their religious or political beliefs.

Objectives and activities

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

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

Everything we do is aimed at achieving these objectives. We have a fund to provide financial support for Residents who, after some time in the Homes, run out of sufficient money to pay their own fees.

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

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

The year in review

It has been a very challenging year for care homes mentally, physically and financially.

During the year eleven residents died and six moved to nursing homes. We welcomed four new Residents during the pandemic but one decided she wasn't ready and returned home.

Covid-19 sadly found its way into the homes at the end of December 2020 and 14 residents and 17 staff members became Covid positive.

We have managed our costs tightly during this difficult period and have been grateful for the funding provided by the government to assist us during the pandemic.

Our staff numbers have continued to increase as we aim to have cover for all eventualities. BBCH always seeks to be a good employer in terms of work environment, staff participation, pay and benefits and general terms and conditions. We are proud to have become one of the 7000 employers to have joined the Living Wage Foundation this year.

Our aim is comfort, not luxury, and we have excellent facilities which are regularly maintained and upgraded. This year we have upgraded the decor and furniture in our dining room and both lounges. As rooms have become empty they too have been upgraded, with new wet rooms where needed, redecorated and improved lighting. No detail is too small for our attention.

Our bursary fund which enables us to support Residents who are no longer able to pay part, or all of our fees is capped at present at £250,000. We are very grateful for all the contributions to this fund, and we hope that this shows our intention to take care of Residents for the rest of their lives whenever possible. There are some health problems which need more specialist care than we are registered to provide, but with that exception it is a home for life. We are not a nursing home, but we are able to provide for residents who are extremely frail. We provide end of life care so that Residents die in their own rooms cared for by the people that they know, rather than in hospital.

If we then look at the financial results for the year excluding the stock market losses and the bursary fund, the Homes have run at an operating loss. Inflation in our two biggest cost areas, wages and provisions far exceeds headline inflation. With the current economic uncertainty these pressures are likely to continue in the coming years. The covid-19 pandemic is adding to our costs, and the long-term effects are unpredictable at present.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

How we fulfil our objects and aims

We provide full service 24/7 residential care for older people, including accommodation and all aspects of care.

- nutrition, hydration, personal care, cleaning and laundry - and by offering an increasingly strong and varied activities program.

The Homes have 24 cottages and a main building with 34 rooms, all with ensuite facilities. In addition the main building houses the dining room, three lounges, the main kitchen and the reception and administrative facilities. Several rooms in the main building have been arranged in such a way that we can offer couples their own bedroom and sitting room.

Prior to Covid-19 our practice was to encourage a community spirit with Residents from the cottages and from the main building eating together at lunchtime each day. During the pandemic we decided to separate the main building and the cottage residents into two separate communities to help keep our residents safe. Bed and breakfast accommodation has been unavailable for relatives and friends on the premises due to Covid-19 restrictions.

Communication within the homes has changed during the pandemic, monthly meetings with the Residents Forum, general Residents meetings, and the inclusion of Residents in the annual general meeting of the Homes have had to be cancelled, or held via 'Zoom' sessions on screens.

Our Spring, Summer and Christmas Fayres that previously provided an open door to the local community, promoted the Homes and raised funds to support the activities programme for our Residents have had to be cancelled since March 2020 and at present we don't know when we will be able to resume this activity.

