

**JAH-JIREH CHARITY HOMES**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

# JAH-JIREH CHARITY HOMES

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# JAH-JIREH CHARITY HOMES

## CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Registered charity name</b>	Jah-Jireh Charity Homes
<b>Charity registration number</b>	1062023
<b>Trustees</b>	E W Delaney - Chairman P J Cutting R Jones A Kendall F Sartin C Stringer J Stacey R Telles C Bland G Cockshott J Wigmore R Daniel L Chadwick (Appointed 5 December 2018)
<b>Chief executive officer</b>	E W Delaney
<b>Registered office</b>	317 Lytham Road Warton Preston PR4 1TE
<b>Auditor</b>	MHA Moore and Smalley Chartered Accountants & Statutory Auditors Richard House Winckley Square Preston PR1 3HP
<b>Bankers</b>	National Westminster Bank plc 13 Whitegate Drive Blackpool FY3 9AG
<b>Solicitors</b>	Roland Robinsons and Fentons 85-89 Adelaide Street Blackpool FY1 4LX

# JAH-JIREH CHARITY HOMES

## TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2018

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The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

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

#### ***Governing document***

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

#### ***Recruitment, appointment, induction and training of trustees***

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

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

#### ***Organisational structure***

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

#### ***Related parties***

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



# JAH-JIREH CHARITY HOMES

## TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

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### *Risk management*

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

### *Remuneration of key management personnel*

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

### **Objectives and activities**

#### *Objects*

The objects of the charity are:

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

#### *Aims*

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

#### *Objectives for the year*

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

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

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

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

# JAH-JIREH CHARITY HOMES

## TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

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### *Significant activities for achieving objectives*

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

### *Volunteers*

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

### *Achievements and performance*

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

### *Financial review*

The statement of financial activities on page 10 (SOFA) shows net incoming resources of £76,930 (2017: incoming resources of £117,901). Occupancy of homes averaged 91.5% (2017: 89%)

There are several factors which have led to the decrease of net income during the period. The main reason is an increase in use of agency staff.

### *Reserves policy*

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

The amount of cash reserves held at the year ended 31 December 2018 is £1,408,126, which is held for the reasons stated above. The cash reserves are equivalent to just about four months expenditure, which the trustees consider to be reasonable for continued operations.

The total amount of funds held include designated funds of £160,440. The designated funds represent funds received towards the proposed new home in the South of England, less amounts already expended in order to obtain planning approval. However, due to planning restraints the timing of the proposed new home has not been able to be progressed this year. The planning restrictions have been lifted from January 2019.



# **JAH-JIREH CHARITY HOMES**

## **TRUSTEES' ANNUAL REPORT (CONTINUED)**

**YEAR ENDED 31 DECEMBER 2018**

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### **Principal funding sources**

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

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

### **Plans for future periods**

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

### **Trustees' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

## JAH-JIREH CHARITY HOMES


### TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

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#### Auditor

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

On behalf of the board 

E W Delaney - Chairman of the Board of Trustees

26 June 2019



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

## JAH-JIREH CHARITY HOMES

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### Opinion

We have audited the financial statements of Jah-Jireh Charity Homes (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> December 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

## JAH-JIREH CHARITY HOMES

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OF

### **JAH-JIREH CHARITY HOMES**

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

#### **Use of our report**

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

*MHA Moore and Smalley*

**MHA Moore and Smalley**  
**Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

*25/7/19*.....

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

# JAH-JIREH CHARITY HOMES

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Designated Funds £	Total funds 2018 £	Total funds 2017 £
<b>Income and endowments from:</b>					
Donations and legacies	2	292,020	7,254	299,274	233,187
Charitable activities					
<i>Rents received</i>		36,340	-	36,340	41,191
<i>Residents charges</i>		4,179,378	-	4,179,378	3,964,776
Investments					
<i>Interest – savings accounts</i>		15,550	-	15,550	15,724
Other income					
<i>Profit on sale of tangible fixed assets</i>		-	-	-	50,368
<b>Total income and endowments</b>		<b>4,523,288</b>	<b>7,254</b>	<b>4,530,542</b>	<b>4,305,246</b>
<b>Expenditure on:</b>					
Charitable activities	3	4,452,412	1,200	4,453,612	4,187,345
<b>Total expenditure</b>		<b>4,452,412</b>	<b>1,200</b>	<b>4,453,612</b>	<b>4,187,345</b>
<b>Net income/(expenditure)</b>		<b>70,876</b>	<b>6,054</b>	<b>76,930</b>	<b>117,901</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>70,876</b>	<b>6,054</b>	<b>76,930</b>	<b>117,901</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		4,765,330	154,386	4,919,716	4,801,815
<b>Total funds carried forward</b>		<b>4,836,206</b>	<b>160,440</b>	<b>4,996,646</b>	<b>4,919,716</b>

All income and expenditure derive from continuing activities.

