



## **SIR JOSIAH MASON'S CARE CHARITY**

### **TRUSTEES' REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2018**

**TRUSTEES' REPORT**

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**Trustees, Officers and Advisors**

Trustees	Councillor Mr K I Meeson - Chairman Mr M H Goodwin - Vice Chairman Mrs A R Anderson (resigned December 2017) Mrs B Foster Ms A Crawley Councillor Mr G Moore Mrs J Houlder Mr M Baylis Mr P Soule Mr J Pyke Mr M Smith
Chief Executive	Richard Hall (until 31st October 2017) David Healey (from 1st November 2017)
Registered Office	Mason Court Hillborough Road Birmingham B27 6PF
Bankers	HSBC Bank Plc 34 Poplar Road Solihull West Midlands B91 3AF
Solicitors	SGH Martineau LLP No.1 Colmore Square Birmingham B4 6AA
Auditor	Mazars LLP 45 Church Street Birmingham B3 2RT
Registered Charity No.	1073755

## TRUSTEES' REPORT

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the statements and comply with applicable law and the requirements of the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP (FRS 102)).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

The original Trust Deed dated 29 July 1868 and the Scheme of the Charity Commission sealed on 11 December 1963 were superseded by a new Scheme effective from 1 April 1995 and approved by the Charity Commission and sealed on 10 May 1995. Under the Scheme the original charity was divided into two separate charities, the Sir Josiah Mason's Relief in Need and Educational Charity and the Sir Josiah Mason's Almshouse, Care and Nursing Home Charity. Under a subsequent Scheme effective from 1 April 1998 and approved by the Charity Commission on 19 January 1999 the Sir Josiah Mason's Almshouse, Care and Nursing Home Charity was itself divided into two separate charities, the Sir Josiah Mason's Almshouse Charity and the Sir Josiah Mason's Care and Nursing Home Charity. Following a change in its activities, the latter is now known as the Sir Josiah Mason's Care Charity.

The charitable objects of the Relief in Need and Educational Charity enable it to provide assistance to the Care and Almshouse Charities and the residents thereof.

All three Charities have the same Trustees.

## TRUSTEES

When complete, the body of Trustees consists of four nominated Trustees and eight co-opted Trustees. Of the nominated Trustees, two are put forward by Birmingham City Council\*\* and two by Solihull Metropolitan Borough Council\*\*\*. Each appointment is made for a term of three years.

The Trustees who served during the year and to the date of this report were:

Councillor M K I Meeson\*\*\* - Chairman  
Mrs J Houlder  
Mr P Soule  
Ms A Crawley  
Councillor M G Moore\*\*  
Mr M Smith

Mr M H Goodwin\*\*\* - Vice Chairman  
Mr M Baylis  
Mrs A R Anderson (resigned December 2017)  
Mrs B Foster  
Mr J Pyke

## TRUSTEE RECRUITMENT AND TRAINING

The power and responsibility to appoint new Trustees lies with the existing Trustees and when recruiting new Trustees, they look for individuals whose skills and experience are such that they are able to make a significant contribution to strategic leadership and the future development of the Charity.

New Trustees are made aware of and update their responsibilities as charity trustees, the importance attached to 'good governance', and, are helped to familiarise themselves with the practical and financial aspects of the Charity's operations. To assist they are provided with an initial induction programme, a copy of the Charity Commission's Scheme, the latest published financial statements, strategic plans and also appropriate Charity Commission publications. In addition, new Trustees will be made aware of compliance issues and any reports / findings from the primary regulatory body, the Care Quality Commission.

## ORGANISATIONAL STRUCTURE

All Trustees sit on the Charity's Executive Committee of which Councillor K I Meeson is Chairman and Mr M H Goodwin is Vice-Chairman. Matters concerning business strategy, policy, and performance management are determined by this Committee at regular meetings, which are held at least quarterly through the year.

