

**Charity Registration No. 1058769**

**Company Registration No. 03244113 (England and Wales)**

**PETWORTH COTTAGE NURSING HOME  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

# PETWORTH COTTAGE NURSING HOME

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                          |  |                                |
|--------------------------|--|--------------------------------|
| <b>Trustees</b>          | Mr C R Hubbard, Chairman<br>Mr J R Atkins<br><br>Dr A J Smoker<br>Mr T J Barrington<br>Dr S Pett<br>Mr A W Brooke<br>Mr T R W Longmore<br>Mr D H M Burrell<br>Dr G M Lyons | (Appointed 31 January<br>2022) |
| <b>Secretary</b>         | Mr T R W Longmore  |                                |
| <b>Patron</b>            | The Lady Egremont  |                                |
| <b>Charity number</b>    | 1058769  |                                |
| <b>Company number</b>    | 03244113   |                                |
| <b>Registered office</b> | Petworth Cottage Nursing Home<br>Fittleworth Road<br>Petworth<br>West Sussex<br>GU28 0HQ   |                                |
| <b>Auditor</b>           | Matthew Cleghorn FCA BSc (Hons), Anova<br>The Barn, Meadow Court<br>Faygate Lane<br>Faygate<br>Horsham<br>West Sussex<br>RH12 4SJ  |                                |
| <b>Bankers</b>           | NatWest Bank PLC<br>5 East Street<br>Chichester<br>West Sussex<br>PO10 1HH   |                                |
| <b>Solicitors</b>        | Anderson Rowntree<br>Wisteria House<br>Market Square<br>Petworth<br>West Sussex<br>GU28 0AJ  |                                |

---

# PETWORTH COTTAGE NURSING HOME

## CONTENTS

---

|   | <b>Page</b> |
|---|-------------|
| Trustees' report                        | 1 - 5       |
| Statement of trustees' responsibilities | 6           |
| Independent auditor's report            | 7 - 10      |
| Statement of financial activities       | 11          |
| Balance sheet                           | 12          |
| Statement of cash flows                 | 13          |
| Notes to the financial statements       | 14 - 25     |

---

# **PETWORTH COTTAGE NURSING HOME**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Memorandum and Articles of Association dated 30 August 1996 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The Charity's objectives are the relief of sickness and infirmity through the provision of nursing care, and without prejudice to the generality of the foregoing to provide a short stay nursing and convalescent home for the benefit of any disabled or sick person upon terms appropriate to their means, and to provide medical and/or nursing care of limited duration for any disabled or sick person upon terms appropriate to their means.

The Trustee Directors have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the Charity.

PCNH's fees continue to reflect its Charitable status as a non-profit Organisation. Fees charged reflect the full nursing status of the Home and are generally well below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 19 Residents with their fees during 2022 and has cared for a total of some 52 Residents during the year.

It is the intention of the Trustees and Management to continue to monitor the contribution for the public benefit and should, conditions allow, to increase the number of Residents admitted who need assistance with their fees.

#### **Achievements and performance**

Throughout the year the Charity has fulfilled the objectives set out above. The Residents continue to benefit from the continuing refurbishment and enhancement programme of the accommodation under the guidance of the Refurbishment Committee, the Nursing Home Manager (Matron) and the Finance Controller. Indeed during the year ending 2022 a full and complete refurbishment of the kitchen has been undertaken involving expenditure of £250,000 approximately. The work was completed both on time and within budget, thanks largely to the commitment of two Trustees, Tim Barrington and Graham Lyons, the Home Manager and the co-operation and tolerance of the kitchen team !!

PCNH has over a period of many years integrated itself within the local community and continues to benefit through its reputation and the activities of the Friends which continued to be restricted during 2022 by the aftermath of the Covid visitation.

#### **Results of Fund Raising Activities for 2022:-**

|                         |            |
|-------------------------|------------|
| Christmas Quiz          | £25,444.88 |
| Badger Pub              | £1,000.00  |
| Petworth Christmas Fair | £990.10    |
| Blue Tins               | £216.00    |
| White Horse Pub         | £1,725.00  |
| Alfresco Lunch          | £8,201.18  |

The Board is hugely appreciative of all these contributions. These gifts and some very generous legacies absolutely allow PCNH to fulfil its responsibilities as a Charity for the benefit of the community of Petworth and beyond.

# PETWORTH COTTAGE NURSING HOME

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

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### Investment Policy and Performance

In last year's Accounts, it was reported that the Investment Committee were researching the idea of perhaps appointing an investment manager to manage PCNH's non-property investments, and indeed, this duly happened during 2022.

