

BETH-EZRA TRUST
TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Company Number 1600026 (England and Wales)
Charity No. 326000

BETH-EZRA TRUST
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Directors and Trustees:	S G Bonner (retired 30 June 2021) E Coverley T Dench (appointed 4 September 2021) E Kpeglo S Lambert (appointed 4 September 2021) P Southgate R E Toms (retired 4 September 2021) P H Verzhbitskaya A M Wharton G Whiting M Winfield (appointed 4 September 2021)
Company Secretary	P H Verzhbitskaya
Treasurer	P H Verzhbitskaya
Home Manager	L Akeh
Registered Office:	52 Smitham Bottom Lane Purley Surrey CR8 3DB
Company number	1600026
Charity number	326000
Main Bankers:	Barclays Bank Plc
Auditors:	Cadence Accounting Limited Chartered Accountants & Registered Auditors 219 Croydon Road Caterham Surrey CR3 6PH
Solicitors:	Knights plc Cedar House 78 Portsmouth Road Cobham Surrey KT11 1AN

BETH-EZRA TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual directors' report and the audited financial statements of the Charity for the year ended 31 December 2021 which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Trustees confirm that the audited financial statements comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102, and Financial Reporting Standard 102.

Objectives of the Charity, principal activities and organisation of our work

The Charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association. The objectives of the Charity are to promote and provide care primarily for the elderly and infirm members of the Dawn Christadelphian Fellowship together with other persons if rooms are not filled. It does this through its principal activity, the running of Beth Ezra, a Care Home situated at 52 Smitham Bottom Lane, Purley, Surrey.

Our mission statement is: *"To provide a quality care home for Christadelphians and others in a Christian setting that supports the spiritual, mental and physical needs of the residents in pleasant, peaceful and secure surroundings"*.

The Charity strives to provide the highest quality of care within Beth-Ezra coupled with a loving and spiritual environment. Its policy is to exceed, wherever practicable, standards that are laid down by the relevant authorities for the running of care homes.

In undertaking its activities, the Trustees have paid due regard to the Charity Commission guidance on public benefit and are satisfied that the Charity confers a public benefit.

How our activities deliver public benefit

All of our charitable activities focus on providing care for the elderly and are undertaken to further our charitable aims for the public benefit. Our main activities and who we help are:

- The provision of residential care for Dawn Christadelphians and others in need by reason of age and poor health.
- The advancement of religion through its care home, Beth Ezra, which provides a haven where elderly members of the Dawn Christadelphian community can continue to benefit from being part of our Bible based community. Therefore, the home places great emphasis on providing regular spiritual activities such as daily Bible readings, Bible classes, hymn singing sessions and, most importantly, a service of worship each Sunday morning.

The beneficiaries

Beth Ezra's activities are mainly for the benefit of aged, infirm or sick members of the Dawn Christadelphian Fellowship. Dawn Christadelphians are active in promoting their beliefs in the hope that other men and women will be persuaded of the truth of the Gospel and thereby join our community. Therefore, although there are conditions of membership, these conditions are only based on a shared conviction of God's purpose in Jesus Christ, and not on any limitation imposed by geography, race, gender, or wealth.

All who qualify as members of the worldwide Dawn Christadelphian Fellowship and whose needs are assessed according to accepted Care Standards as being suitable for the care home are happily accepted as residents, subject to a suitable room being available. By providing a home for these members of the Dawn Christadelphian Fellowship, they are enabled to spend their final years together with like-minded members sharing the same religious beliefs and lifestyle. That so many members choose to come to Beth Ezra even if it is not the closest care home to where they have been living, nor necessarily close to family members, is indicative of the value that they place on this choice and the subsequent benefit they derive from it.

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Beth Ezra provides benefits to other people if there are vacant rooms and if, at the time, there is no call on that vacancy from a Dawn Christadelphian. In such cases, the Trustees will consider making the room available to a person who is not a Dawn Christadelphian, but particular care is taken to ensure that the potential resident would be sympathetic to the faith-based ethos of the home.

