

Registered number: 08174255

Charity number: 1148968

DENVILLE HALL 2012
ANNUAL REPORT AND FINANCIAL
STATEMENTS
31 MARCH 2018

DENVILLE HALL 2012

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Trustees' report	3 - 8
Trustees' responsibilities statement	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15
Notes to the financial statements	16 - 28

DENVILLE HALL 2012

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Trustees

Lalla Ward, Chairman
Geraldine James OBE, Vice Chairman
Derek Lamden
Louisa Rix
Richard Berry
Joanna David
Hemlata Bountra, Treasurer

Company registered number

08174255

Charity registered number

1148968

Registered office

62 Ducks Hill Road
Northwood
Middlesex
HA6 2SB

Committees

House Committee

Lalla Ward (Chairman)
Derek Lamden (Deputy Chairman)
Abigail McKern
Jane Maud
Louisa Rix
Michael Simkins
Trudie Goodwin
James Coombes (appointed April 2017)

The remit of the house committee is to ascertain the eligibility of prospective beneficiaries. All trustees are welcome at any or all house committee meetings; Derek Lamden and Louisa Rix have elected to be regular members of this committee.

Finance and General Purpose Committee

Richard Berry (Chairman)

All trustees are members of this committee, with the addition of Michael Simkins (house committee member) and, from April 2017, James Coombes. The Finance and General Purpose Committee is responsible for the financing and day to day operation of the charity.

Senior management team

Diana O'Hare (appointed 7 June 2017), Manager
Fazly Wahab, Finance Officer

DENVILLE HALL 2012

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Advisers (continued)

Independent auditor

Blick Rothenberg Audit LLP
16 Great Queen Street
Covent Garden
London
WC2B 5AH

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Solicitors

Bircham Dyson Bell LLP
50 Broadway
London
SW1H 0BL

Investment manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

DENVILLE HALL 2012

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their annual report together with the audited financial statements of Denville Hall 2012 ("the charity") for the ended 31 March 2018. The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015). The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") (effective 1 January 2015).

Structure, governance and management

a. Constitution

Denville Hall is governed by a Scheme dated 17th March 1979 as amended by the Schemes dated 3 April 1992 and 15th November 2001. With effect from 1st October 2012 it is governed by the Articles of Association of Denville Hall 2012.

Denville Hall 2012 was formed as a limited company, number 8174255 on 9th August 2012 and as a registered charity, number 1148968. On 1st October 2012 all the responsibilities, assets and liabilities were transferred to Denville Hall 2012 under a transfer agreement. The new charity and company continue to be known as Denville Hall.

The Trustees are responsible for governance, strategy and finance, for ensuring compliance with CQC criteria, and for business planning. The Finance and General Purpose Committee is responsible for monitoring income and expenditure and for recommending to the trustees budgets and necessary associated procedure. The House Committee is responsible for the support of the Registered Manager of Denville Hall, and for assessing the eligibility within our remit of those applying to us for care. The House Committee is dedicated to connecting the residents themselves to the world of theatre in which committee members still work, bringing into the house as they do vivid descriptions of the life and experiences they can share. Lalla Ward, the House Committee and Trustees' chairman, is the trust's designated representative, known as the Registered Individual with the Care Quality Commission (CQC).

The Trustees of Denville Hall are, as stipulated by our Articles of Association, made up of a percentage of those from the theatrical profession, many of whom have had long association with the charity, and of others having been recruited for their financial expertise.

The appointment of the managing director who joined us in February 2016 came to an end with the mutually agreed resignation of the appointee within a six-month probationary period. Our Director of Nursing, Merrilee Briggs, became manager on July 19th 2016 until June 7th 2017, and is followed by Diana O'Hare. Fazly Wahab is our Finance Officer.

Denville Hall was founded in 1926 by Alfred Denville, in memory of his son who was killed in the Great War. The home was registered with the Charity Commission on 31st October 1962, when Richard and Sheila Attenborough were asked by Prince and Norah Littler to take on Denville's administration following their successful work with Noel Coward for the Actors' Orphanage.

