Rustington Convalescent Home

Annual Report and Accounts

31 December 2025

Charity Registration Number
216865

Contents

Reports

Legal and administrative information	1
Trustee's report	3
Independent auditor's report	11

Accounts

Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Principal accounting policies	18
Notes to the accounts	22

Legal and administrative information

Trustee	The Worshipful Company of Carpenters
Court members	
The Master	Mr L S Mallinson
Senior Warden	Mr J W Preston
Middle Warden	Vice Admiral P M Bennett
Junior Warden	Mr J A Greaves
	Mr W S Haynes
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
	Mr M H W Neal
	Mr A M Gregory-Smith
	Mrs R F Bower
	His Hon P W Birts
	Brigadier M J Meardon
	Mr M J Morrison
	Dr A Zimbler
Deputy Master	Sir L D G Grossman
Committee of Management	
Chairman	Mr M H W Neal
	Mr M O P May
	Mr F M Wheeler
	Mr R C Galbraith (retired 18 November 2025)
	Mr M W F Felton
	Mr P W Brading
	Mr N S Corderey
Ex-officio members	*The Master of the Company*
	Mr L S Mallinson
	The Junior Warden
	Mr J A Greaves
	Treasurer
	Mr M J Samuel
Secretary	Colonel R. Arundell (from 16 January 2026)
	Brigadier T J Gregson (until 16 January 2026)
Home Manager	Mrs J Haynes

Legal and administrative information

Registered address	Carpenters' Hall 1 Throgmorton Avenue London EC2N 2JJ
Home address	Sea Road Rustington Littlehampton BN16 2LZ
Charity registration number	216865
Auditors	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA Brown Advisory 1st Floor 18 Hanover Square London W1S 1JY
Bankers	C. Hoare & Co. 37 Fleet Street Temple London EC4Y 1BT
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

The Trustee presents its statutory report with the accounts of Rustington Convalescent Home ('the Home') for the year ended 31 December 2025.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Rustington Convalescent Home was founded by the late Sir Henry Harben, a Past Master of the Worshipful Company of Carpenters, and endowed by him and his daughter, the late Mrs Thomas Wharrie.

Rustington Convalescent Home is a registered charity, charity registration number 216865, and is regulated by two Declarations of Trust dated 23 October 1897 and 9 March 1899. It is administered under two schemes of the Charity Commissioners dated 6 May 1968 and 24 March 1971. The Home is registered with the Care Quality Commission (CQC) as a "Care Home with Nursing".

The Trustee of the charity is The Worshipful Company of Carpenters which performs its function as Trustee through its Court of Assistants, the members of which are listed on page 1. New Assistants are appointed from the members of the Company, of whom normally one is inducted each year.

The Trustee has considerable experience of the charity through its Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available when appropriate. Professional advice is sought when required.

The Court annually elects and appoints a Committee of Management which meets three times a year or as necessary. The Clerk of the Worshipful Company of Carpenters is appointed as the Secretary of the Home. The Master and the Junior Warden of the Company are ex-officio members of the Committee of Management, as is its Treasurer.

During the year, the day to day running of the Home is under the control of the Home Manager who is appointed by the Court of the Worshipful Company of Carpenters.

The following members of the Committee of Management were in office during the year and served throughout the year, except where shown.

Committee of Management

Mr M H W Neal (Chairman)
Mr M O P May
Mr F M Wheeler
Mr R C Galbraith (retired 18 November 2025)
Mr M W F Felton
Mr P W Brading
Mr N S Corderey

Ex officio members
Mr L S Mallinson (Master)
Mr J A Greaves (appointed 6th August 2025)
Mr M J Samuel (Treasurer)

Key management personnel

The Trustee is the Worshipful Company of Carpenters, represented by its Court which delegates supervision of the Home to a Committee of Management. A list of Court and Committee members is provided on page 1.

Other than as detailed in note 13, no member of the Court or the Committee of Management received any remuneration in respect of their services during the year, nor any reimbursement of expenses from the charity (2024 - £nil). Expenses of £2,114 (2024 - £2,398) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The line-management of the Home is carried out by the Clerk and the Deputy Clerk of the Worshipful Company of Carpenters. Their management of the Home is recharged on a time basis, which is reviewed each year and their remuneration is set and paid by the Trustee.