The Trustees are also Trustees of Sir Josiah Mason's Almshouse Charity and Sir Josiah Mason's Relief in Need and Educational Charity. In addition there are three standing committees which form part of overall governance arrangements:-

- The Finance Committee meets five times each year to consider financial matters, risk management and associated affairs.
- The Housing, Care & Property Services Committee meets bi-monthly to consider operational performance (relating to housing, care standards and property services), compliance matters, complaints, Health & Safety and resident related issues.
- The Remuneration Committee normally meets prior to budget formulation to consider remuneration of the Chief Executive, and pay, and any proposed changes to terms and conditions of staff employment.

Each meeting of the Trustees, including those of the committees, covers the affairs of all three of the Sir Josiah Mason Charities.

None of the Trustees has any beneficial interest in the Charity.

## RISK MANAGEMENT

The Trustees continue to keep under review, by regular reporting any significant risks which if materialised might have an adverse effect in delivering the charities' objectives, or on its reputation. Robust systems and procedures for ensuring internal control assurance are in place so to highlight potential exposures, together with mitigation plans. Financial forecasting and the preparation of regular management

accounts means that adequate funding is available for the continuation of the Charity's operations, and Financial Regulations ensures the control and proper authorisation of all major items of expenditure. The Charity is registered with the Care Quality Commission and fully accepts its responsibilities for ensuring regulatory compliance.

Detailed policies and procedures are also in place to ensure as far as possible the good Health and Safety of residents, staff, volunteers and visitors to the Charity's premises.

## **OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The object of the Charity is the provision of accommodation and care for the following class of person:

- a) persons who have been almspeople of the Sir Josiah Mason's Almshouse Charity but who, because of their age, infirmity or illness can no longer be appropriately cared for in the almshouses of that charity; and
- b) other persons who are poor and aged.

The Charity meets this by providing high quality residential care at Alexandra House which is a 36 roomed Registered Care Home in Olton, Solihull, West Midlands. The facility is registered with the Care Quality Commission. The Charity operates an open admissions policy and advertises vacancies widely in the community, with the local Authority, Hospitals and other Health services, and with a number of other statutory organisations. In addition, full details of the work of the Charity and any vacancies are advertised on the website - [www.sjmt.org.uk](http://www.sjmt.org.uk)

Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, and in planning future activities. Applicants wishing to reside at Alexandra House go through a formal assessment process to ensure they are suitable and will benefit from the care services offered, and that their personal care needs can be properly met by the Charity.

The Trustees are committed to maintaining residents' contributions at a level which is affordable and is related to the Charity's costs of providing the service to reflect the objects of the Charity. It also aims to provide residential care at contribution levels which are below those generally available in the private / commercial sector.

The Charity does not seek to recover the initial cost of the building itself but continues to face very significant cost increases. Improvement and efficiency measures are constantly in place to contain operating costs (without adversely affecting the quality of services provided). However, financial pressures consistent with the sector continue, and quality management, the identification of efficiencies and control systems have become increasingly important.

All residents of Alexandra House are encouraged to participate in a broad range of social and other activities which are intended to provide a stimulating and healthy environment for older people. These take place predominantly within the home but external trips and other events are also held.

Trustees remain committed to ensure the provision of high quality staff training, over and above statutory requirements and invest significantly into structured staff development programmes. Trustees also remain committed to ensuring that their governance arrangements fully conform to 'best practice', and all regulatory and other guidance is followed.

Quality Assurance audits remain important and in addition to the regulatory responsibilities of the Care Quality Commission we continue to benefit from a range of external experts (nutritionists, dieticians, local authority audit, GP's and others), in our drive for the delivery of outstanding services.

The Care Charity has experienced an extremely challenging year during which it experienced a very high level of voids and experienced increasing costs in maintaining an ageing building.

In August 2017, the Care Quality Commission (CQC) carried out an unannounced inspection of Alexandra House. Whilst the CQC found the service to be effective and caring, the service was overall graded as 'Requiring Improvement'. We acknowledge that the CQC reports highlights some areas where we could improve and we have developed a Service Improvement Plan to address these areas. However, we disagreed with some areas raised in the report and formally requested a ratings review from CQC who upheld their original rating.