Two investment management firms, Rowan Dartington and Quilter Cheviot Investment Management were considered for the role and, during late 2021 and early 2022, members of the Investment Committee met and interviewed Mr Nigel Pavey of Rowan Dartington followed by Ms Poppy Fox of Quilter Cheviot, and then on 14th February, they decided that Ms Poppy Fox of Quilter Cheviot Investment Management (QCIM) should be appointed. (This decision was duly ratified at the 28th March 2022 Board Meeting).

Then on 20th May, the Investment Committee drafted a "Statement of Investment Policy" (that was ratified at the 23rd May Board Meeting) which essentially stated:-

- that QCIM should be authorised to aim for optimum "Total Return" (meaning that the proportion of investment growth and re-invested income would be of no consequence), and
- that QCIM should manage the portfolio on the basis that PCNH has a medium tolerance for investment risk, and also work on the basis that the charity has a moderate ability to bear investment losses during periods of volatility and market weakness, and
- that investment income should be transferred to the capital account for reinvestment, and
- that, as the next item of capital expenditure (upgrading the kitchen) was not expected to exceed 15% of the then fund value and that no other capital expenditure was then envisaged, QCIM should be free to invest for the longer (indefinite) time-horizon.

As at 31st December 2021, PCNH held two Edentree Amity funds with a combined value of £350,112 and two M&G funds with a combined value of £518,135 (i.e. £868,247 in all), but these were liquidated at lower values (£318,346 in the case of Edentree in July and £495,151 in the case of M&G in August), so QCIM originally had £813,497 placed under its management.

However, £40,000 was then withdrawn in October (due to cash-flow weaknesses caused by the building work to the new kitchen), so in effect, QCIM's starting figure was £773,497.

The total funds under the management of QCIM as at 31 December 2022 was £765,086, after all fees (i.e. 1.1% down on the amount placed under its management).

#### Financial review

In 2022, there was an operating deficit of £265,571 and an overall deficit of £40,377 leading to a decrease in the total reserves held. The income received from residents rose by 7.2% with average occupancy of 28.5 Residents.

The financial policy of the charity is to continue to hold reserve funds not only to cover the maintenance and renewal of the buildings and equipment of the charity but also to ensure a strong balance sheet to mitigate the impact of any weakness in the market during the current and continuing recessionary period. It is considered politic and sound management to ensure that reserves do not fall below £800,000 in order to meet many months expenditure and potential repairs to the property. Total unrestricted funds were £2,948,262 and after taking account of £1,996,063 tied up in tangible fixed assets and investment property and the current year deficit, uncommitted reserves at the year end were £952,199.

# PETWORTH COTTAGE NURSING HOME

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

### Risk Assessment

The trustee directors are conscious of the need to review and determine the risks inherent in the management of the Home and to establish corrective actions and systems to mitigate the risks. The trustee directors continue to carry out risk assessment which is reviewed on an annual basis. Through these procedures, the trustee directors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is categorised under:

1. Medium likelihood/high impact
2. Low likelihood/high impact
3. Low likelihood/medium impact

| Description of risk  | Category | Plans and strategies for managing risk  |
|--|----------|---|
| Shortage of staffing in the Nursing home sector  | (1)      | - Reducing dependency on agency staff   |
| Sudden loss of senior staff  | (1)      | - Separate roles for Matron and Deputy Matron are in place so the likelihood of the sudden loss of both is reduced<br>-Matron/Manager is registered with the Care Quality Commission under relevant regulations                                   |
| Financial crisis   | (1)      | • Bed occupancy levels have improved.<br>• Sufficient invested funds, see Investment Policy Report and Performance attached.  |
| Electricity failure  | (1)      | - Secondary generator installed that cuts in automatically if main supply fails.  |
| Natural disaster; such as fire or lightning strike   | (2)      | • The Home is equipped with fire extinguishers<br>• Disaster recovery plan is in place  |
| Misbehaviour by member of staff  | (2)      | • Training and checks carried out for all staff<br>• Disciplinary procedure in place in case of an event arising  |
| Failure of IT system;  | (3)      | • Patient care records back up on cloud<br>• Regular back ups of accounts records   |
| Failure of cooking equipment   | (3)      | - Offsite suppliers of hot food available   |
| Injury to patient/staff from:<br>1. Fall<br>2. Wrongful administration of drugs<br>3. Financial & Stores fraud leading to financial difficulty | (3)      | (i) Care staff all receive first aid training<br>(ii) Drugs administered by trained nurses only in accordance to doctor's prescription<br>(m) Accounts audited by professional accountants and monthly accounts and bank reconciliations prepared |

In addition to the above view Document headed "Disaster and Emergency Plan 2022" dated 19/04/2022 prepared by DB and YS.