Development, activities, achievements and financial review this year

2021 has continued to challenge the care sector in the UK with mandatory lockdowns and increased regulation around operations. While some government support was available, it has become increasingly difficult to qualify for it as the rules governing its use have been successively tightened. Our cost base, however, has continued to rise, particularly the cost of employment. Here, we have suffered from both a reduction in potential employees due to a general tightening of the labour market, and a reduction in the existing pool of labour subsequent to the government's decision to mandate double vaccination for all care home employees. As a result of this, wages have risen well in excess of inflation; for some categories, over 10%, and our use of agency staff has been very high. This has had a significant negative impact on finances.

However, we have continued to operate throughout the year, ending the year with full occupancy including our two double rooms and while we have had Covid-19 cases within the home, there have been no deaths directly attributable to it. We have continued to host visitors safely, when permitted by local and national government, and were able to hold our summer garden party in September where we opened the garden to pre-booked visitors for our residents.

During the year, under God's good hand, we have provided residential care for a total of 21 permanent residents and 3 short-term stays. We have made a number of improvements to the home as detailed under the section headed "**Tangible fixed assets and impairment review**".

The Trust generated a net deficit for the year of £176,400 (2020 net income £439,684). Ignoring bequests, donations, financial assistance and gains on investments, the operating deficit was £288,749 (2020 deficit of £18,098), which highlights the need to maintain a substantial cash reserve. Occupancy levels and subsequent financial performance can vary dramatically year by year, and the Trustees have a reserves policy so that reserves can be maintained at a level sufficient to meet the challenges the Charity faces in the medium term. This reserves policy is reviewed annually to reflect the changing operating circumstances and general business climate.

The financial position at the end of the year is sound with cash balances of £599,776 (2020 £734,659) and net current assets of £1,307,339 (2020 £1,408,627).

We have updated our formal business plan that projects three years into the future. This provides an invaluable planning and budgeting tool and assists in maintaining appropriate financial controls. Beth-Ezra continues to be dependent on major bequests, and promotional activities continue to encourage the members of our community to remember the Charity both in regular donations and in their Will. The Trust continues to offer assistance to residents who have need to call upon state funding during their stay at Beth Ezra, and financial assistance in the sum of £23,477 was given in 2021 (2020 £14,547). The Trustees are grateful to those who have made donations to the funds during the year.

The Trustees are very aware of the need to maintain a high room utilisation, both to better fulfil our charitable purpose, but also to reduce operating losses to a manageable level. Occupancy is one of the criteria used to assess success and Beth Ezra achieved an average resident occupancy of 85% during 2021 or 95% when room occupancy is used.

Our independent Quality Assurance Review which seeks the views about current service provision from residents, relatives, advocates and visitors was deferred due to the pandemic and will be undertaken in 2022, God willing. A separate staff survey was carried out with results shared with staff and points for improvement have been actioned.

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FOR THE YEAR ENDED 31 DECEMBER 2020

Our Care Manager of five years retired in November 2020 and we were pleased to accept the assistance of two highly qualified care professionals to share the role of Acting Care Manager while we were in the process of recruiting for a new Home Manager (Registered Manager): Janet Brooks, who was the Home Manager at Beth Ezra for 17 years, and David Rees, a former Home Manager at Christadelphian Care Homes. Our General Manager took early retirement in February 2021.

We welcomed a new Home Manager, Gertlin Amuzu, in May 2021 who stayed at Beth Ezra for six months, making some important improvements to the Home and how it was run. She was replaced by Lola Akeh in December 2021 and Lola has continued the good work.

Stephen Bonner, a former trustee, joined the management team as the Business Manager in July 2021 covering hotel services, facilities and administration.

Remuneration of the management team is set by the Managing Trustees within the annual budget agreed by the Board of Trustees and is subject to annual review with reference to similar local positions in the care industry. We would like to warmly thank all who have helped in the management team and their staff for their loyalty and hard work and all those who have contributed in any way to this work for the Lord.