We recognise that Alexandra House has lacked consistency in management and therefore, we undertook an extensive recruitment campaign and appointed an extremely experienced Manager for the service in early 2017. We have increased the support to the service from our Senior Management Team who are working alongside the Manager. We have reviewed Policies & Processes and Job Descriptions and we have worked very closely with a local Pharmacist to ensure that the service is safe and responsive. We have implemented new training and mentoring for staff and introduced a programme of activities for residents.

### **National Context**

Nationally, Residential Care provision continues to change in terms of demand, the type of residential care services that older people want and the funding available to meet the rising costs and number of older people. As the population of older people continues to grow we are seeing a number of emerging trends:

- Older people are choosing to stay in their own homes for as long as possible. Often when their own property becomes too difficult to meet their individual needs the desire to live independently and have their own front door means they are looking for suitable alternative housing as their first priority and will then subsequently access care in their own home.

- Whilst older people are living longer, medical research shows people are not necessarily living healthier but with long term health conditions that often becoming progressively worse.
- The population of older people living in their own owned home is much higher than we have previously seen and this is now heavily impacting on the care services people choose for themselves and their families.

Residential care was previously considered not just a housing alternative when an older person needed care, but a lifestyle choice. As they moved into retirement and homes became too expensive or difficult to maintain and they needed care, it was often the only option available.

Following years of research with older people studies have proved that older people thrive better in their own homes, with their own front door, and where they can maintain a level of independence without creating a dependency that inhibits their lives unnecessarily. In response, local authorities have now gradually reduced the number of residential care services they deliver either directly or commissioned through block contracts. Local authorities and health commissioners have subsequently increased the commissioning of domiciliary care services into people's own home and the government, through housing and health, have invested heavily in the delivery of extra care housing with the provision of blocks of individual flats where people can live independently, but with the inclusion of communal facilities and a registered 24/7 domiciliary care service to support them.

With the increase of this arrangement, registered care has become less popular as a choice for older people when they need more support. Older people are choosing to either stay in their own home or, where the option is available, move into extra care housing where their care needs can be met. As their health deteriorates and they are no longer able to remain in their own home, the last move older people are likely to make is to a registered nursing care facility.

Over recent years there has been a sharp increase in the number of residential care home providers exiting the market - both small family run homes to large providers who have either been unable to sustain the business (for example, Southern Cross) or have made a conscious decision to withdraw from this specific market (for example, BUPA).

Finally, when older people and their families are considering residential care services today, they are mainly looking for quality care services with good sized rooms offering ensuite facilities which is something we are not able to offer in our current building.

## **FUTURE PLANS**

In the autumn of 2017, as part of our wider Strategy planning and response to the challenges we have experienced and the external market, the Trust commissioned consultants Epsilon Works to undertake an options appraisal in relation to the Charity. The aims of this option appraisal was to present Trustees with future potential options to deliver a quality service to older people with the following objectives: -



- A service which is both affordable and financially viable within good quality accommodation;
- A service that both meets the needs and aspirations of older people both now and into the future; and,
- A service that continues to meet the vision and aims of the Charity.

The report was presented to the Board in December 2017 and they unanimously agreed to proceed with one option and requested that a fully costed proposal was submitted to the Board in September 2018.

Alongside this appraisal, we commenced work on a 2 month consultation exercise to engage a wide range of stakeholders in helping us plan how we could meet the objects of the charity in the coming years. In January 2018, we launched our new 5 year Strategy: 'Building on Strong Foundations'. The need for the Trust is as real today as it was 150 years ago and we now enter an exciting and ambitious new phase of development in which we aim to improve the lives of many more people living in Birmingham and Solihull.

In 2018-19, some of our objectives will include:

- We will review our current branding and launch a new marketing and communications strategy;
- We will review our governance and legal structures so that we are best placed to face the future;
- We will develop a long term plan on how we can best meet the future housing and care needs of older people. This will include a review of our current Residential Care model;
- We will undertake a cost efficiency savings exercise;
- We will work towards achieving good in our CQC rating; and
- We will work with staff to identify how we best champion, reward, recognition and wellbeing in the workplace.