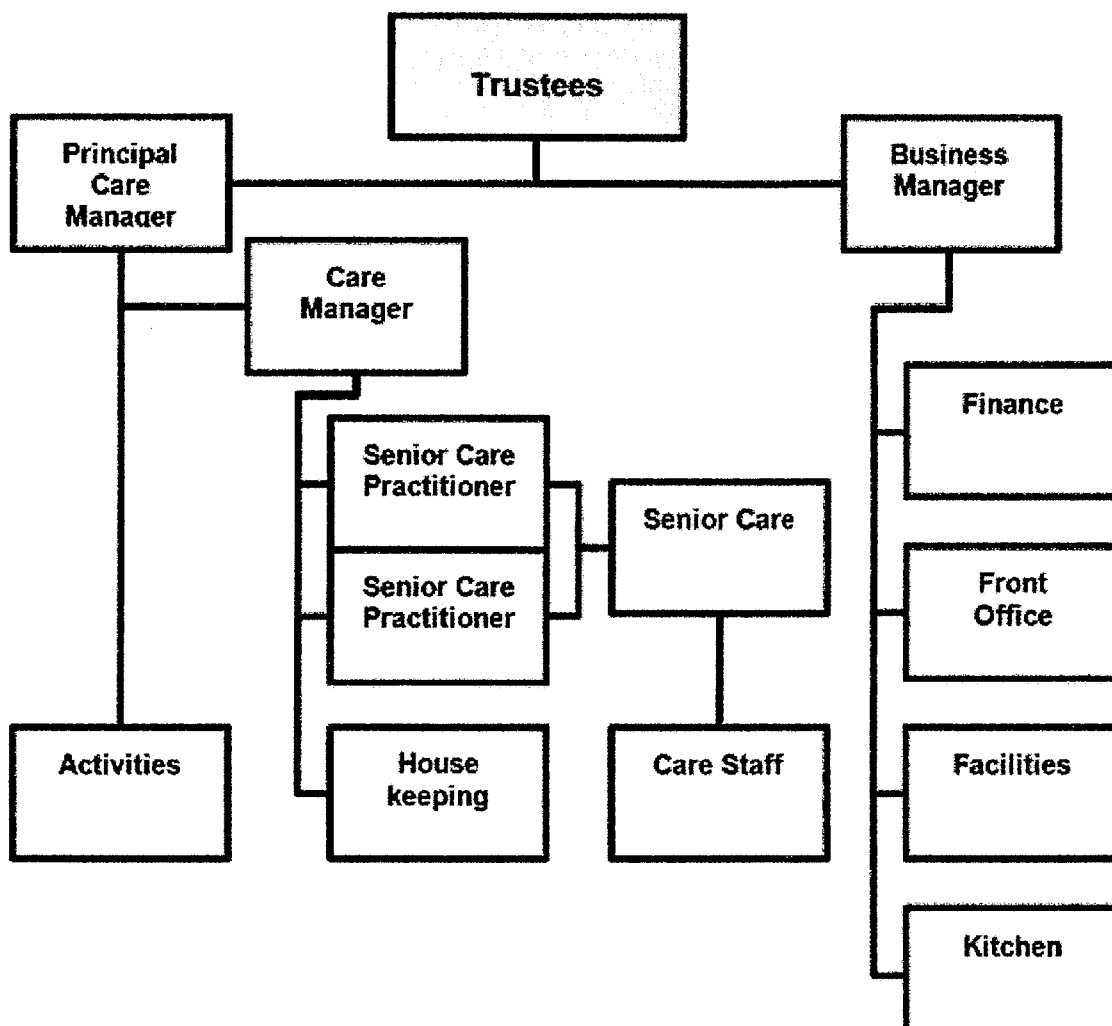
Organisation and management

At the beginning of our year the Homes were managed by Trudi Knight, the Principal Care Manager and Janice Andrews, Acting Business Manager. Janice was confirmed in post in September 2020. Between them they have many years of BBCH experience and even more experience in management and care positions. They were supported by a strong team of senior managers and department heads, all of whom have been with the Homes for between 4 and 24 years. In addition we have received regular assistance with our accounts from Veronica Stoner who is self-employed and Trish Durbridge our accounts assistant who has also been with the homes for over 8 years.

The Trustees thank all the staff for their dedication during what can only be described as the most challenging year in the history of BBCH and the senior management team for their hard work ensuring the care and safety of our Residents and staff never wavered.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021



BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

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

This year celebrated the 75th Anniversary of the homes, we were able to hold a socially distanced party and David Hitchin, Trustee, kindly updated the book 'Bernhard Baron Cottage Homes, '75 years of Quaker Care 1945 - 2020'. A copy of the book was presented on the anniversary to all Residents, staff members and volunteers. It is also available to purchase.

In normal times we offer a wide and varied program of activities and events throughout the year, including craft groups, exercise classes, Bible study, music for pleasure, scrabble, and a range of games. Residents are encouraged to suggest areas of interest and to take part in their organisation. We have had to adapt this programme to both settings separately during Covid taking all changes to regulations into account.

We hired a marquee to provide an area where the cottage residents could all meet as a community for meals and social activities. This has been a great success and has been used every day. It even became our vaccination hub.

Outings on our minibus have been few and adaptations were made to the bus to ensure social distancing rules were adhered to.