Future Developments

The care sector in the UK continues to be challenged by the apparent contradiction between the cost of providing good care and complying with the requirements of the Care Quality Commission who regulate the industry, with the requirements of local and national governments throughout the pandemic, and the limitations of state funding which often falls considerably short of the full cost of providing such care and is variably applied to residents in different care home environments. Although the Trustees are conscious of the overruling hand of God, they are also very aware of the need for sound management practice and prudent financial controls. Although we have been able to hold room fees down throughout 2021, it has become increasingly apparent that a significant increase in fees is necessary and this was enacted for existing residents from April 2022.

With this now in place, there are sufficient reserves for at least the next twelve months, assuming no significant legislative changes or amendments to state funding of care places, and the Home continues to operate on a sound financial footing. The Trustees are confident that Beth Ezra will continue to provide a high standard of care for its residents for the foreseeable future.

Tangible fixed assets and impairment review

The Trust owns four investment properties, one residential and three commercial. The rents from these generate revenue to subsidise charitable operations. The commercial properties are let on the open market while the residential property is situated next door to the Home and is offered first to those who would like to live close to the Home but are not yet ready to become residents there. If a tenant cannot be found who meets these criteria, it is let on the open market.

An extensive programme of maintenance was carried out in the year on two of the three commercial properties, some of which can be recharged to tenants, and significant works were also carried out on the residential property to improve insulation and fire safety, refit bathrooms and replace flooring.

The Home is in good condition as a result of an ongoing programme of planned maintenance. The Trustees consider the fabric of the building to be sound.

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Changes in tangible fixed assets during the year are as set out in Note 5 to the accounts on page 17. As part of managing the assets, the fixed asset register and depreciation policy has been reviewed in the year. A programme of on-going refurbishment and equipment replacements has been prepared which includes the replacement of a number of equipment items as they reach the end of their service life. Capital expenditure on buildings in 2021 was £14,451 and on fixtures and fittings, £25,717. The main additions were:

- Complete refurbishment of five resident rooms
- Replacement of the remaining single glazed windows on the ground floor
- Completion of the installation of new fire doors
- Replacement front door
- New oak handrails in corridors
- Replacement flooring in communal areas on the first and second floors
- Furniture for the refurbished entrance hallway
- New garden furniture for residents
- Computer equipment

Investment policy and returns

Under its Articles of Association, Beth-Ezra Trust has the power to make any investment which the Trustees see fit subject to any restrictions imposed by Law. These include diversified investment funds, bank deposits, bonds and investment property. The diversified investment funds do not exceed 20% of the total investment portfolio. The Trustees have also taken steps to reduce the risk of financial losses by spreading their cash reserves over a number of financial institutions.

Reserves

The Trustees have agreed a reserves policy that requires sufficient reserves to be maintained to cover at least two years budgeted operating deficit, being our financial performance ignoring any income from donations and bequests. This policy has been adopted because the Charity's finances are largely dependent on bequests, and these cannot be anticipated or relied upon. Based on our Business Plan, the total budgeted operating deficit, excluding rental income, in our General Fund for the next two years is £133,999, and the General Fund at the end of 2021 was £1,307,339.

At 31 December 2009, a designated fund was set up by transfer from the general fund to provide for the maintenance of the Charity's tangible fixed assets. This Fixed Assets Fund at the end of 2021 was £1,776,774 (2020 £1,851,886).

Consequently, the Trustees believe that the present levels of the reserves are adequate to support the continuation of the Care Home for the medium term. They therefore consider the financial position of the Charity to be satisfactory and that the going concern basis of accounting is appropriate.

Directors and Trustees

All directors of the company are also Trustees of the Charity and there are no other Trustees. The Trustees meet quarterly, but also interact regularly between meetings by telephone and via e-mail exchanges (for example, through circulation of minutes from the Managing Trustee meetings). The Trustees delegate the day to day running of the home to the Home Manager and the Business Manager. The Trustees appointed by the Board as Managing Trustees are there to work closely with the management team and to act as a more effective and dynamic conduit between the management team and the main Board of Trustees. The Managing Trustees have delegated powers within which they must operate and report regularly to the board of Trustees and the Trust's officers. During 2021, the Managing Trustees were S Bonner, E Kpeglo, A Wharton and G Whiting with A Wharton stepping down on 15 May 2021, S Bonner stepping down on 30 June 2021 and G Whiting stepping up on 15 May 2021.