## FINANCIAL REVIEW

The year saw fee income from residents increased by £69K over the previous year. However, loss of income through voids was exceptionally high at £170,034 compared with £79,416 in the previous year with a resultant occupancy level for the year of 83% (2017 92%). This was due to a combination of factors:-

- The Charity found a number of long standing residents of the home moved on into nursing care as it was unable to meet their needs and several passed away.
- Local authority referrals to the service were significantly diminished due to budgetary restraints at Councils.
- The inability to participate in the "hospital to home" programme – due to contractual restrictions with Councils – which the Charity had previously participated in enabling it to fill empty rooms during winter months, and
- Self-referrals to the service also were low in number despite marketing the service in the local media and on social media.

Other sources of income in the year included donations of £177 (2017 £431), catering receipts of £454 (2017 £400) and grants totalling £41,252 (2017 £47,829) from the Sir Josiah Mason's Relief in Need and Educational Charity to cover:-

- The cost of employing apprentices,
- Re-improvements to furnishings at Alexandra House, and
- To cover in part the deficit in revenue in the year.

Spending at Alexandra House increased by £29,738 or 3.3% over the previous year. This increase was due to:-

- Exceptional one off costs associated with the departure of the existing CEO and the recruitment of his replacement,
- The recruitment of a new scheme manager for Alexander House, and
- Increased use of agency care staff and staff training.

Much of this increase in staffing cost was offset by reduced spending on maintenance and household expenses when compared with the previous year.

The net result was a Net Outgoing of Resources (a loss) of £46,023 (2017 surplus of £12,217) for the year.

The Trustees are confident that, following an internal restructure, achieving cost efficiency savings and the support available from Sir Josiah Mason's Relief in Need and Educational Charity, they will be able to fully meet the Charity's obligations for the foreseeable future, and are of the opinion that the balance sheet discloses funds adequate for those purposes.

## **RESERVES**

Net Outgoing Resources of £46,023 in the year were responsible for the fall in Funds overall to £1,160,815. Whilst the Capital Account fell by £6,489 to £1,020,434 due to depreciation, Accumulated Reserves fell by £39,534 and Designated Reserves remained unchanged from the previous year at £20,042 to cover future cyclical maintenance expenditure. Surpluses arising from the Charity's operations in future years will be retained to provide funds for exceptional repairs and other expenditure on the Charity's properties, and to meet operating deficits should these recur.

## **INVESTMENT POLICY**

The Charity has no investments.

## **TRUSTEES LIABILITY INDEMNITY**

The Trustees have confirmed that the Charity does have appropriate and adequate Members and Officers Insurance in place. The policy provides cover up to £1,000,000 at a cost of £1,016 and is shared along with Sir Josiah Mason's Almshouse Charity and Sir Josiah Mason's Relief In Need and Educational Charity.

## **RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS**

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of its financial year and of its incoming resources and the application of those resources for that year.

In preparing the financial statements the Trustees should follow best practice and:

- select suitable accounting practices and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable the Trustees to ensure that the financial statements comply with the provisions of the Charities Act 2011.

The Trustees are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INFORMATION TO THE AUDITOR

In accordance with charity law the Board of Trustees confirms that:

- so far as they are aware at the date of this report there is no information relevant to the audit of which the charity's auditor is unaware;
- they have taken all steps which should have been taken to make themselves aware of any information relevant to the audit and to ensure that the charity's auditor is aware of such information;
- they have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report has been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

The report was approved by the Board of Trustees on Friday, 21<sup>st</sup> September 2018 and signed on their behalf by:-



**Councillor Mr K I Meeson - Chairman** .....



**Mr M H Goodwin – Vice Chairman** .....

## **Independent auditor's report to the members of Sir Josiah Mason's Care Charity**

### **Opinion**

We have audited the financial statements of Sir Josiah Mason's Care Charity (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 charity's affairs as at 31 March 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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

We have nothing to report in this regard.