# **PETWORTH COTTAGE NURSING HOME**

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

---

I find myself considering a cautionary note regarding the future. Recruitment of carers and nurses continues to be a very considerable problem and we are aware of this. We need to ensure our Team is remunerated adequately and this will mean that our fees will have to be continually reviewed and adjusted. The decision was therefore made to increase our fees by 7.5% from 1st July 2022 with the probable further increase of a similar amount in January/February 2023.

The Trustee Directors and Management Team will endeavour to sustain occupancy levels. A major consideration and concern continues to be recruitment of both nursing and caring staff. This is greatly exacerbated by PCNH's geographical location which is comparatively isolated. The Budget for 2023 is based therefore upon an occupancy level of 29.

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

The charitable company is a company limited by guarantee and was set up in August 1996. It is governed by a Memorandum and Articles of Association dated 19 August 1996. It succeeds a charity with similar objects and assets set up by a Trust Deed dated 24 November 1971.

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

Mr C R Hubbard, Chairman

Mr J R Atkins

(Appointed 31 January 2022)

Dr A J Smoker

Mr T J Barrington

Dr S Pett

Mr A W Brooke

Mr T R W Longmore

Mr D H M Burrell

Dr G M Lyons

The charity's Articles of Association govern the appointment of the trustee directors and the filling of vacancies. New trustee directors are recruited by personal contact, being persons known to the Chairman or other trustee directors as having knowledge and experience which will enable them to make a significant contribution to the running of the charity. They will be given informal instruction in their duties and responsibilities and encouraged to study the appropriate Charity Commission and other instructional papers.

The day to day running of the nursing home is under the management of the Nursing Home Manager, Mrs Yvonne Stout. Financial administration and operational support is provided by Mrs. Ayelen Hayes, Finance Controller and both are salaried. Expenditure over £10,000 requires board approval. The board of trustee directors meet 6 times per year, receives reports from the Nursing Home Manager, Finance Controller and Doctor, reviews performance and considers issues as they arise.

None of the trustees has any beneficial interest in the company.

All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

### **Auditor**

Matthew Cleghorn FCA BSc (Hons), Anova were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Key Management Personnel**

The arrangements for setting the pay and remuneration of the charity's key personnel, consisting of the Nursing Home Manager, her Deputy and the Finance Controller is resolved by the Chairman with the involvement and approval of the Trustees. Subsequent enhancements for all staff members including senior management are agreed by the remuneration committee comprising the Chairman of the Trustees, the Nursing Home Manager, the Finance Controller and the lead Trustee for finance using bench marks such as inflation and the National Living Wage.

# PETWORTH COTTAGE NURSING HOME

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

---

### Review of Year

I find myself in June of 2023 echoing my reflections of 2021 and 2022. 2022 continued to be a truly testing and demanding time for all of our Team, perhaps most of all for our Carers and Nursing Team who had not only to cherish, nurse and support our Residents but at the same time safe-guarding themselves and their families, many of whom are of school age. They rose to the challenge wonderfully with great good humour and with a will to overcome and support one another, a real team effort ensuring that our Residents thrived..

In addition an awareness by the Trustees and Management of the difficulties that have confronted our very loyal, hardworking and compassionate team of Nurses, Carers and Administrative Staff with a sharp rise and unprecedented increase in the Cost of Living that remedial action needed to be taken. It was therefore decided at a Board meeting on 1st August 2022 that a Cost of Living Bonus should be paid to all staff regardless of seniority and across the board to all 63 members of the team in two tranches of £400, one in September and the other in January 2023, a total of £800. These figures were to be net and the cost of tax absorbed by PCNH.


Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron), Mrs. Ayelen Hayes, our new Finance Controller, all the nursing, caring and administrative team which she leads with great care and example. They have maintained the ethos of compassion and excellence to the highest standard.

### Disclosure of information to auditor

We, the Trustee directors of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustee directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

  
.....  
**Mr C R Hubbard, Chairman**  
Trustee

Dated: 17<sup>th</sup> August 2023

# **PETWORTH COTTAGE NURSING HOME**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

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

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

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

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

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

# PETWORTH COTTAGE NURSING HOME

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

---

#### Opinion

We have audited the financial statements of Petworth Cottage Nursing Home (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

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

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

We have nothing to report in this regard.