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The Trustees served throughout the year except as noted on page 2. The board of Trustees has the power to appoint additional Trustees as it considers fit. New Trustees are selected by existing Trustees to serve until the following AGM and, if re-appointed by the members, can serve until age 75 subject to the rules relating to rotation in accordance with clause 33 of the Articles of Association. On reaching 75 years, Trustees can be re-appointed on an annual basis. The Trustees identify the available skills and experience relating to the key areas of the Trust's activities. This is particularly important when we seek to appoint new Trustees, as it helps to maintain the appropriate mix of skills and experience.

A comprehensive induction pack is available to acquaint new Trustees with the Charity's policy and practice, its activities, management and governance and also what is expected of them under charity law, with particular reference to Charity Commission guidance publications.

Risk management

The Trustees actively review the major risks which the Charity faces with a comprehensive annual review at the September Board meeting and an update in February or May, and appropriate action is taken to mitigate each risk to an acceptable level. The Trustees recognise their responsibility to identify any new and emerging risks, and a Trustee is tasked with maintaining a formal risk register.

The principle risks and strategies for mitigation are:

- 1) Pandemics: since March 2020, the care home sector has experienced unprecedented disruption due to government and local council mandates on how homes are run, staff isolating, and rapid cost increases due to disruptions in supply chains worldwide. While the home cannot prevent future pandemics, it is in a stronger position now to manage the impact having undertaken a review of lessons learned during these two years. It highlights again the need to maintain good reserve levels to ensure that funds are available to cope with higher than expected inflation and with the need to use agency staff.
- 2) Loss of key management: from the experience of the past two years, recruiting and retaining excellent managers is essential for the smooth running of the Home. The sector is also experiencing more staff movement than has been expected in the past as job opportunities for those staying in the sector have increased. The Trustees can respond swiftly to any change in management, have retained links to two interim managers who can assist at short notice and continue to encourage staff to challenge themselves with qualifications that would enable them to step up if needed.
- 3) Dependency on income from care home fees: where residents' funds run out and the resident is eligible for state assistance, state funding does not cover the full cost of care. Families are requested to contribute where appropriate, and the charity may fund the remainder of the cost, subject to Board approval. The charity relies heavily on the generosity of Dawn Christadelphian ecclesias and donations and legacies from individuals. The Trustees ensure that the charity retains a high profile through regular information bulletins in Dawn Christadelphian publications, presentations to potential donors, and personal representation to individuals.
- 4) Demographic distribution of potential beneficiaries: the charity operates one home in Purley, Surrey, and there are Dawn Christadelphian ecclesias throughout the United Kingdom, some of whom may live a considerable distance away. The charity recognises that not all potential care home residents may wish to use Beth Ezra due to distance or for family reasons, and conducts regular surveys of Dawn Christadelphian ecclesias to understand likely future needs and review the optimal location of a care home to serve the community. The Trustees have also established informal links with a similar organisation with care homes in other parts of the United Kingdom.

BETH-EZRA TRUST
TRUSTEES' ANNUAL REPORT
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Trustees' responsibilities in relation to the financial statements

The Trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that year. In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the relevant Companies and Charities Acts (see note 1 in the notes to the Accounts). They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees can provide assurance that;

- The charitable company is operating efficiently and effectively;
- The assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the trust or for publication is reliable;
- The charitable company complies with its Memorandum and Articles of Association; and
- The charitable company has actively pursued all of its objectives and policies throughout the year.

Statement of disclosure of information to auditors

The Trustees who held office at the date of approval of this annual report confirm that:

- so far as they are aware there is no relevant audit information, information needed by the charitable company's auditors in connection with preparing their report, of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish the charitable company's auditors are aware of that information.

Auditors

A resolution proposing that Cadence Accounting Limited be re-appointed as auditors will be put to the members at the Annual General Meeting.