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

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

- the charity has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Board**

As explained more fully in the Statement of the Board's responsibilities set out on page 8, the Board is 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 Board determines 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 Board 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 Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

This report is made solely to the association's members as a body in accordance with Section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT  
Date:

**STATEMENT OF FINANCIAL ACTIVITIES  
AS AT 31 MARCH 2018**

	Notes	Unrestricted Fund £	Capital Fund £	2018 Total £	2017 Total £
INCOMING RESOURCES					
CHARITABLE ACTIVITIES					
Income receivable from Residents accommodation		1,009,906	-	1,009,906	940,937
Less losses arising from vacant accommodation		( 170,034)	-	( 170,034)	( 79,416)
		<u>839,872</u>	<u>-</u>	<u>839,872</u>	<u>861,521</u>
VOLUNTARY INCOME					
Grants and donations		177	-	177	431
Relief in Need and Educational Charity capital grant		30,414	10,838	41,252	47,829
		<u>870,463</u>	<u>10,838</u>	<u>881,301</u>	<u>909,781</u>
ACTIVITIES FOR GENERATING FUNDS					
Interest receivable		-	-	-	-
Sundry Income		-	-	-	22
		<u>870,463</u>	<u>10,838</u>	<u>881,301</u>	<u>909,803</u>
TOTAL INCOMING RESOURCES					
RESOURCES EXPENDED					
Charitable activities		901,717	17,327	919,044	889,122
Governance costs		8,280	-	8,280	8,464
		<u>909,997</u>	<u>17,327</u>	<u>927,324</u>	<u>897,586</u>
TOTAL RESOURCES EXPENDED					
NET (OUTGOING) / INCOMING RESOURCES FOR THE YEAR		(39,534)	(6,489)	(46,023)	12,217
Fund balances brought forward at 1 April 2017					
		<u>179,915</u>	<u>1,026,923</u>	<u>1,206,838</u>	<u>1,194,621</u>
Fund balances carried forward at 31 March 2018					
	13	<u>140,381</u>	<u>1,020,434</u>	<u>1,160,815</u>	<u>1,206,838</u>

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Notes	2018 £	2017 £
TANGIBLE FIXED ASSETS	9	1,020,434	1,026,923
CURRENT ASSETS			
Stock		2,489	1,917
Sundry debtors and prepayments		22,554	22,279
Contributions due from residents		49,736	33,634
Due from Sir Josiah Mason's Almshouse Charity		-	3,483
Due from Sir Josiah Mason's Relief in Need & Educational Charity		652	-
		75,431	61,313
Cash and cash equivalents		123,183	155,483
		198,614	216,796
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Accruals		13,986	17,091
Trade creditors		13,172	8,545
Other creditors		14,216	11,245
Due to Sir Josiah Mason's Almshouse Charity		16,859	-
		58,233	36,881
NET CURRENT ASSETS		140,381	179,915
TOTAL NET ASSETS	13	1,160,815	1,206,838
FUNDS			
Capital accounts	11	1,020,434	1,026,923
Accumulated reserve	12	120,339	159,873
Designated reserve	12	20,042	20,042
		1,160,815	1,206,838

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



The financial statements on pages 13 to 25 were approved by the Trustees on Friday, 21st September 2018 and were signed on their behalf by:-



**Councillor Mr K I Meeson - Chairman .....**



**Mr M H Goodwin – Vice Chairman .....**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 March 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Net cash from operating activities	A	(21,462)	63,826
Interest from investments		-	-
Purchase of tangible fixed assets	9	<u>(10,838)</u>	<u>(16,164)</u>
<b>Cash from investing activities</b>		<u><u>(32,300)</u></u>	<u><u>47,662</u></u>
 (Decrease)/increase in cash and cash equivalents in the year		 (32,300)	 47,662
Cash and cash equivalents at the beginning of the year		<u>155,483</u>	<u>107,821</u>
<b>Total cash and cash equivalents at the end of the year</b>		<b><u><u>123,183</u></u></b>	<b><u><u>155,483</u></u></b>

**A) RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Operating surplus for the year	(46,023)	12,217
Movement in debtors	(14,118)	37,823
Movement in creditors	21,352	(2,826)
Add back depreciation charges	<u>17,327</u>	<u>16,612</u>
Net cash flow from operating activities	<u><u>(21,462)</u></u>	<u><u>63,826</u></u>

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

**1 ACCOUNTING POLICIES**

These accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

Sir Josiah Mason's Care Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies (see note 4).