We have two full time Care Activities Assistants for group as well as one to one activities, helping with individual needs to maintain the quality of life. They quickly adapted their usual activities to assist and accommodate the residents as much as possible during lockdown. This included creating mobile shops as residents were unable to go out and taking orders for internet shopping. They have trained and assisted with our testing programmes and even returned to provide care when needed.

Our volunteers were all advised to shield during the year due to their ages or health, but one married couple, who have been volunteers for BBCH for over 20 years who refused to stay at home and instead became part of the 'BBCH bubble'. They have joined us daily, come rain or shine, helping in so many ways including serving meals to the cottage residents either in the marquee or in the cottages when the cottage residents were confined to their barracks during our Covid -19 outbreak.

We have Amazon Video and Netflix to provide a wider choice of films. A group of Residents and activities assistants select the films which are then streamed on Friday and or Saturday evenings in the main lounge and the temporary marquee .

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

Every year we have a number of Residents who leave us and this year we continued to hold an annual remembrance day to commemorate those who have left us in the past year. Family and friends of those who have left are usually invited to attend but sadly this wasn't able to happen this year due to restrictions.

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

Facebook has seen an even larger growth in usage, with many family and friends following what happens in the Homes. We sometimes get several hundred "likes" to a posting on Facebook which is extraordinary as we do not advertise the site. A video of our outside, socially distanced exercise class even made it onto the BBC Healthwatch programme.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

For over eight years we have offered Residents free Wi-Fi service throughout the Homes. As a result, about 55% of our Residents are now linked to the internet via computers, laptops, iPads and tablets. It is interesting to see that many new Residents arrive with technology in tow and we have a laptop in one of our lounges for general use. The activities team supports those with computers and tablets by holding monthly "computer group" sessions.

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

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

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

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

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

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Financial review

Our financial performance continues to be strong. Last year trustees believed that we were prepared for any adverse impact of exiting the EU or other global issues which may come our way. The covid-19 pandemic was unexpected. We were only able to welcome 3 new residents who all had to be isolated on arrival for a minimum of 2 weeks and residents returning from hospital were also quarantined. We predict that we could cope financially if we had a few vacancies, but, as with any care home, a substantial loss of staff or residents would be difficult to manage. An annual risk review is done and while the impact of some risk areas would be high, and the risk of any foreseeable event happening has been mitigated, the exception is covid-19.

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

Revenue remained strong despite the impact of having several empty rooms. Vacancies arise at irregular and unpredictable times, and, in spite of considerable recruitment actions, they cannot always be filled quickly especially with the losses in care homes having been so great. .

The National Living Wage continues to increase every year and both this year and the coming years are no exceptions. While the Homes pride itself in paying everyone more than National Living Wage, this is the basis of our calculation, and the increase affects all members of staff in proportion. Staff pay makes up 58% of our total costs. The so-called National Living Wage is not enough to provide a reasonable standard of living, and we signed up to the Quaker-led Living Wage Campaign. This will increase our salary bill, and this in turn will increase our fees.

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

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

Plans for the future

We are grateful that our big "infrastructure" projects are largely behind us, though, with a 75 year old building, there are often surprises. Plans for an activities space are once again being considered.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Structure, governance and management

Corporate structure, governing documents and charity registration

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

Appointment of Trustees

Trustees, who are also the directors of the BBCH, are nominated by nearby Area Quaker Meetings of the Religious Society of Friends, and then appointed at a General Meeting of BBCH. In order to provide continuity, trustees are appointed to serve for a rolling three year period, with a change-over or reappointment of at least four trustees every year. The articles allow for 12 Trustees and we are fortunate to have 9 Trustees at this time.

Trustee involvement in the Homes

Trustees attend four meetings a year, plus the AGM and a number of committee meetings, including the Management and Development Group, the Premises Committee and the Finance and Investment Committee. Usually when attending a meeting Trustees try to join Residents for lunch to encourage a free flow of information about life in the Homes but unfortunately this has been unable to happen during the pandemic as all meetings have been held via 'Zoom' calls.