Approval

This report was prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Trustees on 14 May 2022 and signed on their behalf by:

Philippa Verzhbitskaya
Director/Trustee

Date: 14 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BETH-EZRA TRUST

We have audited the financial statements of Beth-Ezra Trust (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 trustees annual 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, except to the extent otherwise explicitly stated in our report, 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement 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 TO THE TRUSTEES OF BETH-EZRA TRUST

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BETH-EZRA TRUST

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Evans
(Senior Statutory Auditor)

For and on behalf of Cadence Accounting Limited
Chartered Accountants and Registered Auditors
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date: 14 May 2022

BETH-EZRA TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Total Funds 2021 £	Total Fund 2020 £
INCOME FROM:			
Donations and legacies	2	89,773	436,328
Charitable activities:			
Residents' fees		740,368	765,702
Miscellaneous income		236	1,349
Grants		23,793	31,502
Investment income:			
Interest		5,821	10,760
Rent		45,679	35,860
Gross income in the reporting period		905,670	1,281,501
EXPENDITURE ON:			
Raising funds:			
Investment management costs		68,248	7,020
Charitable activities:			
Property expenses		131,284	74,157
Staff costs	4	738,277	600,700
Food and consumables		51,676	81,498
Other running costs		62,699	47,676
Depreciation	5	39,262	35,020
Assistance given to residents		23,477	14,547
		1,114,923	860,618
Other:			
Governance costs		7,378	6,440
Total expenditure in the reporting period		1,122,301	867,058
Net income before gains on investments		(216,631)	414,443
Net gains on investments	6	40,231	25,241
Net income/(expenditure) for the financial year	3	(176,400)	439,684
Total funds brought forward		3,260,513	2,820,829
Total funds carried forward		3,084,113	3,260,513

All of the income relates to continuing activities of the Charity. The Charity has no recognised gains or losses other than those reported above.

All funds are unrestricted.

The notes on pages 14 to 20 form part of these financial statements.

**BETH-EZRA TRUST
BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible Assets	5	735,548	735,955
Investments	6	1,041,226	1,115,931
		<u>1,776,774</u>	<u>1,851,886</u>
Current Assets			
Debtors	8	35,845	231,402
Investments	6	794,735	567,124
Cash at bank and in hand		599,776	734,659
		<u>1,430,356</u>	<u>1,533,185</u>
Liabilities			
Creditors: Amounts falling due within one year	9	123,017	124,558
		<u>1,307,339</u>	<u>1,408,627</u>
Net current assets		<u>1,307,339</u>	<u>1,408,627</u>
Total assets less current liabilities	10	<u>3,084,113</u>	<u>3,260,513</u>
The Funds of the Charity			
Unrestricted Funds:		3,084,113	3,260,513
TOTAL CHARITY FUNDS	11	<u>3,084,113</u>	<u>3,260,513</u>

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

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the trustees on 14 May 2022 and signed on their behalf by:

Philippa Verzhbitskaya
Director/Trustee

Company number 1600026 (England and Wales)

The notes on pages 14 to 20 form part of these financial statements.

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 ("FRS 102"), Financial Reporting Standard 102 (effective 1 January 2015) and the Companies Act 2006. Beth-Ezra Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All amounts in the financial statements have been rounded to the nearest pound sterling.

The charity holds sufficient funds to secure its immediate future for the next year, and on this basis, the assessment of the trustees is that the charity is a going concern.

The charity has not prepared a statement of cash flows and is in compliance with FRS 102 1A Bulletin 1.

1.2 Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Residents' fees received in advance of the provision of the service are deferred until the criteria for income recognition is met.

Government grants are recognised when there is reasonable assurance that the charity will comply with the conditions attaching to the grant and the grant will be received.

Gifts in kind are accounted for when received by the Charity.

1.3 Interest receivable

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

1.4 Fund accounting

The general fund comprises income that is available to meet the general objectives of the Charity. The fixed assets fund is a designated fund for the maintenance of the Charity's tangible fixed assets. Details of the movements on each of these funds are set out in note 11.