Denville Hall is a member of the Combined Theatrical Charities, known now as "Acting for Others", an umbrella organisation chaired by Sir Stephen Waley-Cohen, consisting of sister charities representing the performing arts including ballet and opera, actors' children, backstage staff, and performers in all parts of the world.

DENVILLE HALL 2012

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

b. Method of appointment or election of trustees

Trustees are appointed on the basis of the skills they bring to the board and their willingness to serve. At any one time there may be no less than 3 trustees and no more than 7, of which 2 should be members or former members of the acting profession.

c. Policies adopted for the induction and training of trustees

New trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

We continue a program of training for staff, volunteers, committee members and trustees, in awareness of our legal requirements to protect and safeguard the vulnerable adults in our care. We have this year implemented the documentation process called iCare, whereby all records and care plans, daily updates and information are kept on line and residents' data is made accessible to their relatives where appropriate. We have had positive pharmacy audits including a full review of medication practices. We have re-established links with the Community Matron, the Palliative Care team, SALT and Rapid Response. We have created links with Mount Vernon Cancer Centre for palliative care training. There have been audits of Health and Safety and Fire and risk assessment. All mandatory training for staff by an external trainer is up to date.

d. Pay policy for senior staff

The pay of the charity's key management personnel is reviewed annually and normally increased in accordance with average earnings. Remuneration is also bench-marked with Nursing Homes of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Objectives and activities

a. Policies, objectives and strategies for achieving objectives

The formal objective of the charity is to maintain and support Denville Hall as a residential, nursing and dementia care home for elderly actors and other members of the theatrical profession. Denville Hall also offers short stay respite and convalescent care and works closely, when required, with the palliative care team in the area. Where an applicant does not meet our criteria, we will always do our best to advise on alternative sources of help.

The charity serves elderly members of a particular profession, one where financial security is, in many cases, far from being the norm. Financial support is given through a general subsidy by us of all our residents, and particular, often substantial, additional subsidy to those in greatest need. A potential beneficiary is never turned away for purely financial reasons – we deny access to services only when required to do so on medical and professional criteria agreed with the Care Quality Commission as part of the charity's registration, or when there is no available bed. The Trustees have had due regard to the guidance on public benefit published by the Charity Commission.

The trustees have reviewed the application of the Charity Governance Code, which was introduced in July 2017 in so far as it is applicable to the charity. The trustees already apply areas of the code within the governance arrangements of the charity and are reviewing how elements of the code can be applied successfully.

DENVILLE HALL 2012

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

a. Policies, objectives and strategies for achieving objectives (continued)

As ever, our aim at Denville Hall is to enable our highly individual residents to live with dignity and freedom of choice amid surroundings that are physically and mentally comfortable. Within the nursing and residential area of the home we aim to preserve maximum independence and will help each person to choose, as much as is possible, what level of care he or she needs, consulting with them directly. We respect their decisions and abide by them, intervening only where absolutely necessary in the interests of safety and guided by professional recommendations.

We care for our dementia patients in Jeanne's Wing with dignity and respect, aiming to allow as much freedom as possible within safety constraints, and in an atmosphere which is relaxed, stimulating and supportive. We reached the Level One Butterfly Kite Mark from Dementia Care Matters last year, and strive to keep up this rare status, so far awarded to only 1% of care homes in the UK. All those residents with dementia and who are deemed vulnerable are safeguarded within the Mental Capacity Act 2005, Deprivation of Liberty, in order to protect them from harm.

As always, we strive to provide a varied and fulfilling life for all our residents, continually endeavouring to improve care, entertainment, nourishment, rest, and spiritual and artistic satisfaction. We work with each individual to identify particular wishes and hope to create a supportive and stimulating environment. Lalla Ward chairs a well-attended monthly Residents' Meeting, thereby giving an opportunity to those we care for to voice any concerns, likes or dislikes and to make suggestions for improvements, or have general input into their life at Denville Hall.