The Trustees also meet once a year off site for a strategy day and to have the opportunity to discuss confidential matters. Outcomes of these meetings are discussed with management and areas of concern are addressed. This also was cancelled this year due to covid and instead was held via Zoom.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P A Appleton

Mrs K Ashcroft

(Resigned 3 July 2020)

Ms S Coles

Ms K Gibbs

Mrs S N Hallett

Mr D H Hitchin

Mrs P A Sear

Mrs J E Stock

Mr J Thurley

Ms S Walton

(Appointed 3 July 2020)

Investment Powers and Policy

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

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

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

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

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Reserves Policy

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

The reserves policy is reviewed annually.

Covid-19

As soon as government guidance was received early in March we have followed all of its recommendations, especially those relating to social distancing. No visitors were permitted. Like all investments, our own are substantially affected by the pandemic. Rathbones are keeping us informed of changes. The early indications are that our investments were performing better than the markets as a whole.

Public benefit

The trustees continually strive to expand our public benefit offering.

Whilst maintaining our fees at low levels ensuring the affordability of the Homes for the widest possible population, BBCH also has Residents paid for by social services and supports Residents who have a financial need where possible. 7% of our Residents have benefited from this support in the past year.

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

Key management personnel

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

Auditor

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

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

Mr D H Hitchin

Trustee

Dated: 2 July 2021



BERNHARD BARON COTTAGE HOMES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BERNHARD BARON COTTAGE HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES

Opinion

We have audited the financial statements of Bernhard Baron Cottage Homes (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

BERNHARD BARON COTTAGE HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 included within the Trustees' 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 trustees' 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 Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BERNHARD BARON COTTAGE HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings
- Performing audit procedures on the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of report

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

Knill James LLP

Mark Filsell FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

Chartered Accountants
Statutory Auditor

30 July 2021
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One Bell Lane
Lewes
East Sussex
BN7 1JU

BERNHARD BARON COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds Designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	14,805	-	153,886	168,691	2,767
Charitable activities	4	2,092,522	-	-	2,092,522	2,132,551
Investments	5	17,810	-	-	17,810	23,594
Other income	6	13,613	-	-	13,613	7,506
Total income		2,138,750	-	153,886	2,292,636	2,166,418
<u>Expenditure on:</u>						
Raising funds	7	4,671	-	-	4,671	5,104
Charitable activities	8	2,140,106	26,288	116,127	2,282,521	2,223,648
Total resources expended		2,144,777	26,288	116,127	2,287,192	2,228,752
Net gains/(losses) on investments	12	158,972	-	-	158,972	(79,139)
Net incoming/(outgoing) resources before transfers		152,945	(26,288)	37,759	164,416	(141,473)
Gross transfers between funds		11,471	26,288	(37,759)	-	-
Net movement in funds		164,416	-	-	164,416	(141,473)
Fund balances at 1 April 2020		2,646,762	800,000	-	3,446,762	3,588,235
Fund balances at 31 March 2021		2,811,178	800,000	-	3,611,178	3,446,762

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

All income and expenditure derive from continuing activities.

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

BERNHARD BARON COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds Designated 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	2,767	-	2,767
Charitable activities	4	2,132,551	-	2,132,551
Investments	5	23,594	-	23,594
Other income	6	7,506	-	7,506
Total income		2,166,418	-	2,166,418
<u>Expenditure on:</u>				
Raising funds	7	5,104	-	5,104
Charitable activities	8	2,223,648	-	2,223,648
Total resources expended		2,228,752	-	2,228,752
Net gains/(losses) on investments	12	(79,139)	-	(79,139)
Net movement in funds		(141,473)	-	(141,473)
Fund balances at 1 April 2019		2,788,235	800,000	3,588,235
Fund balances at 31 March 2020		2,646,762	800,000	3,446,762

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

All income and expenditure derive from continuing activities.

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

BERNHARD BARON COTTAGE HOMES

BALANCE SHEET

AS AT 31 MARCH 2021


	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	2,806,507		2,856,359	
Investments	15	782,407		714,980	
		<u>3,588,914</u>		<u>3,571,339</u>	
Current assets					
Stocks	16	7,012		6,547	
Debtors	17	11,948		24,124	
Cash at bank and in hand		236,328		87,231	
		<u>255,288</u>		<u>117,902</u>	
Creditors: amounts falling due within one year	18	<u>(233,024)</u>		<u>(242,479)</u>	
Net current assets/(liabilities)			22,264		(124,577)
Total assets less current liabilities			<u>3,611,178</u>		<u>3,446,762</u>
Income funds					
Unrestricted funds - Designated	20	800,000		800,000	
Unrestricted funds - General		2,811,178		2,646,762	
		<u>3,611,178</u>		<u>3,446,762</u>	