# PETWORTH COTTAGE NURSING HOME

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

---

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

## **PETWORTH COTTAGE NURSING HOME**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME**

---

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011 and Companies Act 2006.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with HMRC, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale for any significant transactions that are unusual or outside the normal course of operation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

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

## PETWORTH COTTAGE NURSING HOME

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF PETWORTH COTTAGE NURSING HOME

---

#### 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 in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Matthew Cleghorn FCA BSc (Hons), Anova**

**Chartered Accountants  
Statutory Auditor**

17 August 2023

The Barn, Meadow Court  
Faygate Lane  
Faygate  
Horsham  
West Sussex  
RH12 4SJ

---

Matthew Cleghorn FCA BSc (Hons), Anova is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

## PETWORTH COTTAGE NURSING HOME

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

|   | Notes | General<br>funds<br>2022<br>£ | Operating<br>funds<br>2022<br>£ | Total<br>2022<br>£ | General<br>funds<br>2021<br>£ | Operating<br>funds<br>2021<br>£ | Total<br>2021<br>£ |
|---|-------|-------------------------------|---------------------------------|--------------------|-------------------------------|---------------------------------|--------------------|
| <b>Income from:</b>                                       |       |                               |                                 |                    |                               |                                 |                    |
| Donations and legacies                                    | 3     | 271,307                       | 22,358                          | 293,665            | 64,455                        | 54,029                          | 118,484            |
| <u>Charitable activities</u>                              |       |                               |                                 |                    |                               |                                 |                    |
| Patients' fees  | 4     | -                             | 1,555,646                       | 1,555,646          | -                             | 1,451,117                       | 1,451,117          |
| Investments   | 5     | 33,151                        | -                               | 33,151             | 41,009                        | -                               | 41,009             |
| <b>Total income</b>                                       |       | <u>304,458</u>                | <u>1,578,004</u>                | <u>1,882,462</u>   | <u>105,464</u>                | <u>1,505,146</u>                | <u>1,610,610</u>   |
| <b>Expenditure on:</b>                                    |       |                               |                                 |                    |                               |                                 |                    |
| Raising funds   | 6     | 13,251                        | -                               | 13,251             | 7,864                         | -                               | 7,864              |
| <u>Charitable activities</u>                              |       |                               |                                 |                    |                               |                                 |                    |
| Provision of a residential care home                      | 7     | -                             | 1,836,975                       | 1,836,975          | -                             | 1,606,852                       | 1,606,852          |
| Governance  | 7     | -                             | 6,600                           | 6,600              | -                             | 6,000                           | 6,000              |
| <b>Total charitable expenditure</b>                       |       | <u>-</u>                      | <u>1,843,575</u>                | <u>1,843,575</u>   | <u>-</u>                      | <u>1,612,852</u>                | <u>1,612,852</u>   |
| <b>Total resources expended</b>                           |       | <u>13,251</u>                 | <u>1,843,575</u>                | <u>1,856,826</u>   | <u>7,864</u>                  | <u>1,612,852</u>                | <u>1,620,716</u>   |
| Net gains/(losses) on investments                         | 13    | (66,013)                      | -                               | (66,013)           | 68,285                        | -                               | 68,285             |
| <b>Net incoming/(outgoing) resources before transfers</b> |       | <u>225,194</u>                | <u>(265,571)</u>                | <u>(40,377)</u>    | <u>165,885</u>                | <u>(107,706)</u>                | <u>58,179</u>      |
| Gross transfers between funds                             |       | (265,571)                     | 265,571                         | -                  | (107,706)                     | 107,706                         | -                  |
| <b>Net movement in funds</b>                              |       | <u>(40,377)</u>               | <u>-</u>                        | <u>(40,377)</u>    | <u>58,179</u>                 | <u>-</u>                        | <u>58,179</u>      |
| Fund balances at 1 January 2022                           |       | 2,988,639                     | -                               | 2,988,639          | 2,930,462                     | -                               | 2,930,462          |
| <b>Fund balances at 31 December 2022</b>                  |       | <u>2,948,262</u>              | <u>-</u>                        | <u>2,948,262</u>   | <u>2,988,641</u>              | <u>-</u>                        | <u>2,988,641</u>   |

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

All income and expenditure derive from continuing activities.