We have undertaken major refurbishment to the interior of Denville Hall in this last year. The beautiful decoration choices were made by Louisa Rix, one of our trustees and a member of the House Committee - thanks to Louisa we can be proud of a new look to the house, including a completely refurbished bar area and 'café' space in the Green Room, much enjoyed by the residents. The library has been newly named, at a wonderful opening ceremony, "The Rattigan Library", in honour of Sir Terence Rattigan, whose trust has so generously supported us over many years. The hallway, atrium and main staircase have all been elegantly redecorated. The first floor has been redecorated, too, and the small kitchen upstairs has had a complete makeover. The main kitchen has recently had a new floor laid and we continue to have a five star Food Safety and Hygiene rating. Outside, our gardeners have created a lovely environment much appreciated by residents and their friends, relatives and visiting dogs.

We are immensely proud of having reached Level 1 in the Butterfly Program from Dementia Care Matters, an accolade acquired by only 1% of care homes in the country, and to have been awarded two trophies from the Stop The Pressure campaign, for reaching firstly a hundred days, then two hundred days with no pressure ulcers. There have been Health and Safety, pharmacy and Fire Safety audits.

Live Streaming, through the National Theatre's generous donation to us of NTLive, continues to be a source of great joy, bringing as it does the world of live theatre directly into Denville Hall. Our activities co-ordinator organises shopping outings and restaurant or pub visits, Scrabble games, film screenings, Wii sports participation, an art room, word games, and a flourishing Poetry Group. We continue to have twice-weekly exercise classes, a weekly visit from hairdressers, and visits from a manicurist, physiotherapist, chiropodist and masseuse. We continue to have iPad training sessions for those residents who are interested. Our small 'corner shop' within Denville Hall, known as "Prompt Corner", has been relocated downstairs to be more accessible to both the main house and Jeanne's Wing residents. Concerts continue to be a source of pleasure, and we benefit, as has been the case for many years, from the generous support of the students of the Royal Academy of Dramatic Art (RADA). We throw an annual summer party to commemorate the birthday of our most generous benefactress, the late Baroness Jeanne de Rothschild. And Christmas is, of course, a time for parties for residents, and for staff, residents themselves much enjoying helping with the painting of decorations for the Christmas trees in the main house and in Jeanne's Wing.

We continue a program of training, in accordance with our legal requirements to protect and safeguard the vulnerable adults in our care, and to support our staff in their continued growth within the sector.

DENVILLE HALL 2012

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

a. Policies, objectives and strategies for achieving objectives (continued)

Denville Hall is supported by generous gifts from individuals, and with grants from trusts and other organisations. We are deeply grateful to the Combined Theatrical Charities and their annual Acting For Others donation, and to the generous, ongoing support of the Sir Terence Rattigan Foundation.

We are grateful to John Cleese for performing his one man show, Why There Is No Hope, at King's Place in London to benefit Denville Hall.

We continue to be proud of the uniqueness of Denville Hall and are eternally grateful for the support we get from our profession.

It is with sadness that we record the deaths in the year ending March 2018 of Mr. Moray Watson, Mr. Roy Round, Mr. Peter Sallis, Mr. Brian Cant, Mr. Norman Ayrton, Mr. James Gill, Mr. Robert Hardy, Mrs. Joan Seed, Mr. Bryan Matheson, Mrs. Millie Rowland and Miss Geraldine Stephenson.