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

The notes on pages 12 to 23 form part of these financial statements.



# JAH-JIREH CHARITY HOMES

## BALANCE SHEET

31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	10		7,861,903		7,735,403
<b>Current assets</b>					
Stocks	11	1,950		1,950	
Debtors	12	177,784		170,748	
Saving accounts		1,157,669		1,296,369	
Cash at bank and in hand		250,463		373,359	
			1,587,866	1,842,426	
<b>Creditors: amounts falling due within one year</b>	13	(602,384)		(544,169)	
<b>Net current assets</b>			985,482		1,298,257
<b>Total assets less current liabilities</b>			8,847,385		9,033,660
<b>Creditors: amounts falling due after more than one year</b>	14		(3,850,739)		(4,113,944)
<b>Net assets</b>			4,996,646		4,919,716
<b>Charity Funds</b>					
Unrestricted funds			4,836,206		4,765,330
Designated funds			160,440		154,386
<b>Total charity funds</b>	15		4,996,646		4,919,716

These financial statements were approved and authorised for issue by the board of trustees on 26<sup>th</sup> June 2019.

Signed on behalf of the board of trustees

  
E W Delaney – Chairman

# JAH-JIREH CHARITY HOMES

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Reconciliation of net income to net cash flow from operating activities</b>				
Net income for the year		76,930		117,901
Depreciation of tangible fixed assets		191,077		195,375
Profit on disposal of tangible fixed assets		-		(50,368)
(Increase)/decrease in debtors		(7,036)		98,441
Increase in creditors		49,190		20,339
Loan balance written off as part of a legacy		-		-
<b>Net cash flow from operating activities</b>		<b>310,161</b>		<b>381,688</b>
<b>Cash flow from investing activities</b>				
Receipts from sale of tangible fixed assets	-		118,115	
Payments to acquire tangible fixed assets	(317,577)		(63,002)	
<b>Net cash flow from investing activities</b>		<b>(317,577)</b>		<b>55,113</b>
<b>Cash flow from financing activities</b>				
Repayment of long term loans	(254,180)		(245,474)	
<b>Net cash flow from financing activities</b>		<b>(254,180)</b>		<b>(245,474)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(261,596)</b>		<b>191,327</b>
<b>Cash and cash equivalents at 1 Jan 2018</b>		<b>1,669,728</b>		<b>1,478,401</b>
<b>Cash and cash equivalents at 31 Dec 2018</b>		<b>1,408,132</b>		<b>1,669,728</b>
<b>Cash and cash equivalents consists of:</b>				
Savings accounts		1,157,669		1,296,369
Cash at bank and in hand		250,463		373,359
<b>Cash and cash equivalents at 31 Dec 2018</b>		<b>1,408,132</b>		<b>1,669,728</b>



# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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### 1 Summary of significant accounting policies

#### General information and basis of preparation

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

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

#### Funds

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

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

#### Income recognition

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

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

# **JAH-JIREH CHARITY HOMES**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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

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

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

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

### **Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

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

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

### **Support costs allocation**

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

The analysis of these costs is included in note 4.

### **Tangible fixed assets and depreciation**

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



# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

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

### Investments

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

### Stocks

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

### Debtors and creditors receivable / payable within one year

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

### Loans and borrowings

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

### Concessionary loans

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

### Impairment

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

### Leases

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

# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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### Employee benefits

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

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

### Tax

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

### Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## 2 Income from donations and legacies

	Unrestricted funds	Designated funds	Total funds 2018	Total funds 2017
Gifts	109,645	7,254	116,899	128,414
Legacies	175,744	-	175,744	104,773
Legacies	6,631	-	6,631	-
	<u>292,020</u>	<u>7,254</u>	<u>299,274</u>	<u>233,187</u>

Income from donations and legacies was £299,274 (2017: £233,187) of which £292,020 (2017: £227,633) was attributable to general unrestricted funds and £7,254 (2017: £5,554) was attributable to designated funds.

## 3 Analysis of expenditure on charitable activities

	Staff costs	Depreciation	Support costs	Total funds 2018	Total funds 2017
Residential home care costs	2,779,882	191,077	1,482,653	4,453,612	4,187,345
	<u>2,779,882</u>	<u>191,077</u>	<u>1,482,653</u>	<u>4,453,612</u>	<u>4,187,345</u>

Expenditure on charitable activities was £4,453,612 (2017: £4,187,345) of which £4,452,412 (2017: £4,187,345) was attributable to general unrestricted funds and £1,200 (2017: £nil) was attributable to designated funds.

# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

### 4 Allocation of support costs

	Residential home care costs £	Total funds 2018 £	Total funds 2017 £
Governance	19,283	19,283	15,510
Finance	163,491	163,491	158,294
Residents costs	742,350	742,350	602,462
Property costs	460,351	460,351	438,074
Office costs	97,178	97,178	71,315
	<b>1,482,653</b>	<b>1,482,653</b>	<b>1,285,655</b>

### 5 Governance costs

	2018 £	2017 £
Audit fees	11,142	10,878
Accountancy and advisory fees	1,818	1,632
Professional indemnity insurance	2,744	2,617
Board of Trustees' meeting expenses	3,579	383
	<b>19,283</b>	<b>15,510</b>

### 6 Net income for the year

Net income is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	191,077	195,375
(Gain)/Loss on sale of tangible fixed assets	-	(50,368)
Operating lease rentals	31,197	31,197

### 7 Auditor's remuneration

The auditors' remuneration of £12,960 (2017: £12,510) comprised £11,142 relating to audit services (2017: £10,878) and £1,818 relating to accountancy and other services (2017: £1,632).



# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

### 8 Trustees' and key management personnel remuneration and expenses

During the year Mr E Delaney and his family received remuneration and benefits in kind totalling £32,184 (2017: £32,050). During the year Mr J Stacey received remuneration and benefits in kind totalling £12,000 (2017: £9,360).

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

The total amount of employee benefits received by key management personnel is £314,361 (2017: £309,511). The charity considers its key management personnel comprise of the chief executive officer, senior care manager, operating committee member/property asset manager, finance manager, administration manager, and the business and care managers from each of the four homes.

None of the trustees are accruing pension arrangements (2017: none).

The reimbursement of trustees' expenses was as follows:

	2018 No.	2017 No.	2018 £	2017 £
Travel	5	5	6,809	4,160
Subsistence	13	13	257	228
Accommodation	3	8	615	944
Other	-	-	-	-
	21	26	7,681	5,332

Included above are £872 (2017: £1,173) which have been paid directly to third parties.

### 9 Staff costs and employee benefits

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

	2018 No.	2017 No.
Charitable activities	221	234
	221	234

During the year, there was an average of 35 full-time employees (2017: 54), 186 part-time employees (2017: 167) and 135 full-time equivalent employees (2017: 135).

# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

The total staff costs and employees benefits were as follows:

	2018 £	2017 £
Wages and salaries	2,623,138	2,568,725
Social security	137,220	127,027
Defined contribution pension costs	<u>19,525</u>	<u>10,563</u>
	<u>2,779,882</u>	<u>2,706,315</u>

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

### 10 Tangible fixed assets

	Freehold land and buildings	Long Leasehold land & buildings	Plant equipment and fixtures	Motor vehicles	Total
<b>Cost</b>					
At 1 January 2018	9,666,513	40,000	1,096,562	43,140	10,846,215
Additions	188,956	-	128,621	-	317,577
Disposals	-	-	-	-	-
<b>At 31 December 2018</b>	<b>9,855,469</b>	<b>40,000</b>	<b>1,225,183</b>	<b>43,140</b>	<b>11,163,792</b>
<b>Depreciation</b>					
At 1 January 2018	2,047,884	11,173	1,034,526	17,229	3,110,812
Charge for the year	152,435	640	31,525	6,477	191,077
On disposals	-	-	-	-	-
<b>At 31 December 2018</b>	<b>2,200,319</b>	<b>11,813</b>	<b>1,066,051</b>	<b>23,706</b>	<b>3,301,889</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>7,655,150</b>	<b>28,187</b>	<b>159,132</b>	<b>19,434</b>	<b>7,861,903</b>
At 31 December 2017	7,618,629	28,827	62,036	25,911	7,735,403

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

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

Included in tangible fixed assets is land totalling £2,111,551 (2017: £2,111,551) which is not depreciated.

Tangible fixed assets with a net book value of £7,643,338 (2017: £7,598,004) have been pledged as security for liabilities of the charity. The assets have restricted title.

# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

11	<b>Stocks</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Finished goods	<b>1,950</b>	1,950
	All stock held is for the provision of residential home care.		
12	<b>Debtors</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Trade debtors	<b>115,673</b>	106,870
	Other debtors	<b>23,351</b>	28,204
	Prepayments and accrued income	<b>38,760</b>	35,674
		<b>177,784</b>	170,748
13	<b>Creditors: Amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Trade creditors	<b>117,732</b>	83,739
	Other tax and social security	<b>23,828</b>	29,479
	Accruals and deferred income	<b>133,880</b>	106,488
	Concessionary loans payable	<b>10,322</b>	10,322
	Other creditors	-	581
	Fees received in advance	<b>61,738</b>	67,701
	Bank loans and overdrafts	<b>254,884</b>	245,859
		<b>602,384</b>	544,169

Bank loans and overdrafts totalling £254,884 (2017: £245,859) are secured by a legal charge over certain freehold property of the charity.