Routine management of the Home is carried out by its Manager, Mrs Julia Haynes. Her remuneration and that of all members of the Home staff are reviewed on an annual basis by the Committee of Management, which makes recommendations to the Trustee.

Risk management

The Trustee, via the Committee of Management, undertakes an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures, should they be needed, to minimise or manage any potential impact on the charity should those risks materialise.

The Committee of Management has identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the skills and training of the members of the Court and Committee of Management and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including in the operation of the Home, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery plan, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to the Home's reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

Having assessed the major risks to which the charity is exposed, the Committee of Management believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity as identified by the Committee of Management, are described below together with the principal ways in which they are mitigated.

- The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustee. The investment manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

- The Committee of Management comprises care professionals and legal and financial professionals. Members of this Committee monitor the myriad of clinical, care and other risks associated with the operation of the Home including, for example, safeguarding; the shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.

Relationships with related parties and other organisations

The Trustee, the Worshipful Company of Carpenters, is also responsible for the management and administration of three other registered charities, details of which are given in note 13 to the accounts.

Objectives and activities

The principal objective of the charity is to provide short term convalescence following illness or injury as prescribed in accordance with its regulations.

The charity achieves its objective through the running of Rustington Convalescent Home in West Sussex.

Achievements and performance

In setting the objectives and planning the activities of the Home for the year, the Trustee has continued to give careful consideration to the Charity Commission's guidance on public benefit.

The occupancy rates of rooms available at the Home have been gradually increasing during 2025 reaching a peak of 85% at the end of the year.

Refurbishment to the building continues with the modernisation of the plumbing and electrical services at the easter end to bring them in line with ESG governance. Redecoration of bedrooms and en-suites in this area was also completed. During the year, work started to restore the structural integrity of the south west turret as well as adjacent brick facades.

Care Quality Commission

Monthly onsite visits by members of the Committee of Management to the Home are carried out. They provide a report of their observations which is passed to all other committee members. The Committee of Management meets three times a year to discuss and act on points raised by committee members. Proof of covid vaccination is still requested from any visitors to the Home.

The last full CQC inspection was carried out on 16th October 2023 with an overall rating of Good. The Home also achieved 5 Stars in the Environmental Health inspection of the kitchen.

The Care Quality Commission requires that policies and procedures are in place and reviewed annually or at such time as needed and/or legislation dictates.

Policies and Procedures

All policies were reviewed and updated within the Home during 2025 and a number were also reviewed by a member of the Committee.

Staffing

Staffing remains stable and professional development and mandatory training continued throughout the year.

Training

Training took place in the Safeguarding of Vulnerable Adults, including discussing the relevant issues in the Mental Capacity and Equality and Diversity Acts. Health and Safety, Infection Control, Moving and Handling and Fire Safety, Food Safety and awareness of allergens.

Maintenance

The programme of external refurbishment work has moved to the north and east façades of the building. The opportunity was taken to refurbish all the bedrooms and a staff room on the east facing side of the building. Considerable thought has been given to modernising all plumbing and electrical services in these rooms.

The repair of the clock tower structure is being planned.

Buildings and land

The land and buildings encompassing the rear garden of the Home were sold to a housebuilder on 31 July 2024 for a total of £3M. The last instalment of the sale proceeds was received on 29 January 2025.

The garden is an important feature of the Home and continues to be well maintained. A condition report of the trees in the garden was drafted in 2024 and any recommendations have been acted on. The condition of the trees was considered to be excellent and only minor tree work was required.

Financial review

Total income for the year amounted to £1,344,813 (2024 - £4,347,547). Patient fee income was £755,408 (2024 - £784,250). Income from investments was £573,486 (2024 - £765,642). Land was sold for £nil (2024 - £3,010,000 less costs of £233,494).

During the year the Home incurred charitable expenditure of £2,875,231 (2024 - £2,307,982), of which around 31% (2024 – 35%) related to staff costs.

Net expenditure for the year before investment gains and losses amounted to £1,637,851 (2024 – net income of £1,843,964).