Financial review

a. Going concern

The trustees have considered the twelve months from signing the financial statements and are satisfied that the charity can meet its commitments as they fall due, based on the ability to draw down on the investment portfolio as required. On this basis the trustees have concluded that it is appropriate to prepare the financial statements on a going concern basis.

b. Principal risks and uncertainties

The trustees have undertaken risk assessments in conjunction with the General Manager of Denville Hall to meet the requirements of the Care Quality Commission, including recognition that specific safeguards are needed with regard to the vulnerability of our beneficiaries. We have an on-going programme of training for staff, volunteers, committee members and trustees, in awareness of our legal requirements to protect and safeguard the vulnerable adults in our care. The trustees acknowledge their responsibility to identify, assess and manage risks and have systems and processes set up to do so. The principal risk and uncertainties identified by the trustees are:

- Ensuring continued operational efficiency is obviously paramount; the taking on of an HR consultant and subsequent restructuring of staff, new contracts for all new employees, changes in how we manage many aspects of employment including sick pay that has long been abused by many, has resulted in a streamlining of the business that is already seeing greatly enhanced efficiency and savings.
- CQC requirements and our compliance with them are vital to the care and safety of our residents themselves and to the running of the business. Staff issues in the last few years, experienced not just by us but throughout the sector, have challenged everyone including us; the use of agency staff is never ideal and has been the cause of difficulties in keeping up the high standards that we aspire to. We work closely with CQC and have forged a strong relationship with our supportive inspector.
- Uncertainty surrounding public funding of residents necessitates a focused approach to ensuring sufficient funds from other quarters. We work closely with our sister charities, with individual supporters and indeed with local authorities where help is available.
- Investment returns are of course always subject to market fluctuations. We are confident, given our long association with them and overall impressive track record, of the experience and expertise of our investment managers at Sarasin & Partners LLP. Denville Hall's participation in their funds ensures a far wider spread of our investments than we could ever manage as an individual charity, and has proven itself a good decision that has buffered us against some of the inevitable ups and downs of the world of finance.

DENVILLE HALL 2012

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

c. Review of the year and reserves policy

Income from residents' fees for the period 2017/18 totalled £1,615,344 (2016/17: £1,694,140). Direct costs were £1,373,896 (2016/17: £1,741,236), the decrease representing the successful retention of staff and a consequential reduction in agency staff whose costs have decreased from £530,097 to £240,007. The charity received donations and legacies of £211,657 (2016/17: £453,542) and investment income of £303,197 (2016/17: £302,762). Despite this other income, the net expenditure before investment gains was £319,921 (2016/17: £483,985). Investment losses totalled £8,767 (2016/17: gain: £2,299,488).

c. Review of the year and reserves policy (continued)

We acknowledge with immense gratitude the support of many generous donors, including Acting For Others (£45,000), The Sir Terence Rattigan Trust (£66,000), Terence Denville Faulkner (£19,486), Gilmore Jacobs (£10,000), Equitable Charitable Trust (£1,000), the Late Mrs. Joan Seed (£1,748), the Late Mr. Gerald Sim (£18,666), Mr. Richard Morris (£8,000), Patricia Routledge Charitable Trust (£5,000), the Late Sheila Hemmingway (£3,000).

Free reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees continue to take steps to increase income and reduce costs so that the charity becomes operationally secure.

The income generating reserves of Denville Hall were £8.78 million at 31 March 2018 (£8.97 million at 31 March 2017) and represent the equivalent of more than four years' annual income. The trustees can draw down on these reserves as required.

However, the trustees aim to maintain the real value of the investment portfolio as measured against movements in the retail price index. During the year ended 31 March 2018, the portfolio of investments achieved a performance of 3.3% (2016/17: 14%) against a benchmark of 3.0% (2016/17: 19.4%) driven by investment income of £302,147.

Income generation

The charity raises funds from fees levied on residents, grants from certain established benefactors and its investment portfolio. It does not fundraise from the general public so the trustees do not believe that the Fundraising Code is applicable.

Plans for future periods

a. Future developments

Diana O'Hare, the interim manager appointed last June, took up her place as our permanent registered manager in July, after being interviewed alongside other short-listed candidates. Under her leadership we continue with recruitment, training, refurbishment and all relevant work on compliance.

