PE ORTH COTTAGE NURSING HO E

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PETWORTH COTTAGE NURSING HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report and financial statements for the year ended 31 December 2024.

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 below that of similar Nursing Homes. Petworth Cottage Nursing Home has assisted 4 Residents with their fees during 2024 and has cared for a total of some 65 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 of various areas of the Home including the first floor Pantry used by visitors and staff, the staff room and the Volunteers kitchen, all three of which were funded by the proceeds from the Christmas Quiz.

Residents rooms continue to be refurbished and enhanced by a team of members of staff with a very careful eye kept on expenditure. The result is charming and homely.

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.

Results of Fund Raising Activities for 2024:-

Christmas Quiz	£33,566
Alfresco Lunch	£12,205
Badger Pub	£1,000
Blue Tins	£269
White Horse Pub	£2,000
Braham Donation	£1,000
Codrington Donation	£1,000
Lyn Geneology	£200
Other Donations	£25,204

All of the above are gross figures and do not include expenses.

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

Investment Policy and Performance
Since July 2022, our non-property investments have been under the management of Quilter Cheviot Investment Management (QCIM) under the following investment mandate:-

- That QCIM should aim for optimum "Total Return" (meaning that the proportions of investment growth and re-invested income are of no consequence) and
- That QCIM should manage the portfolio on the basis that PCNH has a medium tolerance for investment risk and also on the understanding that it only 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 QCIM should be free to invest for the longer (indefinite) time-horizon.

The investment director at QCIM who is responsible for managing PCNH's investments continues to be Ms Poppy Fox and the Investment Committee had its second annual review meeting with her on 28th August 2024 (when the value of the portfolio was standing at £865,729) and, after the meeting, the Investment Committee agreed that it was satisfied that she was (i) continuing to operate within our mandate, and (ii) continuing to obtain a very respectable investment performance. (Had £25,000 not been withdrawn a fortnight before the meeting, then it would have been up 7.3% during the year to date.) The total funds under QCIM's management as at 31 December 2023 stood at £830,455 and, a year later on 31 December 2024, this value had increased to £886,342 after all fees despite a £25,000 withdrawal on 6th August of that year. (Had the £25,000 not been withdrawn, then it would have been up over 10% during the year.)

Financial review
In 2024, there was an operating deficit of £214,915 (2023: £97,742) and an overall deficit of £33,921 (2023: surplus of £46,938) leading to a decrease in the total reserves held. The income received from residents rose by 5% (2023: 12.7%) with average occupancy of 27 residents (2023: 27).

Reserves Policy
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 £2,961,278 (2023: £2,995,199) and after taking account of £1,935,679 (2023: £1,944,900) tied up in tangible fixed assets and investment property, uncommitted reserves at the year end were £1,025,599 (2023: £1,050,299).

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	Planning 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 Matron/Manager is registered with the Care Quality Commission under relevant regulations
Financial crisis	1	Bed occupancy levels have improved. Sufficient invested funds, see Investment Policy and Performance Report 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 Disaster recovery plan is in place
Misbehaviour by member of staff	2	Training and checks carried out for all staff Disciplinary procedure in place in case of an event arising
Failure of IT system;	3	Patient care records back up on cloud Regular back ups of accounts records
Failure of cooking equipment	3	Offsite suppliers of hot food available
Injury to patient/staff from: 1. Fall 2. Wrongful administration of drugs 3. Financial & Stores fraud leading to financial difficulty	3	(i) Care staff all receive first aid training (ii) Drugs administered by trained nurses only in accordance to doctor's prescription (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 2023" dated 16/05/23 prepared by DB and YS.

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 2025 is based therefore upon an occupancy level of 28.

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	
Dr A J Smoker	
Mr T J Barrington	
Dr S Pett	
Mr A W Brooke	
Mr D H M Burrell	
Dr G M Lyons	
Mr A M Hepworth	(Appointed 1 January 2024)
Ms P Barton	(Appointed 26 September 2024)

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

Anova was 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.

Review of Year

The need to continue with successional planning is paramount. We are delighted to welcome two new Trustees. Allan Hepworth joined us in January 2024 and Philippa Barton in September 2024, both bring much to the table to say nothing of younger years!!

