

Charity registration number 1070891

Company registration number 3580252 (England and Wales)

BERNHARD BARON COTTAGE HOMES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 |
| 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 2022

The Trustees are pleased to present their report together with the financial statements for the year ended 31 March 2022.

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).

Bernhard Baron Cottage Homes

The Bernhard Baron Cottage Homes (also referred to as Bernhard Baron Care Home, 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 as contained in its governing document are the relief of poverty in particular through the provision of accommodation to elderly people in need who are of limited means and who are of British nationality or domiciled in the United Kingdom of Great Britain and Northern Ireland.

The Charity meets its objectives through providing residential care in a homely community setting, encouraging independence and improving the quality of life of its Residents. The Charity provides 24 hour loving care for its Residents in an attractive setting with dedicated, experienced and well-trained staff.

The Trustees have agreed a fund to provide financial support for Residents who, after some time in the Homes, lack the funds 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.

The year in review

It has been another challenging year for Bernhard Baron and its staff team mentally, physically, and financially.

During the year six Residents died, two moved to nursing homes and eleven new residents were welcomed to the Homes.

Costs have been managed as tightly as possible during this difficult period and Trustees have been grateful for the funding provided by the government to assist us during the pandemic.

Staff numbers have continued to increase as the charity aims to have cover for all eventualities. BBCH always seeks to be a model employer in terms of work environment, staff participation, pay and benefits and general terms and conditions. BBCH are proud to be part of the Living Wage Foundation in line with the Quaker ethos.

The Charity's aim is comfort, not luxury, providing excellent facilities which are regularly maintained and upgraded. This year the programme to upgrade rooms continued, taking advantage of the higher than average number of vacancies. As rooms became empty new wet rooms were installed where needed, the rooms were redecorated and improved lighting was put in.

BERNHARD BARON COTTAGE HOMES

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

FOR THE YEAR ENDED 31 MARCH 2022

The bursary fund which enables the Charity to support Residents who are no longer able to pay part, or all of their fees is capped at present at £250,000. Trustees are very grateful for all the contributions to this fund, which enables the Charity to take care of Residents for as long as needed whenever possible. There are some health problems which need more specialist care than BBCH are registered to provide, but with that exception it is a home for life. BBCH are not a nursing home, but can still provide for Residents who are extremely frail. BBCH can also 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.

The financial results for the year excluding the stock market losses, show the Homes have again run at an operating loss. With the current economic uncertainty these pressures are likely to continue in the coming years. The covid-19 pandemic has again added to costs and consequent low occupancy rates exacerbated the financial impact. The long-term effects of the pandemic are unpredictable at present but are likely to be further impacted by high inflation.

Operations

BBCH provide full service 24 hour residential care for older people, including all aspects of care from nutrition, hydration, personal care, cleaning, and laundry to a 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 so couples can be offered their own bedroom and sitting room.

Prior to Covid-19 the Charity's practice was to encourage a community spirit encouraging Residents from the cottages and from the main building to eat together at lunchtime each day. During the pandemic the main building and the cottage Residents were split into two separate communities to help keep all Residents safe. The two communities were finally reunited in October. Bed and breakfast accommodation used to be available for relatives and friends on the premises but this had to stop due to Covid-19 restrictions and has not yet been reinstated.

Communication within the homes 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'. There has been a slow return to normal meetings in some areas but only where restrictions allow it to be done in a safe manner.

The BBCH Spring, Summer and Christmas Fayres have in previous years provided an open door to the local community, promoted the Homes and raised funds to support the activities programme for Residents. Sadly these have had to be cancelled since March 2020 with no indication as to when they may be safely resumed. However, smaller versions of the events have been held for Residents and staff providing photo opportunities for local publicity.