We are indebted to the continuing efforts on our behalf of our fundraising and development consultant, Kate Wilson, whose dedication, acumen and energy have brought so much to the smooth running and future hopes of our business. Kate also provides Denville Hall with HR support and advice, and her assistant, Jasmin Kent Rodgman, is working on the redesign of our website.

Plans continue for future development of the adjacent two properties, and the garden.

DENVILLE HALL 2012

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

We are delighted to say that we are very happy with our choice of auditors, Blick Rothenberg, who continue to serve us well and enthusiastically, working alongside our Finance Officer, Fazly Wahab, in timely and efficient fashion.

This report was approved by the trustees and signed on their behalf by:

Lalla Ward
Chairman

Date: 10 July 2018

DENVILLE HALL 2012

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The trustees (who are also directors of Denville Hall 2012 for the purposes 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the charitable company's transactions and 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.

DENVILLE HALL 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENVILLE HALL 2012 FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Denville Hall 2012 (the 'charitable company') for the year ended 31 March 2018 set out on pages 13 to 28. 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 2018 and of its incoming resources and application of resources, including its income and expenditure 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 United Kingdom, including the Financial Reporting Council'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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 charitable company'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.

DENVILLE HALL 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENVILLE HALL 2012 FOR THE YEAR ENDED 31 MARCH 2018

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; 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, the trustees (who are also the directors of the charitable company for the purposes 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.

DENVILLE HALL 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENVILLE HALL 2012 FOR THE YEAR ENDED 31 MARCH 2018

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.

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Hart (Senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH
16 July 2018

DENVILLE HALL 2012

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	4	201,657	10,000	211,657	453,542
Charitable activities	5	1,615,344	-	1,615,344	1,694,140
Investments	6	303,197	-	303,197	302,762
Total income		2,120,198	10,000	2,130,198	2,450,444
Expenditure on:					
Raising funds	8	77,360	-	77,360	123,114
Charitable activities	7	2,372,759	-	2,372,759	2,811,315
Total expenditure		2,450,119	-	2,450,119	2,934,429
Net income / (expenditure) before investment (losses)/gains		(329,921)	10,000	(319,921)	(483,985)
Net (losses)/gains on investments	12,13	(8,767)	-	(8,767)	2,299,488
Net (expenditure)/income		(338,688)	10,000	(328,688)	1,815,503
Net movement in funds		(338,688)	10,000	(328,688)	1,815,503
Reconciliation of funds:					
Total funds brought forward		16,719,609	-	16,719,609	14,904,106
Total funds carried forward		16,380,921	10,000	16,390,921	16,719,609

All activities related to continuing operations.

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

The notes on pages 16 to 28 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	11	4,614,681		4,676,188	
Investment property	12	2,825,000		2,825,000	
Total tangible assets			7,439,681		7,501,188
Investments	13		8,783,078		8,970,111
			16,222,759		16,471,299
Current assets					
Debtors	14	147,045		202,791	
Cash at bank and in hand		204,260		237,143	
		351,305		439,934	
Creditors: amounts falling due within one year	15	(183,143)		(191,624)	
Net current assets			168,162		248,310
Net assets			16,390,921		16,719,609
Charity funds					
Restricted funds	16	10,000			-
Unrestricted funds	16	16,380,921			16,719,609
Total funds			16,390,921		16,719,609

The financial statements were approved by the trustees 10 July 2018 and signed on their behalf, by:

Lalla Ward
Chairman

Richard Berry
Trustee

Date: 10 July 2018

The notes on pages 16 to 28 form part of these financial statements.

DENVILLE HALL 2012

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(407,724)</u>	<u>(658,924)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		303,197	302,762
Purchase of tangible fixed assets		(106,622)	(2,479)
Proceeds from sale of investments		1,241,663	179,973
Purchase of investments		<u>(1,063,744)</u>	<u>-</u>
Net cash provided by investing activities		<u>374,494</u>	<u>480,256</u>
Change in cash and cash equivalents in the year		(33,230)	(178,668)
Cash and cash equivalents brought forward		<u>277,490</u>	<u>456,158</u>
Cash and cash equivalents carried forward	20	<u><u>244,260</u></u>	<u><u>277,490</u></u>

The notes on pages 16 to 28 form part of these financial statements.