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

1.5 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the direct costs of running the residential care home, Beth Ezra, which is undertaken to further the purposes of the charity and associated support costs.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity such as preparing and auditing statutory accounts and trustees' expenses.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Operating leases

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

1.7 Fixed Assets: Tangible Assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Additions to freehold and leasehold buildings	5%
Fixtures and equipment	10%-25%
Soft furnishings	20%

No depreciation has been charged on the original cost of freehold and leasehold land and buildings as it is the trust's policy to maintain its properties in a state of good repair and such expenditure is charged to the income and expenditure account in the period in which it is incurred. However, additions to buildings which are considered to have a finite useful life are depreciated at 5% on cost.

1.8 Fixed Assets: Investments

The charity holds four leasehold properties which are valued annually: every fifth year by a professional valuer and in the intervening years by the Board with reference to current local markets.

Investments also include bonds with remaining maturity longer than one year. These are valued at transaction price including any transaction costs.

1.9 Current Assets: Investments

Investments held within Current Assets comprise:

- i) Bonds with remaining maturity between three months and one year. These are valued at transaction price including any transaction costs.
- ii) Listed Investments which are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or complex financial instruments.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

1.11 Cash at bank and in hand

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

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

1 Accounting policies (continued)

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies	2021	2020
	£	£
Donations:		
Gifts	30,794	20,361
Legacies	58,979	415,967
	<u>£89,773</u>	<u>£436,328</u>

3 Net incoming resources	2021	2020
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets owned by the Charity	39,262	35,020
Auditors' remuneration – audit	6,000	5,820

4 Employee information

The average number of staff employed during the year was 31 (2020: 33). Most of these were involved in the care of residents. Third party agencies are used to supply staff where necessary to supplement existing employees. These agency costs amounted to £141,622 in the year (2020: £19,784).

Staff costs for the year	2021	2020
	£	£
Wages and salaries	548,116	535,394
Social security costs	38,883	36,518
Employer's contribution to defined contribution pension scheme	9,656	9,004
Agency staff	141,622	19,784
	<u>£738,277</u>	<u>£600,700</u>

The management team received employee benefits of £1,145 (2020: £2,601) comprising employer pension benefits during the year. No employee received remuneration of more than £60,000.

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

5 Fixed Assets: Tangible Assets

	Freehold Property	Fixtures and Equipment	Total
	£	£	£
Cost			
As at 1 January 2021	773,881	294,406	1,068,287
Additions	14,451	25,717	40,168
Disposals	(26,173)	(5,135)	(31,308)
As at 31 December 2021	<u>£762,159</u>	<u>£314,988</u>	<u>£1,077,147</u>
Accumulated depreciation			
As at 1 January 2021	127,516	204,816	332,332
Depreciation on disposals	(24,863)	(5,132)	(29,995)
Charge for the year	9,172	30,090	39,262
As at 31 December 2021	<u>£111,825</u>	<u>£229,774</u>	<u>£341,599</u>
Net book value			
As at 31 December 2021	<u>£650,334</u>	<u>£85,214</u>	<u>£735,548</u>
As at 31 December 2020	<u>£646,365</u>	<u>£89,590</u>	<u>£735,955</u>

Freehold property includes an amount of £534,200 (2020: £534,200) on which no depreciation has been charged (see note 1.7). The trustees consider that the properties are in good condition and the net realisable value is higher than the book value. A formal valuation has not been obtained, as in the opinion of the trustees, the cost of a professional valuation would outweigh the benefit to the users of the accounts and a valid comparison with other properties cannot be made. All fixed assets are used for charitable purposes.

6 Investments

Fixed Assets: Investments	2021	2020
	£	£
Leasehold Property	1,041,226	1,027,588
Bonds	-	88,343
	<u>£1,041,226</u>	<u>£1,115,931</u>
Leasehold Property: valuation		
	2021	2020
	£	£
As at 1 January	1,027,588	1,027,588
Change in valuation	13,638	-
As at 31 December	<u>£1,041,226</u>	<u>£1,027,588</u>

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

6 Investments (continued)

Fixed Asset Investments: Leasehold Property comprises four leasehold properties which are let on a commercial basis. Following a market review, the trustees have revalued one property to recognise the impact of improvements made in the year but do not consider that the valuations of the other three properties at 31 December 2021 are materially different to the historic cost.