Realised and unrealised gains on listed investments amounted to £1,190,635 (2024 – £1,942,340) and there was an decrease in the value of investment properties of £35,000 (2024 – increase of £5,000) resulting in a net decrease in funds of £482,216 (2024 – increase £3,791,354).

Financial position

The balance sheet shows total reserves of £34,084,691 (2024 - £34,566,907).

These include a permanent endowment fund of £33,239,293 (2024 - £33,751,058).

Of the unrestricted funds of £845,398 (2024 - £815,849), £178,319 (2024 - £206,924) is represented by tangible fixed assets resulting in free reserves of £667,079 (2024 - £608,925).

Reserves policy

The unrestricted general funds are retained to meet the fluctuating cash flow requirements associated with the day to day operations of the Home.

The Trustee aims to hold free reserves of up to six months' expenditure on unrestricted funds. The current level of free reserves of £667,079 represents 2.7 months' expenditure and therefore is below the target level. However, with the implementation of a Total Return Policy for the charity's permanent endowment investments, additional reserves are available to supplement free reserves if necessary.

Investment policy

The charity has a portfolio of listed investments including cash with a market value of £29,958,772 (2024 - £29,911,979) which is managed by Brown Advisory (was previously Newton Investment Management Limited). In addition it has investments of £468,855 (2024 - £478,173) in COIF Charity Funds.

The investment manager operates within specific guidelines, which are set out and regularly reviewed by the Trustee. The charity has an ethical investment policy and does not invest in equities that are linked with the manufacture or supply of tobacco

The Trustee is satisfied that performance of the charity's listed investments was in line with market conditions.

The Trustee, by resolution and believing that this approach is in the best interests of the charity, adopted a total return approach to the listed investment endowment funds in accordance with the requirements of the Charity Commission. This approach was applied from 1 January 2021 when the value of the endowment funds at 31 December 2003 of £11,905,444 was used as a proxy for the original value of the endowment funds. In adopting this policy the listed investment permanent endowment funds will not be permitted to fall below the original value of £11,905,444. The original investment value is recorded in the balance sheet as the 'trust for investment' with subsequent realised and unrealised gains and undistributed income as 'unapplied total return'. The fund reconciliation is disclosed in note 7 to the accounts.

The charity also holds two investment properties which are used to generate rental income.

Fundraising statement

The charity accepts donations but does not actively engage in fundraising.

Trustee's responsibilities statement

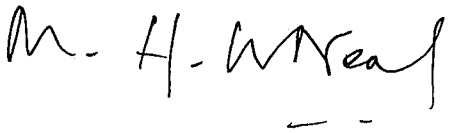
The Trustee is responsible for preparing the Trustee's report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommend Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Committee of Management and the Trustee and signed on their behalf on ..... by:



M H W Neal
Chairman of the Committee of Management and Member of the Court

1 July 2026

Independent auditor's report to the Trustee of Rustington Convalescent Home

We have audited the accounts of Rustington Convalescent Home (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustee 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 Trustee's report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts 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.

Matters on which we are required to report by exception

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

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

- the information given in the Trustee's report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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 accounts 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 accounts.

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.

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

- assessing the design effectiveness of key controls in place over the accounting system with regard to their ability to prevent and detect fraud and verifying their implementation;
- reviewing journal entries in the ledger for indications they have been used to fraudulently manipulate the accounts;
- making enquiries of management and the Trustee of relevant laws and regulations which could result in a material misstatement in the accounts and reviewing minutes for indications of non-compliance; and
- reviewing and challenging the assumptions and judgements made by management in relation to significant accounting estimates.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