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

# PETWORTH COTTAGE NURSING HOME

## BALANCE SHEET

AS AT 31 DECEMBER 2022

|   | Notes | 2022             |                  | 2021            |                  |
|---|-------|------------------|------------------|-----------------|------------------|
|   |       | £                | £                | £               | £                |
| <b>Fixed assets</b>                                   |       |                  |                  |                 |                  |
| Tangible assets                                       | 11    |                  | 1,736,063        |                 | 1,527,282        |
| Investment properties                                 | 14    |                  | 260,000          |                 | 260,000          |
| Investments   | 12    |                  | 765,086          |                 | 868,247          |
|   |       |                  | <u>2,761,149</u> |                 | <u>2,655,529</u> |
| <b>Current assets</b>                                 |       |                  |                  |                 |                  |
| Stocks  | 15    | 2,600            |                  | 2,600           |                  |
| Debtors   | 16    | 182,057          |                  | 164,711         |                  |
| Cash at bank and in hand                              |       | 134,873          |                  | 260,860         |                  |
|   |       | <u>319,530</u>   |                  | <u>428,171</u>  |                  |
| <b>Creditors: amounts falling due within one year</b> | 18    | <u>(132,417)</u> |                  | <u>(95,059)</u> |                  |
| Net current assets                                    |       |                  | 187,113          |                 | 333,112          |
| <b>Total assets less current liabilities</b>          |       |                  | <u>2,948,262</u> |                 | <u>2,988,641</u> |
| <b>Income funds</b>                                   |       |                  |                  |                 |                  |
| Unrestricted funds                                    |       |                  | 2,948,262        |                 | 2,988,641        |
|   |       |                  | <u>2,948,262</u> |                 | <u>2,988,641</u> |

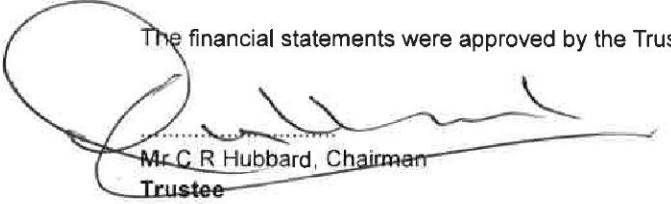
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

17<sup>th</sup> August  
2023

  
Mr C. R. Hubbard, Chairman  
Trustee

Company Registration No. 03244113

## PETWORTH COTTAGE NURSING HOME

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

|   | Notes | 2022<br>£ | £         | 2021<br>£ | £        |
|---|-------|-----------|-----------|-----------|----------|
| <b>Cash flows from operating activities</b>                   |       |           |           |           |          |
| Cash generated from/(absorbed by) operations                  | 22    |           | 70,687    |           | (24,032) |
| <b>Investing activities</b>                                   |       |           |           |           |          |
| Purchase of tangible fixed assets                             |       | (266,973) |           | (9,025)   |          |
| Proceeds from investment loans and receivables                |       | 37,148    |           | -         |          |
| Dividends, interest and rents from investments                |       | 33,151    |           | 41,009    |          |
| <b>Net cash (used in)/generated from investing activities</b> |       |           | (196,674) |           | 31,984   |
| <b>Net cash used in financing activities</b>                  |       |           | -         |           | -        |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |       |           | (125,987) |           | 7,952    |
| Cash and cash equivalents at beginning of year                |       |           | 260,860   |           | 252,908  |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 134,873   |           | 260,860  |

# PETWORTH COTTAGE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

##### Charity information

Petworth Cottage Nursing Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Petworth Cottage Nursing Home, Fittleworth Road, Petworth, West Sussex, GU28 0HQ.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Petworth Cottage Nursing Home meets the definition of a public benefit entity under FRS102.

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

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

##### 1.2 Going concern

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

##### 1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

##### 1.4 Income

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

Patients' fees include all fees receivable for the year.

Legacies are recognised on a case by case basis following the granting of probate and based on when the charity has been notified in writing of both the amount and the settlement date of the gift.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Investment income is earned through holding assets for investment purposes such as shares and property. 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.

Grants, including government grants, are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

##### 1.5 Expenditure

---

# PETWORTH COTTAGE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events,

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 Tangible fixed assets

Tangible fixed assets costing £100 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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

|                             |                                  |
|-----------------------------|----------------------------------|
| Freehold land and buildings | 5, 10 or 20 years straight line  |
| Fixtures and fittings       | Between 10-50% per annum on cost |
| Motor vehicles              | 25% per annum reducing balance   |

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

At each balance sheet date the Trustee directors review the carrying amounts of the Charity's tangible fixed assets to determine whether there is an indication of impairment of those assets. If such an indication exists, the recoverable amount of the asset is estimated in order to assess whether any impairment loss has arisen. The recoverable amount is the higher of fair value less costs to sell and value in use as determined by the trustee directors. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

#### 1.7 Investment properties

Investment properties are measured at fair value at each reporting date.

#### 1.8 Fixed asset investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at each reporting date, unless the value cannot be measured reliably in which case it is measure at cost less impairment.