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

The charity is a company limited by guarantee and is incorporated and registered in England and Wales. Its registered office and principal place of business is Denville Hall, 62 Ducks Hill Road, Northwood, Middlesex, HA6 2SB.

The financial statements are presented in Sterling (£).

The formal objective of the charity is to maintain and support Denville Hall as a residential, nursing and dementia care home for elderly actors and other members of the theatrical profession.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

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 Charities SORP (FRS 102) published 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 charity constitutes a public benefit entity as defined by FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustees have considered the twelve months from the date of approving the financial statements and are satisfied that the charity can meet its commitments as they fall due, based on the ability to draw down on the investment portfolio as required. The trustees are taking steps to increase income and reduce costs so that the charity becomes operationally secure which will enable free reserves to be restored to the desired level. On this basis, the trustees have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Fund accounting

General funds are unrestricted funds which 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from resident's fees is recognised over the period in which the service is provided.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised when receivable and the amount can be measured reliably. This is normally when the investment managers are notified of the interest receivable by the banks or dividends are declared and notification has been received of the dividend due.

2.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included in the statement of financial activities on an accruals basis. Irrecoverable VAT is allocated to the relevant expenditure as incurred.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those central support functions that are shared across the activities undertaken by the charity and include for example, personnel costs, information technology and general office costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation. These costs include costs related to statutory audit.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	10% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Listed investment are subsequently measured at fair value at the balance sheet date using the closing quoted market price.

Cash or cash equivalents are measured at the cash balance in sterling, using the spot exchange rate at the balance sheet date.

The main form of financial risk faced by the charity is that of the volatility of the markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities within particular sectors and sub-sectors.

2.8 Investment property

Investment property is shown at its open market value. The surplus or deficit arising from the annual revaluation is transferred to the statement of financial activities.

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.10 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments represent amounts paid in advance for which the services or goods had not been received at the balance sheet date, measured at their recoverable amounts.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Trade creditors are obligations to pay for goods or services that have been acquired from suppliers. Trade and other creditors are recognised at the settlement amount after any trade discounts received.

Accruals include amounts for which the charity will become liable in respect of the reporting period but for which invoices had not been received at the balance sheet date.

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

The charity's policies for its major classes of financial assets and financial liabilities are detailed in its accounting policies.

2.15 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In application of the charity's accounting policies, which are described in note 2, the key judgments made by the trustees are:

Investment property valuation

The investment property is held at an open market value for existing use basis using a valuation provided by an independent estate agent. In the absence of current prices in an active market for similar properties, current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences have been considered.

4. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	160,504	10,000	170,504	402,155
Legacies	41,153	-	41,153	51,387
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	201,657	10,000	211,657	453,542
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	453,542	-	453,542	
	<hr/>	<hr/>	<hr/>	

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fees receivable	1,615,344	-	1,615,344	1,694,140
Total 2017	1,694,140	-	1,694,140	

6. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	1,050	-	1,050	2,100
Income from listed shares	302,147	-	302,147	300,662
	303,197	-	303,197	302,762
Total 2017	302,762	-	302,762	

7. Charitable activities

	Direct costs £	Support costs £	Governance costs £	Total 2018 £	Total 2017 £
Staff costs	1,104,130	461,882	-	1,566,012	1,894,137
Residents' costs	203,875	-	-	203,875	249,578
Premises costs	18,756	433,082	-	451,838	497,835
Legal and professional	-	75,984	16,500	92,484	138,178
Other costs	47,135	11,415	-	58,550	31,587
	1,373,896	982,363	16,500	2,372,759	2,811,315
Total 2017	1,741,236	1,055,729	14,350	2,811,315	