A situation arose in June of 2024, when a member of staff at PCNH reported a matter to the Chairman of Trustees. The particular matter was subsequently raised as a Formal Grievance which invoked the Formal Grievance Process and Protocols of the PCNH Management System. External expertise was engaged by the Chairman of Trustees to undertake the initial steps of the Formal Grievance Process which went to the Appeal Stage for which additional external expertise was also required. Trustees were appointed to fulfil the functions of Grievance and Appeal Managers.

The duration of the formal processes was very protracted and considerably longer than envisaged. Once an adjudication was made several restorative actions were identified and enacted by the PCNH Leadership Team and the Board of Trustees collaboratively. The staff member resumed normal duties. Throughout the episode the Trustees have placed great store in maintaining a harmonious and supportive working climate at PCNH.

A consequence of the Grievance episode is the human cost to those directly involved, most particularly the Management Team who have borne a very demanding situation with much fortitude. There are other costs that have had to be borne, most notably a significant financial cost amounting to £16,000.

We continue to await the realisation of two Legacies that were very generously gifted to us some two years ago and a further Benefactor's Legacy of some 250,000 US Dollars in 2024. Hopefully these will all come to fruition during 2026, an estimate of the combined values being some £300,000.

Much work has been carried out on our new website which has now been completed and went "live" on 16th June 2025.

Finally, the Trustees are immensely grateful to Mrs. Yvonne Stout, Manager (Matron), Mrs. Ayelen Hayes, our Finance Manager, all the Nursing, Caring and Administrative Team which Matron leads with great care and example. They have maintained the ethos of compassion and nursing 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: 23rd July 2025

PETWORTH COTTAGE NURSING HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

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; 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 2024 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 2024 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.

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.

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.

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 to them 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 (Jul 23, 2025 15:49:07 GMT+1)

23/07/2025

Matthew Cleghorn FCA BSc (Hons) (Senior Statutory Auditor)
for and on behalf of Anova

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Chartered Accountants
Statutory Auditor

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

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 2024

	Notes	General funds 2024 £	Operating funds 2024 £	Total 2024 £	General funds 2023 £	Operating funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	71,444	11,329	82,773	86,262	7,044	93,306
Charitable activities							
Patients' fees	4	-	1,833,565	1,833,565	-	1,753,367	1,753,367
Investments	5	29,454	-	29,454	26,921	-	26,921
Total income		100,898	1,844,894	1,945,792	113,183	1,760,411	1,873,594
Expenditure on:							
Raising funds	6	13,647	-	13,647	23,543	-	23,543
Charitable activities							
Provision of a residential care home	7	-	2,045,550	2,045,550	-	1,847,975	1,847,975
Governance	7	-	9,283	9,283	-	7,070	7,070
Total charitable expenditure		-	2,054,833	2,054,833	-	1,855,045	1,855,045
Other	10	-	4,976	4,976	-	3,108	3,108
Total resources expended		13,647	2,059,809	2,073,456	23,543	1,858,153	1,881,696
Net gains/(losses) on investments	14	93,743	-	93,743	55,040	-	55,040
Net incoming/(outgoing) resources before transfers		180,994	(214,915)	(33,921)	144,680	(97,742)	46,938
Gross transfers between funds		(214,915)	214,915	-	(97,742)	97,742	-
Net movement in funds		(33,921)	-	(33,921)	46,938	-	46,938
Fund balances at 1 January 2024		2,995,199	-	2,995,199	2,948,261	-	2,948,261
Fund balances at 31 December 2024		2,961,278	-	2,961,278	2,995,199	-	2,995,199

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 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	**12**		1,650,679		1,684,900
Investment properties	**15**		285,000		260,000
Investments	**13**		886,342		830,455
			2,822,021		2,775,355
Current assets					
Stocks	**16**	2,600		2,600	
Debtors	**17**	182,121		216,899	
Cash at bank and in hand		55,106		99,380	
		239,827		318,879	
Creditors: amounts falling due within one year	**19**	(100,570)		(99,035)	
Net current assets			139,257		219,844
Total assets less current liabilities			2,961,278		2,995,199
Income funds					
Unrestricted funds			2,961,278		2,995,199
			2,961,278		2,995,199

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 2024, although an audit has been carried out under section 144 of the Charities Act 2011. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

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 23rd July 2025

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Mr C R Hubbard, Chairman
Trustee