Gains and losses, whether realised or unrealised, are combined and presented as "Net gains/(losses) on investments in the Statement of Financial Activities".

# PETWORTH COTTAGE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

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

#### 1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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

#### 1.11 Cash and cash equivalents

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

#### 1.12 Financial instruments

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

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments of the charity are initially recognised at transaction value and subsequently measured at their settlement value.

#### 1.13 Taxation

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 charitable company for UK Corporation Tax purposes.

#### 1.14 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.

#### 1.15 Retirement benefits

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

#### 1.16 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 institution with whom the funds are deposited.

#### 1.17 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustee directors named in the Trustees' report. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

# PETWORTH COTTAGE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Critical accounting estimates and judgements

#### Critical accounting estimates and assumptions:

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

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

#### Critical areas of judgement:

#### Expected useful life and residual value of freehold land and buildings

Tangible fixed assets are depreciated over their expected useful economic lives after taking into account the estimated residual value of the asset where significant. The residual values and useful economic lives are reassessed annually and may vary depending on a number of factors such as future maintenance programmes, future market conditions and change in legislation.

#### Fair value of investment properties

Investment properties are measured at fair value at each reporting date. The fair value of investment properties is assessed by the Trustee directors with reference to current market values.

### 3 Donations and legacies

|  | General funds  | Operating funds | Total          | General funds | Operating funds | Total          |
|--|----------------|-----------------|----------------|---------------|-----------------|----------------|
|  | 2022           | 2022            | 2022           | 2021          | 2021            | 2021           |
|  | £              | £               | £              | £             | £               | £              |
| Donations and gifts                          | 271,307        | -               | 271,307        | 64,455        | -               | 64,455         |
| Government grants                            | -              | 22,358          | 22,358         | -             | 54,029          | 54,029         |
|  | <u>271,307</u> | <u>22,358</u>   | <u>293,665</u> | <u>64,455</u> | <u>54,029</u>   | <u>118,484</u> |
| <b>Donations and gifts</b>                   |                |                 |                |               |                 |                |
| Donations and legacies                       | 223,580        | -               | 223,580        | 21,628        | -               | 21,628         |
| Donations received via The Friends           | 47,727         | -               | 47,727         | 42,827        | -               | 42,827         |
|  | <u>271,307</u> | <u>-</u>        | <u>271,307</u> | <u>64,455</u> | <u>-</u>        | <u>64,455</u>  |
| <b>Grants receivable for core activities</b> |                |                 |                |               |                 |                |
| Government grants                            | -              | 22,358          | 22,358         | -             | 54,029          | 54,029         |
|  | <u>-</u>       | <u>22,358</u>   | <u>22,358</u>  | <u>-</u>      | <u>54,029</u>   | <u>54,029</u>  |

## PETWORTH COTTAGE NURSING HOME

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Donations and legacies

(Continued)

During the year, a total of £22,358 (2021: £54,029) was received in government grants. These were received in relation to infection control: £8,800 (2021: £45,767), support for social service residents: £4,278 (2021: £4,150), Coronavirus Job Retention Scheme Nil (2021: £4,112), Workforce development plan £9,280 (2021: Nil).

#### 4 Charitable activities

|                                    | Patients'<br>fees<br>2022<br>£ | Patients'<br>fees<br>2021<br>£ |
|------------------------------------|--------------------------------|--------------------------------|
| Sales within charitable activities | 1,555,646                      | 1,451,117                      |

#### 5 Investments

|                                | General<br>funds<br>2022<br>£ | General<br>funds<br>2021<br>£ |
|--------------------------------|-------------------------------|-------------------------------|
| Rental income                  | 8,962                         | 8,445                         |
| Income from listed investments | 23,751                        | 32,455                        |
| Interest receivable            | 438                           | 109                           |
|                                | <u>33,151</u>                 | <u>41,009</u>                 |

#### 6 Raising funds

|                                  | General<br>funds<br>2022<br>£ | General<br>funds<br>2021<br>£ |
|----------------------------------|-------------------------------|-------------------------------|
| <u>Fundraising and publicity</u> |                               |                               |
| Other fundraising costs          | 9,340                         | 7,864                         |
| <u>Investment management</u>     | 3,911                         | -                             |
|                                  | <u>13,251</u>                 | <u>7,864</u>                  |



## PETWORTH COTTAGE NURSING HOME

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

#### 8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| <b>Fees payable to the charitable company's auditors and associates:</b> | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Audit of the annual accounts   | 4,750        | 6,000        |
| <b>Other services to the group</b>                                       |              |              |
| All non-audit services not included above                                | 1,850        | 120          |
| <b>Total audit fees</b>  | <b>6,600</b> | <b>6,120</b> |