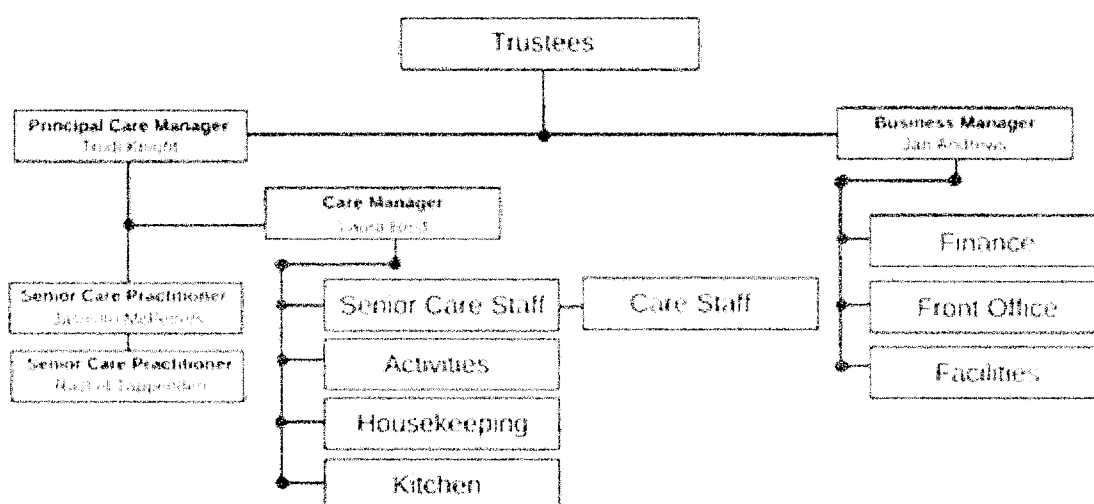
BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Organisation and management

At the beginning of the year the Homes were managed by Trudi Knight, the Principal Care Manager and Janice Andrews, Business Manager. Between them they have 60 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 who have been with the Homes for between 4 and 22 years. Veronica Stoner who is self-employed and Trish Durbridge manage the accounts.

The Trustees would like to express their thanks to all the staff and volunteers for their dedication during what can only be described as another challenging year in the history of BBCH. Their continued hard work ensures the high standard of care and safety of our residents.



BERNHARD BARON COTTAGE HOMES

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

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The care for BBCH's Residents has Trustees' complete attention and the feedback from Residents remains positive and supportive. Residents' comments and those from relatives and 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. While we receive few critical comments or complaints these help us keep our focus, allow us to correct errors quickly and facilitate continual improvement to our performance.

In normal times BBCH offers 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. The programme has had to adapt during Covid taking all changes to regulations into account.

BBCH continued to hire a marquee to provide an area where the cottage Residents could meet as a community for meals and social activities. This has been a great success and has been used every day for various pursuits. It also became a testing area and vaccination hub for cottage Residents.

BBCH have two full time Care Activities Assistants for group as well as one to one activities. Catering for Residents' individual needs is key to maintaining their quality of life. The Care Activities Assistants quickly adapted their usual activities to accommodate the Residents' needs 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 testing programmes and even provided care when needed. Outings on our minibus have necessarily been limited and adaptations were made to the bus to ensure social distancing rules were adhered to.

BBCH 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 refused to stay at home and instead became part of the 'BBCH bubble' serving meals to the cottage Residents either in the marquee or in the cottages. A subscription to Amazon Video and Netflix provided a wide 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.

Every year a number of Residents leave us and an annual Remembrance Day is held to commemorate them. Family and friends of the deceased are usually invited to attend but sadly, this year due to restrictions they could not.

The BBCH website is used as an information source for new Residents and their families, but it is also a staff recruitment tool. The technology behind the website has been upgraded. New photographs of the cottages, main building, and grounds, Residents and staff have been taken to improve the look and feel of the website. Facebook continues to see growth in usage, with many families and friends following what happens in the Homes. There is also a BBCH Instagram account.

For over nine years Residents have been offered free Wi-Fi service throughout the Homes. As a result, about 65% of the Residents are now linked to the internet via computers, laptops, iPads, and tablets. While many Residents have their own technology there is a laptop in one of the lounges for general use. The activities team support those with computers and tablets by holding monthly "computer group" sessions.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

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

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

The personalisation of the care for Residents continues not only with the activity organisers but with all staff. Personalisation is key 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 refreshments such as tea, coffee, hot chocolate, or juices at any time, or ask one of the staff for it.
- Taking meals 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.

Financial review

During the year income from Residents fell by £74k to just over £2m, while income from donations increased by £100k including £63k of donations to support Residents in financial hardship. Our thanks go out to all donors. Total income amounted to £2,309,289.

Resources expended increased by £100k to £2,391,825, the increase being primarily the result of our continuing investment in the superb team employed at the Homes.

The high percentage of staff costs relative to total costs is because:

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

BBCH is proud to be a Living Wage employer. This commitment will increase our salary bill each year and this in turn will increase our fees. Staff pay makes up 58% of our total costs.

There was a small drop in the value of our investments which was offset by a gain on sales of investments, resulting in an overall gain on investments of £13,720. At 31 March 2022 our investments were valued at £728,087.