29 July 2026

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities 31 December 2025

	Notes	Unrestricted funds £	Permanent endowment funds £	Total 2025 funds £	Unrestricted funds £	Permanent endowment funds £	Total 2024 funds £
Income from:							
Donations and legacies		**513**	**—**	**513**	413	—	413
Investment income	1	**22,200**	**551,286**	**573,486**	21,900	743,742	765,642
Charitable activities							
. Provision of convalescence care		**755,408**	**—**	**755,408**	784,250	—	784,250
Other income							
. Other income		**15,406**	**—**	**15,406**	20,736	—	20,736
. Sale of land		**—**	**—**	**—**	—	2,776,506	2,776,506
Total income		**793,527**	**551,286**	**1,344,813**	827,299	3,520,248	4,347,547
Expenditure on:							
Cost of raising funds							
. Investment management fees		**432**	**107,001**	**107,433**	17,442	178,159	195,601
Charitable activities							
. Provision of convalescence care	2	**2,806,499**	**68,732**	**2,875,231**	2,239,250	68,732	2,307,982
Total expenditure		**2,806,931**	**175,733**	**2,982,664**	2,256,692	246,891	2,503,583
Net (expenditure) income before gains and losses on investments		**(2,013,404)**	**375,553**	**(1,637,851)**	(1,429,393)	3,273,357	1,843,964
Net (losses)/ gains on revaluation of investment properties	7	**—**	**(35,000)**	**(35,000)**	—	5,000	5,000
Net gains/(losses) on listed investments	7	**(9,323)**	**1,199,958**	**1,190,635**	23,142	1,919,248	1,942,390
Net (expenditure) income for the year		**(2,022,727)**	**1,540,511**	**(482,216)**	(1,406,251)	5,197,605	3,791,354
Transfer between funds	7	**2,052,276**	**(2,052,276)**	**—**	1,464,073	(1,464,073)	—
Net movement in funds		**29,549**	**(511,765)**	**(482,216)**	57,822	3,733,532	3,791,354
Reconciliation of funds:							
Fund balances brought forward at 1 January 2025		**815,849**	**33,751,058**	**34,566,907**	758,027	30,017,526	30,775,553
Fund balances carried forward at 31 December 2025		**845,398**	**33,239,293**	**34,084,691**	815,849	33,751,058	34,566,907

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The income and expenditure account above excluding the movement on endowment funds is the unrestricted funds column. Stated before gains and losses on investments and transfers, the net expenditure for the year is £2,013,404 (2024: £1,429,393).

Balance Sheet 31 December 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	6		**3,367,965**		3,465,302
Investments	7		**30,892,627**		30,890,152
			34,260,592		34,355,454
Current assets					
Debtors	8	**45,410**		282,808	
Cash at bank and in hand		**179,989**		97,611	
		225,399		380,419	
Liabilities					
Creditors: amounts falling due within one year	9	**(401,300)**		(168,966)	
Net current (liabilities)/assets			**(175,901)**		211,453
Total net assets			**34,084,691**		34,566,907
The funds of the charity					
Capital funds:					
Endowment funds	10		**33,239,293**		33,751,058
Income funds:					
Unrestricted funds					
. General funds			**845,398**		815,849
Total charity funds			**34,084,691**		34,566,907

Approved by the Trustee on ..... and signed on its behalf by:

M H W Neal
Chairman of the Committee of Management
and member of the Court

1 July 2026

Statement of cash flows 31 December 2025

	Notes	2025 £	2024 £
Cash flow from operating activities:			
Net cash (used in) operating activities	A	**(1,626,656)**	(1,764,312)
Cash inflow from investing activities:			
Dividends and interest from investments		**573,486**	765,642
Purchase of tangible fixed assets		**(17,612)**	(11,576)
Sale of tangible fixed assets		**—**	2,785,000
Proceeds from the disposal of listed investments		**30,786,307**	5,224,320
Purchase of listed investments		**(29,868,254)**	(6,810,809)
Net cash provided by investing activities		**1,473,927**	1,952,577
Change in cash and cash equivalents in the year		**(152,729)**	188,265
Cash and cash equivalents at 1 January 2025	B	**501,397**	313,132
Cash and cash equivalents at 31 December 2025	B	**348,668**	501,397

Notes to the cash flow statement for the year to 31 December 2025.