#### 9 Employees

##### Number of employees

The average monthly number of employees during the year was:

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
|  | 55            | 55            |

##### Employment costs

|                       | <b>2022</b>      | <b>2021</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,234,983        | 1,141,051        |
| Social security costs | 107,658          | 90,833           |
| Other pension costs   | 22,786           | 21,814           |
|                       | <b>1,365,427</b> | <b>1,253,698</b> |

The key management personnel of the charity comprise the trustees and the home manager. The total remuneration of key management personnel during the year was £183,324 (2021: £191,018).

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

|                   | <b>2022</b>   | <b>2021</b>   |
|-------------------|---------------|---------------|
|                   | <b>Number</b> | <b>Number</b> |
| £70,001 - £80,000 | 1             | 1             |

#### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2021: £NIL).

During the year ended 31 December 2022, no Trustee director expenses have been incurred (2021: £NIL).

## PETWORTH COTTAGE NURSING HOME

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Tangible fixed assets

|                                    | Freehold land<br>and buildings | Fixtures and<br>fittings | Motor vehicles | Total     |
|------------------------------------|--------------------------------|--------------------------|----------------|-----------|
|                                    | £                              | £                        | £              | £         |
| <b>Cost</b>                        |                                |                          |                |           |
| At 1 January 2022                  | 1,492,081                      | 305,515                  | 42,835         | 1,840,431 |
| Additions                          | 151,518                        | 115,455                  | -              | 266,973   |
| At 31 December 2022                | 1,643,599                      | 420,970                  | 42,835         | 2,107,404 |
| <b>Depreciation and impairment</b> |                                |                          |                |           |
| At 1 January 2022                  | 76,053                         | 223,450                  | 13,646         | 313,149   |
| Depreciation charged in the year   | 18,764                         | 32,130                   | 7,298          | 58,192    |
| At 31 December 2022                | 94,817                         | 255,580                  | 20,944         | 371,341   |
| <b>Carrying amount</b>             |                                |                          |                |           |
| At 31 December 2022                | 1,548,782                      | 165,390                  | 21,891         | 1,736,063 |
| At 31 December 2021                | 1,416,028                      | 82,065                   | 29,189         | 1,527,282 |

All of the tangible fixed assets of the Charity are used directly for charitable purposes.

#### 12 Fixed asset investments

|                          | Listed<br>investments<br>£ |
|--------------------------|----------------------------|
| <b>Cost or valuation</b> |                            |
| At 1 January 2022        | 868,247                    |
| Valuation changes        | (66,013)                   |
| Transfers                | (40,000)                   |
| Dividends/charges etc    | 2,852                      |
| At 31 December 2022      | 765,086                    |
| <b>Carrying amount</b>   |                            |
| At 31 December 2022      | 765,086                    |
| At 31 December 2021      | 868,247                    |

#### Fixed asset investments revalued

The historical cost of fixed asset investments at 31 December 2022 was £813,520 (2021: £807,000).

The fair value of listed investments is determined by the reference to market value. The listed investments are wholly comprised of an investment portfolio managed by Quilter Cheviot.

## PETWORTH COTTAGE NURSING HOME

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

#### 13 Net gains/(losses) on investments

|                            | Unrestricted<br>funds | Unrestricted<br>funds |
|----------------------------|-----------------------|-----------------------|
|                            | 2022<br>£             | 2021<br>£             |
| Revaluation of investments | (66,013)              | 68,285                |

#### 14 Investment property

|  | 2022<br>£ |
|--|-----------|
| <b>Fair value</b>                      |           |
| At 1 January 2022 and 31 December 2022 | 260,000   |

The 2022 valuation was made by the Trustee directors, on an open market value for existing use basis.

The Trustee directors consider that the open market value equates for fair value.

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| Freehold                                    | 260,000        | 260,000        |
| Long leasehold                              | -              | -              |
| Short leasehold                             | -              | -              |
|   | <u>260,000</u> | <u>260,000</u> |
| <b>15 Stocks</b>                            |                |                |
|   | 2022<br>£      | 2021<br>£      |
| Medical supplies and food                   | 2,600          | 2,600          |
|   | <u>2,600</u>   | <u>2,600</u>   |
| <b>16 Debtors</b>                           |                |                |
| <b>Amounts falling due within one year:</b> | 2022<br>£      | 2021<br>£      |
| Trade debtors                               | 138,064        | 108,667        |
| Other debtors                               | 2,183          | -              |
| Prepayments and accrued income              | 41,810         | 56,044         |
|   | <u>182,057</u> | <u>164,711</u> |

## PETWORTH COTTAGE NURSING HOME

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Contingent Assets

The charitable company has been legally gifted 10% of an estate, the sum of which is dependant on the sale of property and is likely to be in the region of £64,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

The charitable company has further been gifted a bequest of circa £200k, £180k of which was received in October 2022. The residual inflow of economic benefits (circa £20k) from the bequest has been considered as probable, however, the expected receipt date of the remaining legacy is unknown.