Our year end reserves totaled £3,542,362 a fall of £68,816.

The financial status of the Homes has continued to be dominated by the pandemic. Despite the roll out of the vaccination programme the number of room vacancies increased because of Covid-19. This year's accounts reflect a number of government grants received for the ongoing increased costs incurred because of the impacts of the virus. Nine years ago, Trustees considered the risk of Residents running out of money as life expectancy increased and a bursary fund was set up. Trustees have agreed that the fund be held at £250,000.

Revenue remained strong despite the impact of a number of empty rooms. Vacancies arise at irregular and unpredictable times and they cannot always be filled immediately. BBCH continues to advertise and encourage potential Residents to stay for trial periods. There has however been some reluctance by potential Residents to commit to care homes in general while there are still restrictions imposed on them due to the pandemic.

Plans for future periods

Plans for an activities space are currently being designed and we hope to make a strong headway with this project in 2022.

BERNHARD BARON COTTAGE HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

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 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. There are currently 9 Trustees although the articles allow for a maximum of 12.

Trustee involvement in the Homes

Trustees attend at least 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. In previous years Trustees have joined residents for lunch to encourage a free flow of information about life in the Homes but unfortunately this has not been possible during the pandemic.

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, annual objectives are set and areas of concern are addressed.

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
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

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 Finance and Investment Committee. The investments are managed by Rathbone Investment Management Limited.

The Finance and Investment 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 2022**

Reserves Policy

The Reserves policy is reviewed by the Trustees annually. For emergencies and contingencies, the Homes seek to maintain three months' expenditure, which is approximately £250,000, in readily available funds.

Covid-19

BBCH continue to follow all government guidance and recommendations, especially those relating to social distancing and visiting. 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 continue to ensure that BBCH operates for the public benefit. This is partly achieved by maintaining fees at reasonable levels ensuring the affordability of the Homes for the widest possible population. BBCH also has Residents paid for by social services and where possible supports Residents who have a financial need. 7% of Residents have benefited from this support in the past year.

As mentioned earlier in this report, the Homes have initiated a bursary fund for the support of more Residents with a financial need. The balance in the fund is maintained at £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

Date: 15/9/22

BERNHARD BARON COTTAGE HOMES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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 2022 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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.

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

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

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law, health and safety regulations and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

BERNHARD BARON COTTAGE HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BERNHARD BARON COTTAGE HOMES

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

26 September 2022

Chartered Accountants
Statutory Auditor

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 2022

| Current financial year | | | | | | |
|-----------------------------------------------------------|-------|-------------------------------|----------------------------------|------------------|------------------|------------------|
| | | Unrestricted funds general | Unrestricted funds Designated | Restricted funds | Total | Total |
| | Notes | 2022 £ | 2022 £ | 2022 £ | 2022 £ | 2021 £ |
| <u>Income and endowments from:</u> | | | | | | |
| Donations and legacies | 3 | 53,276 | - | 212,920 | 266,196 | 168,691 |
| Charitable activities | 4 | 2,018,623 | - | - | 2,018,623 | 2,092,522 |
| Investments | 5 | 16,613 | - | - | 16,613 | 17,810 |
| Other income | 6 | 7,857 | - | - | 7,857 | 13,613 |
| Total income | | 2,096,369 | - | 212,920 | 2,309,289 | 2,292,636 |
| <u>Expenditure on:</u> | | | | | | |
| Raising funds | 7 | 4,800 | - | - | 4,800 | 4,671 |
| Charitable activities | 8 | 2,260,599 | 14,336 | 112,090 | 2,387,025 | 2,282,521 |
| Total expenditure | | 2,265,399 | 14,336 | 112,090 | 2,391,825 | 2,287,192 |
| Net gains/(losses) on investments | 12 | 13,720 | - | - | 13,720 | 158,972 |
| Net (outgoing)/incoming resources before transfers | | (155,310) | (14,336) | 100,830 | (68,816) | 164,416 |
| Gross transfers between funds | | 86,494 | 14,336 | (100,830) | - | - |
| Net movement in funds | | (68,816) | - | - | (68,816) | 164,416 |
| Fund balances at 1 April 2021 | | 2,811,178 | 800,000 | - | 3,611,178 | 3,446,762 |
| Fund balances at 31 March 2022 | | 2,742,362 | 800,000 | - | 3,542,362 | 3,611,178 |