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

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	**(454,799)**	3,791,354
Adjustments for:		
Depreciation charge	**114,949**	113,033
Sale of tangible fixed assets	**—**	3,010,000
Gains on listed investments	**(1,190,635)**	(1,942,390)
Losses/(gains) on investment properties	**35,000**	(5,000)
Dividends and interest from investments	**(573,486)**	(765,642)
Decrease in debtors	**237,398**	142,157
Increase/(decrease) in creditors	**232,334**	(87,824)
Net cash used in operating activities	**(1,626,656)**	(1,764,312)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	**179,989**	97,611
Cash held by investment managers	**168,679**	403,786
Total cash and cash equivalents	**348,668**	501,397

C Reconciliation of net funds

	At 1 January 2024 £	Cash flows £	**At 31 December 2025 £**
Cash and cash equivalents	501,397	(152,729)	**348,668**

Principal accounting policies 31 December 2025

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2025 with comparative information presented for the year ended 31 December 2024.

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where the judgements and estimates have been made include:

- the useful economic life of tangible fixed assets for the purpose of determining a depreciation rate;
- the fair value of investment properties; and
- property redevelopment costs treated as prepayments.

Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

Expenditure and the basis of apportioning costs

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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 expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
  - Nursing, catering and domestic staff costs
  - Establishment costs, including depreciation
  - Maintenance of grounds
  - Administration costs i.e. costs of directly administering and supporting the Home's operations
  - Governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible.

Principal accounting policies 31 December 2025

Tangible fixed assets

Tangible fixed assets were included in the accounts at a valuation based on open market value as at 31 December 1999 which is treated as deemed cost.

Since that date additions costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided to write off each asset over its estimated useful life as follows:

- Freehold buildings 50 years
- Furniture, fixtures and fittings 3 to 10 years

No depreciation has been provided on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investment properties are included at their fair value using market values based on a desktop valuation by independent chartered surveyors.

Realised gains (or losses) are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. The charity has adopted a total return approach to its permanent endowment listed investments and accordingly income and gains on these investments are added to the unapplied total return fund which is available for transfer to unrestricted funds, when required.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Pension costs

The charity is a participating employer in a defined benefit scheme, operated by the Worshipful Company of Carpenters. The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

Contributions in respect of the defined contribution scheme are recognised in the statement of financial activities when payable.

1 Investment income

	Total 2025 £	Total 2024 £
Income from listed investments	**551,286**	743,742
Income from investment properties	**22,200**	21,900
Total funds	**573,486**	765,642

Following the implementation of the total return policy (see note 7), income from listed investments forms part of the permanent endowment fund. The income from investment properties in unrestricted.

2 Provision of convalescence care

	Total 2025 £	Total 2024 £
Residential, nursing and establishment costs		
Staff costs	**887,126**	831,600
Catering	**92,214**	84,617
GP surgery	**7,750**	7,750
Administration (including staff costs)	**333,197**	287,061
Establishment		
. Depreciation, rent, rates etc	**233,971**	243,839
. Cyclical maintenance	**1,155,852**	711,764
Grounds (including staff costs)	**27,074**	26,659
Expenses allocated by Worshipful Company of Carpenters	**58,849**	46,888
Professional fees	**54,118**	43,804
Governance costs		
. Auditor's remuneration	**25,080**	24,000
Total funds	**2,875,231**	2,307,982

All charitable activities expenditure in 2025 and 2024 was unrestricted except for depreciation of £68,832 (2024 - £68,732), which is attributable to permanent endowment funds.

3 Net expenditure before gains and losses on investments

This is stated after charging:

	2025 £	2024 £
Staff costs (note 4)	**1,021,639**	955,177
Auditor's remuneration (including VAT)	**25,080**	24,000
Depreciation	**114,949**	113,033

4 Staff costs and Trustee's and Committee of Management remuneration

	2025 £	2024 £
Staff costs during the year were as follows:		
Wages and salaries	**822,395**	790,153
Social security costs	**82,752**	57,818
Other pension costs	**74,031**	66,864
Other staff costs	**42,461**	40,342
	1,021,639	955,177
Staff costs per function were as follows:		
Nursing	**577,213**	547,552
Administration	**134,513**	123,577
Catering and domestic	**309,913**	284,048
	1,021,639	955,177

One employee earned £70,000 - £80,000 during the year, including taxable benefits but excluding employer's national insurance and pension contributions (2024 – one).