Company Registration No. 03244113

PETWORTH COTTAGE NURSING HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	**22**		(37,534)		(19,892)
Investing activities					
Purchase of tangible fixed assets		(49,051)		(32,193)	
Proceeds from investment loans and receivables		(12,143)		(10,329)	
Proceeds on disposal of investments		25,000		-	
Interest received		29,454		26,921	
Net cash used in investing activities			(6,740)		(15,601)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(44,274)		(35,493)
Cash and cash equivalents at beginning of year			99,380		134,873
Cash and cash equivalents at end of year			55,106		99,380

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 Accounting policies **(Continued)**

1.5 Expenditure

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
Plant and equipment	Between 10-33% per annum on cost
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 Accounting policies **(Continued)**

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".

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 Accounting policies **(Continued)**

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.

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
	2024	**2024**	**2024**	2023	2023	2023
	£	**£**	**£**	£	£	£
Donations and gifts	71,444	5,000	76,444	86,262	-	86,262
Government grants	-	6,329	6,329	-	7,044	7,044
	71,444	11,329	82,773	86,262	7,044	93,306
Donations and gifts						
Donations and legacies	23,777	5,000	28,777	24,246	-	24,246
Donations received via The Friends	47,667	-	47,667	62,016	-	62,016
	71,444	5,000	76,444	86,262	-	86,262

3 Donations and legacies (Continued)

Grants receivable for core activities						
Government grants	-	6,329	6,329	-	7,044	7,044
	-	6,329	6,329	-	7,044	7,044

During the year, a total of £6,329 (2023: £7,044) was received in government grants. These were received in relation to support for social service residents.

4 Charitable activities

	Patients' fees 2024 £	Patients' fees 2023 £
Sales within charitable activities	1,833,565	1,753,367

5 Investments

	General funds 2024 £	General funds 2023 £
Rental income	9,673	9,646
Income from listed investments	18,644	15,924
Interest receivable	1,137	1,351
	29,454	26,921

6 Raising funds

	General funds 2024 £	General funds 2023 £
Fundraising and publicity		
Other fundraising costs	5,291	9,458
Investment management	8,356	14,085
	13,647	23,543

7 Charitable activities

	Provision of a residential care home 2024 £	Governance 2024 £	Total 2024 £	Provision of a residential care home 2023 £	Governance 2023 £	Total 2023 £
Staff costs	1,437,690	-	1,437,690	1,339,031	-	1,339,031
Depreciation and impairment	78,299	-	78,299	80,247	-	80,247
Staff agency charges	171,271	-	171,271	110,557	-	110,557
Staff training	6,584	-	6,584	7,291	-	7,291
Food	80,522	-	80,522	84,031	-	84,031
Cleaning and laundry	27,585	-	27,585	24,554	-	24,554
Surgery and medical	22,104	-	22,104	19,909	-	19,909
Incidental patient supplies	6,434	-	6,434	8,272	-	8,272
Heating oil	32,250	-	32,250	24,921	-	24,921
Electricity	27,130	-	27,130	27,345	-	27,345
Water charges	7,543	-	7,543	5,168	-	5,168
Repairs and renewals	48,203	-	48,203	48,625	-	48,625
Garden maintenance	5,274	-	5,274	3,664	-	3,664
Telephone	2,958	-	2,958	1,826	-	1,826
Television	(399)	-	(399)	(722)	-	(722)
Motor and travelling	3,563	-	3,563	1,939	-	1,939
Other charitable expenditure	85,595	-	85,595	57,994	-	57,994
	2,042,606	-	2,042,606	1,844,652	-	1,844,652
Bank charges	2,944	-	2,944	3,323	-	3,323
Governance costs	-	9,283	9,283	-	7,070	7,070
	2,045,550	9,283	2,054,833	1,847,975	7,070	1,855,045

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditors and associates:	**2024**	**2023**
	£	**£**
Audit of the annual accounts	4,895	4,750
Other services to the charitable company		
- Non-audit services provided to the charitable company	2,390	2,320
Total audit fees	7,285	7,070

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2024	**2023**
	Number	**Number**
	54	56

Employment costs	**2024**	**2023**
	£	**£**
Wages and salaries	1,297,974	1,203,111
Social security costs	112,937	112,140
Other pension costs	26,779	23,780
	1,437,690	1,339,031

The key management personnel of the charity comprise the financial controller, the home manager and her deputy. The total remuneration of key management personnel during the year was £180,075 (2023: £180,031).