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 2022

Prior financial year

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

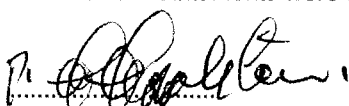
BERNHARD BARON COTTAGE HOMES

BALANCE SHEET

AS AT 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|-------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | 2,797,887 | | 2,806,507 | |
| Investments | 15 | 728,087 | | 782,407 | |
| | | <u>3,525,974</u> | | <u>3,588,914</u> | |
| Current assets | | | | | |
| Stocks | 17 | 7,437 | | 7,012 | |
| Debtors | 18 | 41,285 | | 11,948 | |
| Cash at bank and in hand | | 208,102 | | 236,328 | |
| | | <u>256,824</u> | | <u>255,288</u> | |
| Creditors: amounts falling due within one year | 19 | <u>(240,436)</u> | | <u>(233,024)</u> | |
| Net current assets | | | 16,388 | | 22,264 |
| Total assets less current liabilities | | | <u>3,542,362</u> | | <u>3,611,178</u> |
| Income funds | | | | | |
| Unrestricted funds - Designated | 21 | 800,000 | | 800,000 | |
| Unrestricted funds - general | | 2,742,362 | | 2,811,178 | |
| | | <u>3,542,362</u> | | <u>3,611,178</u> | |

The financial statements were approved by the Trustees on 15/9/2022



Mr P A Appleton
Trustee



Mr D H Hitchin
Trustee

Company registration number 3580252

BERNHARD BARON COTTAGE HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---------------------------------------------------------------|-------|-----------|----------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 25 | | 63,747 | | 147,097 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (176,626) | | (107,355) | |
| Cash account movements | | (9,486) | | 46,877 | |
| Purchase of investments | | (147,905) | | 1,130 | |
| Proceeds on disposal of investments | | 225,431 | | 43,538 | |
| Investment income received | | 16,613 | | 17,810 | |
| Net cash (used in)/generated from investing activities | | | (91,973) | | 2,000 |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (28,226) | | 149,097 |
| Cash and cash equivalents at beginning of year | | | 236,328 | | 87,231 |
| Cash and cash equivalents at end of year | | | 208,102 | | 236,328 |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity 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 Income

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 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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 2022

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.

Key sources of estimation uncertainty

Depreciation

The charity exercises judgements to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

| | Unrestricted funds general 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds general 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|----------------------------------------------|-----------------------------------------------|----------------------------------|--------------------|-----------------------------------------------|----------------------------------|--------------------|
| Donations and gifts | 17,953 | 63,749 | 81,702 | 3,508 | - | 3,508 |
| Grants related to Covid19 (incl furlough) | 35,323 | 149,171 | 184,494 | 11,297 | 153,886 | 165,183 |
| | <u>53,276</u> | <u>212,920</u> | <u>266,196</u> | <u>14,805</u> | <u>153,886</u> | <u>168,691</u> |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

| | Fees received | Welfare gifts etc | Telephone money received | Total 2022 | Fees received | Welfare gifts etc | Telephone money received | Total 2021 |
|--------------------------|------------------|-------------------|--------------------------|------------------|------------------|-------------------|--------------------------|------------------|
| | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Incoming resources | 1,974,752 | (875) | 7,155 | 1,981,032 | 2,048,214 | (1,447) | 8,185 | 2,054,952 |
| Charitable rental income | 37,591 | - | - | 37,591 | 37,570 | - | - | 37,570 |
| | <u>2,012,343</u> | <u>(875)</u> | <u>7,155</u> | <u>2,018,623</u> | <u>2,085,784</u> | <u>(1,447)</u> | <u>8,185</u> | <u>2,092,522</u> |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Investments

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|--------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Income from listed investments | 16,607 | 17,810 |
| Interest receivable | 6 | - |
| | <u>16,613</u> | <u>17,810</u> |

6 Other income

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|--------------|----------------------------------------------------------|----------------------------------------------------------|
| Other income | 7,857 | 13,613 |
| | <u>7,857</u> | <u>13,613</u> |