The average number of employees during the year analysed by function was as follows:

	2025 Average Number	2024 Average Number
Nursing	**26**	24
Administration	**2**	2
Catering and domestic	**24**	25
	52	51

No member of the Court or the Committee of Management received any remuneration in respect of their services during the year nor any reimbursement of expenses from the charity (2024 - £nil). Expenses of £2,114 (2024 - £2,398) were paid to members of the Committee of Management by the Worshipful Company of Carpenters. These were not recharged to the charity.

The key management personnel of the charity in charge of controlling, directing, running and operating the charity on a day to day basis comprise the members of the Court, the Committee of Management, the Clerk and the Deputy Clerk/Financial Controller of the Worshipful Company of Carpenters and the Home Manager. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) for key management personnel in the year was £121,970 (2024 - £114,022). This includes relevant costs allocated from the Worshipful Company of Carpenters.

5 Taxation

Rustington Convalescent Home is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

6 Tangible fixed assets

	Freehold land £	Freehold buildings £	Furniture, fixtures and fittings £	**Total £**
Cost				
At 1 January 2025	467,000	3,436,611	536,735	**4,440,346**
Additions	—	—	17,612	**17,612**
At 31 December 2025	467,000	3,436,611	554,347	**4,457,958**
Depreciation				
At 1 January 2025	—	645,233	329,811	**975,044**
Charge for year	—	68,732	46,217	**114,949**
At 31 December 2025	—	713,965	376,028	**1,089,993**
Net book values				
At 31 December 2025	467,000	2,722,646	178,319	**3,367,965**
At 31 December 2024	467,000	2,791,378	206,924	**3,465,302**

Freehold land and buildings were valued by Tod Miller Thomas, Chartered Surveyors, at their open market value as at 31 December 1999 for the purposes of inclusion in the charity's accounts. Subsequent expenditure is included at cost.

As permitted under FRS 102, the charity continues to adopt a policy of not revaluing its tangible fixed assets and the original valuation is treated as the deemed cost.

7 Investments

At 31 December 2025 fixed asset investments comprised:

	2025 £	2024 £
Freehold investment property	**465,000**	500,000
Listed investments and cash held for re-investment	**30,427,627**	30,390,152
	30,892,627	30,890,152

	2025 £	2024 £
Freehold investment property		
Market value at 1 January 2025	**500,000**	495,000
(Loss)/gain on revaluation	**(35,000)**	5,000
Market value at 31 December 2025	**465,000**	500,000

Investment properties comprise The Lodge House and The Lodge Flat. These properties are included on the balance sheet at their open market value based on a desktop valuation by Daniel Watney, chartered surveyors.

	2025 £	2024 £
Listed investments		
Market value at 1 January 2025	**29,986,366**	26,457,487
Additions at cost	**29,868,254**	6,810,809
Disposals proceeds	**(30,786,307)**	(5,224,320)
Net investment gains/(losses)	**1,190,635**	1,942,390
Market value at 31 December 2025	**30,258,948**	29,986,366
Cash held by investment managers for re-investment	**168,679**	403,786
	30,427,627	30,390,152

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	2025 Total £	2024 Total £
At 1 January 2025				
. Base value of the permanent endowment	14,405,444	—	**14,405,444**	11,905,444
. Unapplied total return	—	14,665,610	**14,665,610**	13,789,838
Total	14,405,444	14,665,610	**29,071,054**	25,695,282
Movements during the year:				
. Invested from sale of land	—	—	—	2,500,000
. Investment income	—	551,286	**551,286**	743,742
. Investment managers fees	—	(79,695)	**(79,695)**	(178,159)
. Realised and unrealised gains/(losses)	—	1,199,958	**1,199,958**	1,774,262
	14,405,444	16,337,159	**30,742,603**	30,535,127
Extraction of income from total return	—	(2,052,276)	**(2,052,276)**	(1,464,073)
At 31 December 2025	14,405,444	14,284,883	**28,690,327**	29,071,054

When adopting total return accounting with effect from 1 January 2022, in the absence of reliable records of the original donations, the Trustee considered that the market values of the investments as recorded as at 31 December 2003 were appropriate to be considered as the initial value of the trust for investment. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual original donations was considered to be prudent.