The financial statements were approved by the board of directors and authorised for issue on 2 July 2021 and are signed on its behalf by:

Mr P A Appleton
Trustee



Mr D H Hitchin
Trustee



Company Registration No. 3580252

BERNHARD BARON COTTAGE HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24		147,097		50,834
Investing activities					
Purchase of tangible fixed assets		(107,355)		(184,598)	
Purchase of investments		1,130		(138,997)	
Proceeds on disposal of investments		43,538		254,305	
Cash account movement		46,877		(7,780)	
Interest received		17,810		23,594	
Net cash generated from/(used in) investing activities			2,000		(53,476)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			149,097		(2,642)
Cash and cash equivalents at beginning of year			87,231		89,873
Cash and cash equivalents at end of year			236,328		87,231

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

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

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the time of approving the accounts, there is still the possibility that the pandemic created by Covid-19 may affect the future occupation rate for the foreseeable future. The Trustees have prepared a Covid-19 Risk Assessment and (depending on the level of reduced income) have discussed various financial options to ensure that there will be adequate funds to continue in operational existence for the next financial year. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the Accounts.

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

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

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

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

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

Freehold land is not depreciated.

1.7 Fixed asset investments

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

1.8 Stocks

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.11 Retirement benefits

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

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	3,508	-	3,508	2,767
Grants related to Covid19 (incl furlough)	11,297	153,886	165,183	-
	14,805	153,886	168,691	2,767
For the year ended 31 March 2020	2,767	-		2,767

All donations and legacies are unrestricted.

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities	Fees received		Meal money received		Shop sales		Welfare gifts etc		Telephone money received		Total 2020		Total 2020	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Incoming resources	2,048,214	-	-	-	-	(1,447)	8,185	2,054,952	2,097,968					
Charitable rental income	37,570	-	-	-	-	-	-	37,570	34,583					
	<u>2,085,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,447)</u>	<u>8,185</u>	<u>2,092,522</u>	<u>2,132,551</u>					

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	2021	2020
	£	£
Income from listed investments	17,810	23,575
Interest receivable	-	19
	<u>17,810</u>	<u>23,594</u>
For the year ended 31 March 2020		
Unrestricted funds		<u>23,594</u>

6 Other income

	2021	2020
	£	£
Other income	<u>13,613</u>	<u>7,506</u>
For the year ended 31 March 2020		
Unrestricted funds		<u>7,506</u>

7 Raising funds

	2021	2020
	£	£
Investment management	<u>4,671</u>	<u>5,104</u>
	<u>4,671</u>	<u>5,104</u>
For the year ended 31 March 2020		
Unrestricted funds		<u>5,104</u>

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	1,382,780	1,232,081
Depreciation and impairment	157,208	145,075
Provisions	180,755	171,190
Training and conference expenses	21,569	24,537
Fee subsidy	82,522	203,948
Electricity	40,567	28,134
Gas	25,367	29,749
Water	31,816	24,363
Council tax	3,492	2,422
Cleaning and consumables	19,997	14,343
Insurance	7,492	7,096
Garden expenses	10,697	14,241
Repairs	120,879	128,332
Decorations	2,496	14,022
Travel expenses	15,439	5,790
Welfare expenses	10,280	11,872
Other charitable expenditure	93,009	73,212
	<u>2,206,365</u>	<u>2,130,407</u>
Share of governance costs (see note 9)	76,156	93,241
	<u>2,282,521</u>	<u>2,223,648</u>
Analysis by fund		
Unrestricted funds - General	2,140,106	2,223,648
Unrestricted funds - Designated	26,288	-
Restricted funds	116,127	-
	<u>2,282,521</u>	<u>2,223,648</u>

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Governance costs £	2021 £	2020 £
Audit fees	8,220	8,220	7,980
Legal and professional	31,748	31,748	34,539
Bank charges and interest	666	666	756
Registration fees	8,792	8,792	9,404
Stationery, advertising and software	14,806	14,806	27,542
Postage and telephone	11,744	11,744	13,020
Committee expenses	180	180	-
	<u>76,156</u>	<u>76,156</u>	<u>93,241</u>
Analysed to:			
Charitable activities	<u>76,156</u>	<u>76,156</u>	<u>93,241</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. The trustees were reimbursed £Nil for travelling and sustenance expenses in the year (2020 - £188).