7 Raising funds

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|-----------------------|----------------------------------------------------------|----------------------------------------------------------|
| Investment management | 4,800 | 4,671 |
| | <u>4,800</u> | <u>4,671</u> |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

| | 2022 £ | 2021 £ |
|----------------------------------------|------------------|------------------|
| Staff costs | 1,482,021 | 1,382,780 |
| Depreciation and impairment | 185,246 | 157,208 |
| Provisions | 176,317 | 180,755 |
| Training and conference expenses | 26,790 | 21,569 |
| Fee subsidy | 60,085 | 82,522 |
| Electricity | 38,033 | 40,567 |
| Gas | 32,528 | 25,367 |
| Water | 24,665 | 31,816 |
| Council tax | 3,607 | 3,492 |
| Cleaning and consumables | 18,438 | 19,997 |
| Insurance | 11,475 | 7,492 |
| Garden expenses | 13,891 | 10,697 |
| Repairs | 96,512 | 120,879 |
| Decorations | 9,940 | 2,496 |
| Travel expenses | 17,520 | 15,439 |
| Welfare expenses | 14,859 | 10,280 |
| Other charitable expenditure | 101,216 | 93,009 |
| | <u>2,313,143</u> | <u>2,206,365</u> |
| Share of support costs (see note 9) | 38,879 | 35,342 |
| Share of governance costs (see note 9) | 35,003 | 40,814 |
| | <u>2,387,025</u> | <u>2,282,521</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 2,260,599 | 2,140,106 |
| Unrestricted funds - Designated | 14,336 | 26,288 |
| Restricted funds | 112,090 | 116,127 |
| | <u>2,387,025</u> | <u>2,282,521</u> |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|--------------------------------------|--------------------|-----------------------|---------------|--------------------|-----------------------|---------------|
| Registration fees | 8,792 | - | 8,792 | 8,792 | - | 8,792 |
| Stationery, advertising and software | 17,562 | - | 17,562 | 14,806 | - | 14,806 |
| Postage and telephone | 12,525 | - | 12,525 | 11,744 | - | 11,744 |
| Audit fees | - | 9,000 | 9,000 | - | 8,220 | 8,220 |
| Legal and professional | - | 24,283 | 24,283 | - | 31,748 | 31,748 |
| Bank charges and interest | - | 1,327 | 1,327 | - | 666 | 666 |
| Committee expenses | - | 393 | 393 | - | 180 | 180 |
| | <u>38,879</u> | <u>35,003</u> | <u>73,882</u> | <u>35,342</u> | <u>40,814</u> | <u>76,156</u> |
| Analysed to Charitable activities | <u>38,879</u> | <u>35,003</u> | <u>73,882</u> | <u>35,342</u> | <u>40,814</u> | <u>76,156</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 subsistence expenses in the year (2021 - £nil).

11 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|----------------------------|----------------|----------------|
| Housing care for residents | 66 | 67 |
| Administration | 4 | 4 |
| Total | <u>70</u> | <u>71</u> |

Employment costs

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,307,318 | 1,222,223 |
| Social security costs | 87,427 | 75,680 |
| Other pension costs | 87,276 | 84,877 |
| | <u>1,482,021</u> | <u>1,382,780</u> |

The full time equivalent (FTE) staff number for the year was 35.

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

(Continued)

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

12 Net gains/(losses) on investments

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Revaluation of investments | (3,661) | 148,634 |
| Gain/(loss) on sale of investments | 17,381 | 10,338 |
| | <u>13,720</u> | <u>158,972</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 2021 | 3,398,243 | 990,209 | 49,751 | 4,438,203 |
| Additions | 45,210 | 131,416 | - | 176,626 |
| At 31 March 2022 | <u>3,443,453</u> | <u>1,121,625</u> | <u>49,751</u> | <u>4,614,829</u> |
| Depreciation and impairment | | | | |
| At 1 April 2021 | 974,677 | 610,429 | 46,590 | 1,631,696 |
| Depreciation charged in the year | 68,869 | 115,587 | 790 | 185,246 |
| At 31 March 2022 | <u>1,043,546</u> | <u>726,016</u> | <u>47,380</u> | <u>1,816,942</u> |
| Carrying amount | | | | |
| At 31 March 2022 | <u>2,399,907</u> | <u>395,609</u> | <u>2,371</u> | <u>2,797,887</u> |
| At 31 March 2021 | <u>2,423,566</u> | <u>379,780</u> | <u>3,161</u> | <u>2,806,507</u> |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|----------------------|------------|
| Cost or valuation | | | |
| At 1 April 2021 | 765,417 | 16,990 | 782,407 |
| Additions | 147,905 | - | 147,905 |
| Valuation changes | (3,661) | - | (3,661) |
| Cash account movement | - | 9,486 | 9,486 |
| Disposals | (208,050) | - | (208,050) |
| At 31 March 2022 | 701,611 | 26,476 | 728,087 |
| Carrying amount | | | |
| At 31 March 2022 | 701,611 | 26,476 | 728,087 |
| At 31 March 2021 | 765,417 | 16,990 | 782,407 |