**(a) Basis of preparation**

The accounts are prepared on the historical cost basis of accounting.

Incoming resources and the application of those resources have been accounted for under the accruals basis of accounting.

Expenditure includes VAT which cannot be recovered and which is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs directly incurred by the Charity in operating its property and costs of an indirect nature necessary to support this activity.

Governance costs are those associated with the constitutional and statutory requirement of the Charity and include audit fees and costs incurred in the strategic management of the Charity.

Costs are allocated between categories of expenditure in the Statement of Financial Activities on an appropriate basis as set out in note 5.

**(b) Depreciation**

Depreciation is charged so as to write down the cost of freehold property to its estimated residual value on a straight line basis over their expected useful economic lives as follows:

Freehold land	Not depreciated
Housing property	100 years
Fixtures and fittings	20 years & 4 years
Computer equipment	4 years

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

**(c) Donations**

Cash donations are accounted for when receipt is recorded in the accounting records. Material donations of items other than cash are included in income at market value on receipt.

**(d) Leases**

Rental costs under operating leases are charged in the Statement of Financial Activities in equal annual amounts over the period of the lease.

**(e) Grants**

Grants received from the Sir Josiah Mason's Relief in Need and Educational Charity are accounted for in the accounting period to which they relate.

**(f) Gains on fixed assets for charity use**

Gains and losses on fixed assets used by the Charity are accounted for through the Capital Account.

**(g) Voluntary help**

No value has been put on the voluntary help received by the Charity during the year.

**(h) Pensions**

The Charity contributes to a defined contribution scheme.

Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**2 CHARITABLE STATUS**

The Charity is registered with the Charity Commission, number 1073755, and is exempt from Income Tax and Capital Gains Tax provided its income and gains are applied for charitable purposes.

**3 ACCOMMODATION**

Number of units of accommodation in use at 31 March was

	2018 No's	2017 No's
	36	36
	<u>36</u>	<u>36</u>

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

Although Alexandra House continues to be fully occupied there have been periods of vacancies when there has been a change in residents.

**4 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the trustees believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

**Depreciation and residual values**

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

**Provisions and accruals**

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

**Impairment of trade debtors**

An estimate of the collectible amount of trade debtors is made when collection of the full amount is no longer probable. This estimation is performed on an individual basis.

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

**5 TOTAL RESOURCES EXPENDED**

	Basis of Allocation	Charitable activities £	Governance £	Total 2018 £	Total 2017 £
Costs directly related to activities					
Staff costs	Direct	604,497	-	604,497	581,886
Premises	Direct	74,345	-	74,345	94,550
Domestic expenses	Direct	73,230	-	73,230	76,415
Insurance	Direct	16,533	179	16,712	14,498
Audit and accountancy	Direct	-	4,488	4,488	4,356
Governance	Direct	328	-	328	-
Support costs allocated to activities					
Office staff costs	Staff time	68,858	3,613	72,471	62,590
Maintenance staff	Staff time	10,001	-	10,001	12,594
Training	Usage	10,992	-	10,992	6,464
Communications	Usage	2,593	-	2,593	2,597
Professional charges	Usage	20,451	-	20,451	7,649
Bank interest and charges	Transactions	531	-	531	578
Depreciation	Usage	18,365	-	18,365	17,149
Other costs	Usage	18,320	-	18,320	16,260
		919,044	8,280	927,324	897,586
		919,044	8,280	927,324	897,586

Resources expended include the following charges:

Auditors' remuneration	4,488	4,356
Legal and professional fees	20,451	7,649
	20,451	7,649

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

	2018 No's	2017 No's
<b>6 EMPLOYEES</b>		
The average number of people employed by the Charity during the year were:		
Full time	28	36
Part time	1	1
	<u>29</u>	<u>37</u>
The aggregate payroll costs of these employees were:		
Wages and salaries	596,134	586,586
Social security costs	38,389	37,877
Pension contributions	12,376	12,783
	<u>646,899</u>	<u>637,246</u>
Agency staff	<u>15,936</u>	<u>13,113</u>

**7 PENSION SCHEME**

The Charity operates a defined contribution pension scheme for all of its employees. Contributions paid for the year amounted to £12,376 (2017 £12,783). No contributions were outstanding at the year-end (2017 £Nil).