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

|                                    | Notes | 2022<br>£      | 2021<br>£     |
|------------------------------------|-------|----------------|---------------|
| Other taxation and social security |       | 35,644         | 37,497        |
| Deferred income                    | 19    | 2,467          | 1,703         |
| Trade creditors                    |       | 34,546         | 24,404        |
| Other creditors                    |       | 6,724          | 7,268         |
| Accruals                           |       | 53,036         | 24,187        |
|                                    |       | <u>132,417</u> | <u>95,059</u> |

Income is deferred in respect of resident fees received in advance and income for fundraising events received in advance.

#### 19 Deferred income

|                       | 2022<br>£    | 2021<br>£    |
|-----------------------|--------------|--------------|
| Other deferred income | <u>2,467</u> | <u>1,703</u> |

Deferred income is included in the financial statements as follows:

|                             | £            |
|-----------------------------|--------------|
| Balance at 1 January 2022:  | 1,703        |
| Released in year            | (1,703)      |
| Income deferred in year     | <u>2,467</u> |
| Balance at 31 December 2022 | 2,467        |

## PETWORTH COTTAGE NURSING HOME

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Analysis of net assets between funds

|   | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>2021<br>£ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 December 2022 are represented by: |                                    |                                  |                    |                                    |                                  |                    |
| Tangible assets                                       | 1,736,063                          | -                                | 1,736,063          | 1,527,282                          | -                                | 1,527,282          |
| Investment properties                                 | 260,000                            | -                                | 260,000            | 260,000                            | -                                | 260,000            |
| Investments   | 765,086                            | -                                | 765,086            | 868,247                            | -                                | 868,247            |
| Current assets/(liabilities)                          | 187,113                            | -                                | 187,113            | 333,112                            | -                                | 333,112            |
|   | <u>2,948,262</u>                   | <u>-</u>                         | <u>2,948,262</u>   | <u>2,988,641</u>                   | <u>-</u>                         | <u>2,988,641</u>   |

#### 21 Financial commitments, guarantees and contingent liabilities

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £1,759 (2021: £nil)

#### 22 Cash generated from operations

|   | 2022<br>£     | 2021<br>£       |
|---|---------------|-----------------|
| (Deficit)/surplus for the year                                    | (40,378)      | 58,179          |
| Adjustments for:  |               |                 |
| Investment income recognised in statement of financial activities | (33,151)      | (41,009)        |
| Fair value gains and losses on investments                        | 66,013        | (68,285)        |
| Depreciation and impairment of tangible fixed assets              | 58,191        | 53,530          |
| Movements in working capital:                                     |               |                 |
| (Increase)/decrease in stocks                                     | -             | 2,009           |
| (Increase) in debtors   | (17,346)      | (12,758)        |
| Increase/(decrease) in creditors                                  | 36,594        | (15,698)        |
| Increase in deferred income                                       | 764           |                 |
| <b>Cash generated from/(absorbed by) operations</b>               | <u>70,687</u> | <u>(24,032)</u> |

#### 23 Analysis of changes in net funds

|                          | At 1 January<br>2022<br>£ | Cash flows       | At 31 December<br>2022<br>£ |
|--------------------------|---------------------------|------------------|-----------------------------|
| Cash at bank and in hand | 260,860                   | (125,987)        | 134,873                     |
|                          | <u>260,860</u>            | <u>(125,987)</u> | <u>134,873</u>              |

# PETWORTH COTTAGE NURSING HOME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 24 Retirement benefit schemes

##### Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £22,786 (2021 - £21,814).

Contributions totalling £2,994 were payable to the fund at the balance sheet date (2021: £Nil).

#### 25 Related party transactions

During the year the Charity incurred property management fees of £1,077 (2021: £1,552) from Barrington and Co, of which T Barrington, trustee, is a director. At the balance sheet date the amount due to Barrington and Co was £Nil (2021: £Nil).

There were no other related party transaction that require disclosure in 2022.

#### 26 Controlling party

The charitable company is controlled by its trustee directors.