Current Assets: Investments	2021	2020
	£	£
Listed investments	448,873	221,460
Bonds	345,862	345,664
	<u>£794,735</u>	<u>£567,124</u>
Listed investments	2021	2020
	£	£
Fair value at 1 January	221,460	-
Legacy receipt	-	173,264
Additions at cost	376,555	65,411
Disposal proceeds	(175,734)	(42,456)
Net gain on change in fair value	26,593	25,241
	<u>£448,873</u>	<u>£221,460</u>
Historic cost	<u>£407,839</u>	<u>£200,364</u>

Current Assets: Investments comprises four bonds with an original maturity of one year.

7 Capital commitments

Capital Commitments at the end of 2021 amounted to £Nil (2020 - £Nil).

8 Debtors

	2021	2020
	£	£
Due within one year:		
Prepayments and other debtors	20,120	15,524
Residents' fees	12,174	9,232
Income tax recoverable	293	293
Rent receivable	3,258	4,750
Legacies receivable	-	201,603
	<u>£35,845</u>	<u>£231,402</u>

Rent receivable relates to accrued income from leasehold properties.

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

9	Creditors	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade creditors	10,105	16,960
	Residents fees paid in advance	16,924	16,363
	Taxation and social security	17,324	12,268
	Accrued expenses	55,137	65,023
	Deferred income	7,541	3,957
	Property rental deposits	15,987	9,987
		£123,017	£124,558
		£123,017	£124,558

10	Analysis of Net Assets Between Funds:	Unrestricted Reserves 2021	Total Funds 2021
		£	£
	Fixed Assets	1,776,774	1,776,774
	Current assets	1,430,356	1,430,356
	Current liabilities	(123,017)	(123,017)
	Total	£3,084,113	£3,084,113
		£3,084,113	£3,084,113
		2020	2020
		£	£
	Fixed Assets	1,851,886	1,851,886
	Current assets	1,533,185	1,533,185
	Current liabilities	(124,558)	(124,558)
	Total	£3,260,513	£3,260,513
		£3,260,513	£3,260,513

BETH-EZRA TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

11 Analysis of Movements on Funds:

	Opening Balance at 01-01-2021	Incoming Resources	Resources Expended	Transfers between funds	Closing Balance at 31-12-2021
	£	£	£	£	£
Unrestricted Funds					
General Fund	1,408,627	945,901	(1,122,301)	75,112	1,307,339
Fixed Assets Fund	1,851,886	-	-	(75,112)	1,776,774
Total Funds	3,260,513	945,901	(1,122,301)	-	£3,084,113

At 31 December 2009, a designated fund was set up by transfer from the general fund to provide for the maintenance of the Charity's tangible fixed assets.

12 Legal entity

Beth-Ezra Trust is a private company limited by guarantee, incorporated and registered in England, and not having a share capital. Each member has a liability not exceeding £1.

The address of the registered office and its place of business is:

Beth Ezra
52 Smitham Bottom Lane
Purley
Surrey
CR8 3DB

13 Trustees expenses and transactions with related parties

None of the Trustees were paid any remuneration or received any other benefits from an employment with the Charity or a related entity.

Expenses were paid to three Trustees during the year for reimbursement of business costs incurred on behalf of the charity. These amounted to £5,051 (2020 - £31). There were no transactions with related parties.

Indemnity insurance at a cost of £1,071 (2020 - £656) was taken up during the year to protect the charity from loss arising from neglect or default of trustees and senior management and to indemnify trustees and senior management against the consequences of any neglect or default on their part. These costs are included in governance costs (see page 12).

14 Operating leases

The Charity has entered into non-cancellable operating leases for telephone equipment. In the year to 31 December 2021, the Charity paid £3,305 in lease payments under these contracts. The future minimum lease payments as at 31 December 2021 are as follows:

- Not later than one year: £4,428
- Later than one year and not later than five years: £17,712
- Later than five years: £7,749