During the year, a transfer of £2,052,276 (2024: £1,464,073) was made from the unapplied total return to unrestricted funds.

8 Debtors

	2025 £	2024 £
Patient debtors	**6,610**	3,868
Prepayments and accrued income	**38,800**	278,940
	45,410	282,808

9 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	**38,744**	34,624
Other creditors	**52,775**	34,058
Accruals	**279,351**	77,988
Amounts due to the Worshipful Company of Carpenters (note 13)	**30,430**	22,296
	401,300	168,966

10 Endowment funds

The funds of the charity include permanently endowed funds which were established in 1897 by Sir Henry Harben, Past Master of the Carpenters' Company, and subsequently by his daughter, Mrs Thomas Wharrie.

The original endowment consisted of the freehold land and buildings comprising the Home and shares.

11 Analysis of net assets between funds

	General funds £	Endowment funds £	**Total 2025 £**
Fund balances at 31 December 2025 are represented by:			
Tangible fixed assets	178,319	3,189,646	**3,367,965**
Investments	933,855	29,958,772	**30,892,627**
Net current assets	(266,776)	90,875	**(175,901)**
Total net assets	845,398	33,239,293	**34,084,691**

	General funds £	*Endowment funds £*	*Total 2024 £*
Fund balances at 31 December 2024 are represented by:			
Tangible fixed assets	*206,924*	*3,258,378*	*3,465,302*
Investments	*993,571*	*29,896,581*	*30,890,152*
Net current assets	*(384,646)*	*596,099*	*211,453*
Total net assets	*815,849*	*33,751,058*	*34,566,907*

12 Pension commitments

Certain employees and former employees of the charity are members of the contributory pension scheme operated by the Worshipful Company of Carpenters, known as the "Carpenters' Company Pension and Assurance Scheme" which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity and sponsoring employer, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers' contribution rate was 28.3% of pensionable pay and the employees' contribution rate was 6% of pensionable pay. The total charge for the year in these accounts is £nil (2024 - £nil).

A triennial valuation was carried out as at 1 July 2024 and showed that the market value of the scheme's assets was £2,190,000 and that the ongoing funding level was 77%. The assumptions which have the most significant effect on the results of the valuation were as follows:

- RPI 3.3% p.a.
- Earnings increases 5.0% p.a.
- Discount rate 5.6% p.a.

The scheme has been closed to new members and the final active member ceased making contributions in October 2019. New employees are able to join a group personal pension scheme administered by Standard Life.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the charity accounts for the contributions to the scheme as if it were a defined contribution scheme.

The following information is based upon the initial results from the full actuarial valuation of the scheme as at 1 July 2024, updated to 30 June 2025 by a qualified independent actuary using FRS 102 guidelines.

	30 June 2025 £	30 June 2024 £
Total market value of assets	**1,942,000**	2,190,000
Present value of scheme liabilities	**(2,611,000)**	(2,827,000)
(Deficit)/ surplus in the scheme – net pension(liability)/asset	**(669,000)**	(637,000)

13 Related party transactions and connected charities

The Trustee, The Worshipful Company of Carpenters, is also responsible for the management and administration of the following charities, which are registered with the Charity Commission:

- Building Crafts College: No. 312856
- Carpenters' Company Charitable Trust: No. 276996
- Norton Folgate Trust: No. 230990

General administrative expenses and salaries allocated from the Worshipful Company of Carpenters to the charity during the year amounted to £50,715 (2024 - £44,592). The balance due to the Worshipful Company of Carpenters at the year end was £30,430 (2024 - £22,296). Expenses of £2,114 (2024 - £2,398) were paid by the Worshipful Company of Carpenters to members of the Committee of Management. These were not recharged to the charity.

Surveyor costs in connection with Rustington Convalescent Home of £3,800 were paid to Mr R C Galbraith during the year to his firm Robinson Turner (2024: £3,800 to Mr R C Galbraith at his firm). Mr R C Galbraith was a member of the Committee of Management until 18 November 2025).

Other than the transactions stated above there were no other related party transactions during the year requiring disclosure.