16 Financial instruments

| | 2022 £ | 2021 £ |
|-----------------------------------------------------------|-----------|-----------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | 701,611 | 765,417 |

17 Stocks

| | 2022 £ | 2021 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 7,437 | 7,012 |

18 Debtors

| | 2022 £ | 2021 £ |
|---------------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 14,687 | 733 |
| Other debtors | 8,725 | 4,397 |
| Prepayments and accrued income | 17,873 | 6,818 |
| | 41,285 | 11,948 |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

19 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Other taxation and social security | - | 16,616 |
| Trade creditors | 31,348 | 47,335 |
| Other creditors | 28,777 | 11,883 |
| Accruals and deferred income | 180,311 | 157,190 |
| | <u>240,436</u> | <u>233,024</u> |

20 Retirement benefit schemes

Defined contribution schemes

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

An amount of £11,097 was outstanding at the balance sheet date (2021 - £11,587).

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £87,276 (2021 - £84,877).

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Unrestricted funds - Designated

These are unrestricted funds which are material to the charitable company's activities made up as follows:

| | Balance at 1 April 2020 | Resources expended | Transfers | Balance at 1 April 2021 | Resources expended | Transfers | Balance at 31 March 2022 |
|---------------------------------|----------------------------|-----------------------|---------------|----------------------------|-----------------------|---------------|--------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Property improvements reserve | 300,000 | - | - | 300,000 | - | - | 300,000 |
| Other care improvements reserve | 250,000 | - | - | 250,000 | - | - | 250,000 |
| Bursary fund | 250,000 | (26,288) | 26,288 | 250,000 | (14,336) | 14,336 | 250,000 |
| | <u>800,000</u> | <u>(26,288)</u> | <u>26,288</u> | <u>800,000</u> | <u>(14,336)</u> | <u>14,336</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.

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.

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

| 22 Analysis of net assets between funds | Unrestricted funds | | Designated funds | | Restricted funds | | Total | | Unrestricted funds | | Designated funds | | Restricted funds | | Total | |
|----------------------------------------------------|--------------------|---|------------------|---|------------------|---|-----------|---|--------------------|---|------------------|---|------------------|---|-----------|---|
| | 2022 | £ | 2022 | £ | 2022 | £ | 2022 | £ | 2021 | £ | 2021 | £ | 2021 | £ | 2021 | £ |
| Fund balances at 31 March 2022 are represented by: | | | | | | | | | | | | | | | | |
| Tangible assets | 2,797,887 | | - | | - | | 2,797,887 | | 2,806,507 | | - | | - | | 2,806,507 | |
| Investments | 728,087 | | - | | - | | 728,087 | | 782,407 | | - | | - | | 782,407 | |
| Current assets/(liabilities) | (783,612) | | 800,000 | | - | | 16,388 | | (777,736) | | 800,000 | | - | | 22,264 | |
| | 2,742,362 | | 800,000 | | - | | 3,542,362 | | 2,811,178 | | 800,000 | | - | | 3,611,178 | |

BERNHARD BARON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 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:

| | 2022 £ | 2021 £ |
|----------------------------|----------------|----------------|
| Within one year | 24,703 | 24,162 |
| Between two and five years | 96,105 | 90,527 |
| In over five years | 41,364 | 61,342 |
| | <u>162,172</u> | <u>176,031</u> |

24 Related party transactions

Remuneration of key management personnel

The remuneration of the three key management personnel is as follows.

| | 2022 £ | 2021 £ |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>169,872</u> | <u>149,190</u> |

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

25 Cash generated from operations

| | 2022 £ | 2021 £ |
|-------------------------------------------------------------------|---------------|----------------|
| (Deficit)/surplus for the year | (68,816) | 164,416 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (16,613) | (17,810) |
| Gain on disposal of investments | (17,381) | (10,338) |
| Fair value gains and losses on investments | 3,661 | (148,634) |
| Depreciation and impairment of tangible fixed assets | 185,246 | 157,208 |
| Movements in working capital: | | |
| (Increase) in stocks | (425) | (465) |
| (Increase)/decrease in debtors | (29,337) | 12,176 |
| Increase/(decrease) in creditors | 7,412 | (9,456) |
| Cash generated from operations | <u>63,747</u> | <u>147,097</u> |

26 Analysis of changes in net funds

The charitable company had no debt during the year.