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

Concessionary loans payable totalling £10,322 are unsecured loans and consist of two loans repayable in monthly instalments over 20 years and one loan repayable on demand. All concessionary loans payable are interest free.



# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

14	<b>Creditors: Amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
		£	£
	<b>Concessionary loans payable</b>		
	Due within one to two years	2,917	8,322
	Due within two to five years	-	2,917
	Due after more than five years	-	-
	<b>Bank loans and overdrafts</b>		
	Due within one to two years	264,240	254,884
	Due within two to five years	3,583,582	3,847,821
	Due after more than five years	-	-
		<b>3,850,739</b>	<b>4,113,944</b>

15	<b>Operating leases</b>	<b>2018</b>	<b>2017</b>
	Total future minimum lease payments under non-cancellable operating leases are as follows:	£	£
	Not later than one year	14,638	20,917
	Later than one year and not later than five years	32,198	46,358
	Later than five years	-	479
		<b>46,836</b>	<b>67,754</b>

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

### Designated funds

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

# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

	Balance at 1 Jan 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Dec 2017 £
<b>Unrestricted funds</b>	4,652,983	4,299,692	(4,187,345)	-	<b>4,765,330</b>
<b>Designated funds</b>					
South of England Project	148,832	5,554	-	-	<b>154,386</b>
<b>Total funds</b>	<b>4,801,815</b>	<b>4,305,246</b>	<b>(4,187,345)</b>	<b>-</b>	<b>4,919,716</b>

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

	Tangible fixed assets £	Other net assets £	2018 Total £
Unrestricted funds	7,861,903	(3,005,796)	<b>4,856,107</b>
Designated funds	-	160,440	<b>160,440</b>
	<b>7,861,903</b>	<b>(2,845,356)</b>	<b>5,016,547</b>
	Tangible fixed assets £	Other net assets £	2017 Total £
Unrestricted funds	7,735,403	(2,970,073)	<b>4,765,330</b>
Designated funds	-	154,386	<b>154,386</b>
	<b>7,735,403</b>	<b>(2,815,687)</b>	<b>4,919,716</b>

### 18 Pension and other post-retirement benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £19,525 (2017: £10,563).

### 19 Events after the end of the period

The charity has become aware of a legacy which is estimated to have a value of around of £75,000.



# JAH-JIREH CHARITY HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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### 20      **Related party transactions**

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

During the year the charity paid monies totalling £7,280 to Mr E W Delaney (2017: £7,280) for the use of 317 Lytham Road, Warton, as an administration office. The charity has agreed to rent these premises on a mutually agreed ongoing basis.

During the year the charity received donations totalling £240 (2017: £240) from trustees.

### 20      **Capital Commitments**

At the 31<sup>st</sup> December 2018, there are no capital commitments.

# JAH-JIREH CHARITY HOMES

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and legacies		292,643		233,187
<i>Charitable activities</i>				
Rents received		36,340		41,191
Residents charges		4,179,378		3,964,776
<i>Investments</i>				
Interest – savings accounts		15,550		15,724
<i>Other Income</i>				
Profit on disposal of fixed assets		-		50,368
Other Event Income		6,631		-
<b>Total income and endowments</b>		<b>4,530,542</b>		<b>4,305,246</b>
<b>Expenditure on:</b>				
<i>Charitable activities</i>				
Wages and salaries	2,779,881		2,706,315	
Agency costs	266,602		127,443	
Rent	10,272		10,280	
Rates, insurance and water	98,069		100,672	
Heat and light	146,805		155,660	
Repairs and renewals	212,455		180,596	
Food	241,683		235,168	
Nursing, cleaning and household supplies	149,843		152,090	
Stationery, postage and telephone	35,014		28,440	
Motor and travel expenses	62,732		43,361	
Bank charges	8,273		8,333	
Bank loan interest	155,218		149,961	
Sundry expenses	30,855		31,042	
Training costs	20,518		17,935	
Legal and professional fees	1,604		7,939	
Criminal records applications	4,500		3,030	
Registration fees	18,926		18,195	
Loss on disposal of fixed assets	-		-	
Depreciation: Buildings	153,075		150,717	
Plant and fixtures	31,525		37,785	
Motor vehicles	6,478		6,873	
		<b>4,434,328</b>		<b>4,171,835</b>
<i>Governance costs</i>				
Audit fees	11,142		10,878	
Accountancy and advisory fees	1,818		1,632	
Professional indemnity insurance	2,744		2,617	
Board of trustees meeting expenses	3,579		383	
		<b>19,283</b>		<b>15,510</b>
<b>Total expenditure</b>		<b>4,453,611</b>		<b>4,187,345</b>
<b>Net (loss)/income for the year</b>		<b>76,931</b>		<b>117,901</b>