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

	2024	**2023**
	Number	**Number**
£70,001 - £80,000	1	1

10 Other

	Operating funds	Restricted funds
	2024	2023
Net loss on disposal of tangible fixed assets	4,976	3,108
	4,976	3,108

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2023: £Nil).

During the year ended 31 December 2024, no Trustee director expenses have been incurred (2023: £Nil).

12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	1,637,862	16,650	260,600	42,835	1,957,947
Additions	27,199	581	21,271	-	49,051
Disposals	(5,237)	-	(4,794)	-	(10,031)
At 31 December 2024	1,659,824	17,231	277,077	42,835	1,996,967
Depreciation and impairment					
At 1 January 2024	127,503	1,033	118,092	26,416	273,044
Depreciation charged in the year	33,101	3,331	37,760	4,106	78,298
Eliminated in respect of disposals	(1,351)	-	(3,703)	-	(5,054)
At 31 December 2024	159,253	4,364	152,149	30,522	346,288
Carrying amount					
At 31 December 2024	1,500,571	12,867	124,928	12,313	1,650,679
At 31 December 2023	1,510,359	15,617	142,506	16,418	1,684,900

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

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	830,455
Valuation changes	68,743
Dividends/charges etc	12,144
Disposals	(25,000)
At 31 December 2024	886,342
Carrying amount	
At 31 December 2024	886,342
At 31 December 2023	830,455

Fixed asset investments revalued

The historical cost of fixed asset investments at 31 December 2024 was £813,520 (2023: £813,520).

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.

14 Net gains/(losses) on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Revaluation of investments	93,743	55,040

15 Investment property

	2024 £
Fair value	
At 1 January 2024	260,000
Net gains or losses through fair value adjustments	25,000
At 31 December 2024	285,000

The 2024 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.

15 Investment property (Continued)

	2024	2023
	£	£
Freehold	285,000	260,000

16 Stocks

	2024	2023
	£	£
Medical supplies and food	2,600	2,600

17 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	153,781	163,407
Other debtors	1,383	1,276
Prepayments and accrued income	26,957	52,216
	182,121	216,899

18 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.

The charitable company has additionally been gifted $250,000. The inflow of economic benefits has been considered as probable, however, the expected receipt date of the legacy is unknown.

19 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		36,212	34,032
Deferred income	20	3,652	1,311
Trade creditors		32,628	36,366
Other creditors		5,347	5,508
Accruals		22,731	21,818
		100,570	99,035

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

20 Deferred income

	2024 £	2023 £
Other deferred income	3,652	1,311

Deferred income is included in the financial statements as follows:

	£
Balance at 1 January 2024:	1,311
Released in year	(1,311)
Income deferred in year	3,652
Balance at 31 December 2024	3,652

21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Tangible assets	1,650,679	-	1,650,679	1,684,900	-	1,684,900
Investment properties	285,000	-	285,000	260,000	-	260,000
Investments	886,342	-	886,342	830,455	-	830,455
Current assets/(liabilities)	139,257	-	139,257	219,844	-	219,844
	2,961,278	-	2,961,278	2,995,199	-	2,995,199

22 Cash generated from operations

	2024	2023
	£	£
(Deficit)/surpus for the year	(33,921)	46,938
Adjustments for:		
Investment income recognised in statement of financial activities	(29,454)	(26,921)
Loss on disposal of tangible fixed assets	4,976	3,108
Fair value gains and losses on investments	(93,743)	(55,040)
Depreciation and impairment of tangible fixed assets	78,299	80,247
Movements in working capital:		
Decrease/(increase) in debtors	34,774	(34,842)
(Decrease) in creditors	(806)	(32,226)
Increase/(decrease) in deferred income	2,341	(1,156)
Cash absorbed by operations	(37,534)	(19,892)

23 Analysis of changes in net funds

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	99,380	(44,274)	55,106
	99,380	(44,274)	55,106

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 £26,779 (2023 - £23,780).

Contributions totalling £5,714 were payable to the fund at the balance sheet date (2023: £5,248).

25 Related party transactions

During the year the Charity incurred property management fees of £1,510 (2023: £1,154) 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 (2023: £Nil).

There were no other related party transaction that require disclosure in 2024.

26 Controlling party

The charitable company is controlled by its trustee directors.

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