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Analysis of expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising	3,350	-	61,138	64,488	113,668
Expenditure on investment management	-	-	12,872	12,872	9,446
Costs of generating funds	3,350	-	74,010	77,360	123,114
Direct and support costs	1,302,427	169,104	884,728	2,356,259	2,796,965
Expenditure on governance	-	-	16,500	16,500	14,350
Total 2018	1,305,777	169,104	975,238	2,450,119	2,934,429
Total 2017	1,353,887	152,955	1,427,587	2,934,429	

9. Net incoming resources/(resources expended)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	168,129	152,955
Auditor's remuneration - audit	16,500	14,350

During the year, no trustees received any remuneration or benefits in kind (2017: £nil).

2 trustees received reimbursement of expenses amounting to £698 in the current year, (2017 - 1 trustee - £747).

Costs in relation to operating leases were £27,867 during the year ended 31 March 2018 (2017: £27,256).

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,199,208	1,238,592
Social security costs	96,009	105,200
Other pension costs	10,560	10,095
	<u>1,305,777</u>	<u>1,353,887</u>

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Care	43	44
Support	20	21
	<u>63</u>	<u>65</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	1

The remuneration of key management personnel including employer pension costs and social security costs was £118,204 (2017: £176,415).

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Tangible fixed assets

	Freehold property £	Equipment, furniture and finishings £	Total £
Cost			
At 1 April 2017	6,079,273	706,104	6,785,377
Additions	-	106,622	106,622
At 31 March 2018	6,079,273	812,726	6,891,999
Depreciation			
At 1 April 2017	1,553,921	555,268	2,109,189
Charge for the year	121,586	46,543	168,129
At 31 March 2018	1,675,507	601,811	2,277,318
Net book value			
At 31 March 2018	4,403,766	210,915	4,614,681
At 31 March 2017	4,525,352	150,836	4,676,188

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017 and 31 March 2018	2,825,000

The 2018 valuations were made by the trustees, on an open market value for existing use basis.

On an historical cost basis these properties would have been included at £550,000 (2016: £550,000).

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. Fixed asset investments

	Listed securities £	Other investments £	Total £
Market value			
At 1 April 2017	8,929,764	40,347	8,970,111
Additions	1,063,744	-	1,063,744
Disposals	(1,241,663)	-	(1,241,663)
Revaluations	(8,767)	-	(8,767)
Cash movement	-	(347)	(347)
	<u>8,743,078</u>	<u>40,000</u>	<u>8,783,078</u>
At 31 March 2018	<u>8,743,078</u>	<u>40,000</u>	<u>8,783,078</u>
Historical cost	<u>6,798,791</u>	<u>40,000</u>	<u>6,838,791</u>

All of the above fixed asset investments are held in the UK.

The charity's investments comprise units in the Sarasin Endowment Fund Class A and the Institutional Sterling Liquidity Fund managed by Sarasin and Partners LLP.

14. Debtors

	2018 £	2017 £
Trade debtors	99,326	174,142
Other debtors	2,376	121
Prepayments and accrued income	45,343	28,528
	<u>147,045</u>	<u>202,791</u>

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	67,633	66,900
Other taxation and social security	18,647	25,863
Other creditors	14,815	25,621
Accruals and deferred income	82,048	73,240
	<u>183,143</u>	<u>191,624</u>

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16. Statement of funds

Statement of funds - current year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 March 2018 £
Unrestricted funds						
Unrestricted General Fund	399,146	1,818,464	(2,328,533)	480,000	-	369,077
Unrestricted Income Fund	8,970,111	301,734	-	(480,000)	(8,767)	8,783,078
Unrestricted Capital Fund	7,350,352	-	(121,586)	-	-	7,228,766
	<u>16,719,609</u>	<u>2,120,198</u>	<u>(2,450,119)</u>	<u>-</u>	<u>(8,767)</u>	<u>16,380,921</u>
 Restricted funds	 -	 10,000	 -	 -	 -	 10,000
 Total of funds	 <u>16,719,609</u>	 <u>2,130,198</u>	 <u>(2,450,119)</u>	 <u>-</u>	 <u>(8,767)</u>	 <u>16,390,921</u>