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Housing care for residents	67	65
Administration	4	5
Total	<u>71</u>	<u>70</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,222,223	1,089,507
Social security costs	75,680	66,021
Other pension costs	84,877	76,553
	<u>1,382,780</u>	<u>1,232,081</u>

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

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Net (losses)/gains on investments

	2021	2020
	£	£
Revaluation of investments	148,634	15,555
Gain/(loss) on sale of investments	10,338	(94,694)
	<u>158,972</u>	<u>(79,139)</u>

13 Taxation

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

14 Tangible fixed assets

	Land and buildings - Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	3,383,135	897,962	49,751	4,330,848
Additions	15,108	92,247	-	107,355
	<u>3,398,243</u>	<u>990,209</u>	<u>49,751</u>	<u>4,438,203</u>
At 31 March 2021				
Depreciation and impairment				
At 1 April 2020	906,712	522,239	45,537	1,474,488
Depreciation charged in the year	67,965	88,190	1,053	157,208
	<u>974,677</u>	<u>610,429</u>	<u>46,590</u>	<u>1,631,696</u>
At 31 March 2021				
Carrying amount				
At 31 March 2021	<u>2,423,566</u>	<u>379,780</u>	<u>3,161</u>	<u>2,806,507</u>
At 31 March 2020	<u>2,476,422</u>	<u>375,723</u>	<u>4,214</u>	<u>2,856,359</u>

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 April 2020	651,113	63,867	714,980
Additions	(1,130)	-	(1,130)
Valuation changes	148,634	-	148,634
Cash account movement	-	(46,877)	(46,877)
Disposals	(33,200)	-	(33,200)
At 31 March 2021	765,417	16,990	782,407
Carrying amount			
At 31 March 2021	765,417	16,990	782,407
At 31 March 2020	651,113	63,867	714,980

	2021 £	2020 £
Other investments comprise:		
Cash held	16,990	63,867

16 Stocks	2021 £	2020 £
Consumables	7,012	6,547

17 Debtors	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	733	160
Other debtors	4,397	3,976
Prepayments and accrued income	6,818	19,988
	11,948	24,124

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	16,616	14,509
Trade creditors	47,335	30,006
Other creditors	11,883	12,135
Accruals and deferred income	157,190	185,829
	<u>233,024</u>	<u>242,479</u>

19 Retirement benefit schemes

Defined contribution schemes

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

An amount of £11,587 was outstanding at the balance sheet date (2020 - £8,576).

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £84,877 (2020 - £76,553).

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Designated funds

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

	Movement in funds					
	Balance at 1 April 2019	Incoming resources	Balance at 1 April 2020	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£
Property improvements reserve	300,000	-	300,000	-	-	300,000
Other care improvements reserve	250,000	-	250,000	-	-	250,000
Bursary fund	250,000	-	250,000	(26,288)	26,288	250,000
	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>(26,288)</u>	<u>26,288</u>	<u>800,000</u>

Property improvements reserve

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

Other care improvements reserve

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

Bursary fund

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

21 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Tangible assets	2,806,507	-	-	2,806,507
Investments	782,407	-	-	782,407
Current assets/(liabilities)	(777,736)	800,000	-	22,264
	<u>2,811,178</u>	<u>800,000</u>	<u>-</u>	<u>3,611,178</u>

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Operating lease commitments

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

	2021 £	2020 £
Within one year	24,162	24,162
Between two and five years	90,527	94,026
In over five years	61,342	82,006
	<u>176,031</u>	<u>200,194</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>149,190</u>	<u>175,197</u>

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

24 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	164,416	(141,473)
Adjustments for:		
Investment income recognised in profit or loss	(17,810)	(23,594)
(Gain)/loss on disposal of investments	(10,338)	94,694
Fair value gains and losses on investments	(148,634)	(15,555)
Depreciation and impairment of tangible fixed assets	157,208	145,075
Movements in working capital:		
(Increase) in stocks	(465)	-
Decrease/(increase) in debtors	12,176	(6,881)
(Decrease) in creditors	(9,456)	(1,432)
Cash generated from operations	<u>147,097</u>	<u>50,834</u>

25 Analysis of changes in net funds

The charitable company had no debt during the year.