Statement of funds - prior year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 March 2017 £
Unrestricted funds						
Unrestricted General Fund	581,861	2,150,128	(2,812,843)	480,000	-	399,146
Unrestricted Income Fund	8,190,307	300,316	-	(480,000)	959,488	8,970,111
Unrestricted Capital Fund	6,131,938	-	(121,586)	-	1,340,000	7,350,352
	<u>14,904,106</u>	<u>2,450,444</u>	<u>(2,934,429)</u>	<u>-</u>	<u>2,299,488</u>	<u>16,719,609</u>
 Total of funds	 <u>14,904,106</u>	 <u>2,450,444</u>	 <u>(2,934,429)</u>	 <u>-</u>	 <u>2,299,488</u>	 <u>16,719,609</u>

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Summary of funds - current year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 March 2018 £
General funds	16,719,609	2,120,198	(2,450,119)	-	(8,767)	16,380,921
Restricted funds	-	10,000	-	-	-	10,000
	<u>16,719,609</u>	<u>2,130,198</u>	<u>(2,450,119)</u>	<u>-</u>	<u>(8,767)</u>	<u>16,390,921</u>

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 March 2017 £
General funds	14,904,106	2,450,444	(2,934,429)	-	2,299,488	16,719,609
	<u>14,904,106</u>	<u>2,450,444</u>	<u>(2,934,429)</u>	<u>-</u>	<u>2,299,488</u>	<u>16,719,609</u>

17. Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	2018 £
Unrestricted General Fund	210,915	-	158,162	369,077
Unrestricted Income Fund	-	8,783,078	-	8,783,078
Unrestricted Capital Fund	4,403,766	2,825,000	-	7,228,766
Restricted Fund	-	-	10,000	10,000
Total	<u>4,614,681</u>	<u>11,608,078</u>	<u>168,162</u>	<u>16,390,921</u>

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Funds

Unrestricted Funds comprise those funds which the trustees are free to use in accordance with the charitable objects. The trustees have made three designations out of the unrestricted funds.

The Unrestricted General Fund comprises the income and expenditure incurred in operating Denville Hall 2012, the care home.

The Unrestricted Income Fund comprises those investments, which are managed by Sarasin & Partners LLP, from which funds are transferred to the General Fund (shown as 'Transfers' in note 16) to support the charity's activities.

The Unrestricted Capital Fund comprises the property of Denville Hall, from which the care home is run, and the two investment properties.

The Restricted Fund represents a donation from the Mohamed S. Farsi Foundation to enhance the dining experience for residents.

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(328,688)	1,815,503
Adjustment for:		
Depreciation charges	168,129	152,955
(Gains)/losses on investments	8,767	(2,299,488)
Dividends, interest and rents from investments	(303,197)	(302,762)
Decrease in debtors	55,746	83,664
Decrease in creditors	(8,481)	(108,796)
Net cash used in operating activities	(407,724)	(658,924)

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash held on investment	204,260	237,143
Notice deposits (less than 3 months)	40,000	40,347
Total	244,260	277,490

DENVILLE HALL 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. Operating lease commitments

At 31 March 2018 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	26,585	28,624
Between 1 and 5 years	68,853	81,093
After more than 5 years	949	475
Total	96,387	110,192

22. Connected charities

Denville Hall 2012 is a member of the Combined Theatrical Charities Appeals Council, an umbrella group, and the trustees and staff of Denville Hall 2012 are extremely grateful to the kindred charities for their kind assistance during the period.

23. Related party transactions

Donations received without conditions from trustees totalled £nil (2017: £14,478).

24. Controlling party

There is no ultimate controlling party.