**8 TRUSTEES' REMUNERATION**

	2018 £	2017 £
Out of pocket expenses reimbursed in the year	78	-

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

**9 PROPERTY, PLANT AND EQUIPMENT**

	Freehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 April 2017	1,062,718	91,831	2,079	1,156,628
Additions in the year	-	10,190	648	10,838
Less disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	1,062,718	102,021	2,727	1,167,466
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>DEPRECIATION</b>				
At 1 April 2017	75,915	52,432	1,358	129,705
Charge for the year	6,929	9,944	454	17,327
Less disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	82,844	62,376	1,812	147,032
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>NET BOOK VALUE</b>				
31 March 2017	986,803	39,399	721	1,026,923
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 March 2018	979,874	39,645	915	1,020,434
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
These assets have been financed by:				
Capital account				1,020,434
				<hr/> <hr/>

The freehold land and buildings are occupied for the purpose of the Charity.  
In the event of a cessation of the Charity's activities and the disposal of its assets, surplus funds after all liabilities had been settled would be due to the Sir Josiah Mason's Relief in Need and Educational Charity.



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

	2018 £	2017 £
<b>10 FINANCIAL INSTRUMENTS</b>		
<i>Financial assets</i>		
Measured at fair value - cash (see Statement of Financial Position)	123,183	155,483
Measured at amortised cost - trade debtors (see Statement of Financial Position)		
• Fee arrears and other debtors	72,290	55,913
• Amounts due from related undertakings	652	3,483
	<u>72,912</u>	<u>59,396</u>
<i>Financial liabilities</i>		
Measured as amortised cost - trade creditors (see Statement of Financial Position)		
• Trade and other creditors	41,374	36,881
• Amounts due to related undertakings	16,859	-
	<u>58,233</u>	<u>36,881</u>
<b>11 CAPITAL ACCOUNT</b>		
		Total £
At 1 April 2017		1,026,923
Grant from Relief in Need and Educational Charity in respect of:		
Additions to freehold property		10,838
Resources expended		-
Depreciation charge		( 17,327)
		<u>1,020,434</u>
At 31 March 2018		
Represented by:		
Fixed assets (note 9)		<u>1,020,434</u>

The Capital Account represents the book value of assets held for the purpose of the Charity including funds provided for subsequent additions to fixed assets either from the disposal of existing assets, transfers from accumulated income or grants from the Sir Josiah Mason's Relief in Need and Educational Charity.

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

**12 OTHER RESERVES**

	Accumulated reserve £	Designated reserve £
At 1 April 2017	159,873	20,042
Net incoming resources		
Transfer from cyclical maintenance	( 39,534)	-
	<hr/>	<hr/>
At 31 March 2018	120,339	20,042
	<hr/> <hr/>	<hr/> <hr/>

**13 ANALYSIS OF ASSETS BETWEEN FUNDS**

	Capital Funds £	Unrestricted Funds £	Total £
Fixed assets	1,020,434	-	1,020,434
Stock, sundry debtors and accrued income	-	74,779	74,779
Due from:			
Sir Josiah Mason's Relief in Need and Educational Charity	-	652	652
Bank and cash balances	-	123,183	123,183
	<hr/>	<hr/>	<hr/>
	1,020,434	198,614	1,219,048
	<hr/>	<hr/>	<hr/>
Accruals	-	13,986	13,986
Trade creditors	-	13,172	13,172
Due to:			
Sir Josiah Mason's Almshouse Charity	-	16,859	16,859
Other creditors	-	14,216	14,216
	<hr/>	<hr/>	<hr/>
	-	58,233	58,233
	<hr/>	<hr/>	<hr/>
	1,020,434	140,381	1,160,815
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
<b>14 OPERATING LEASE COMMITMENTS</b>		
<b>Leases not relating to land and buildings</b>		
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Expiring:		
Within one year	5,020	5,020
Within 2 to 5 years	2,929	7,949
	<u>7,949</u>	<u>12,969</u>
<b>15 RELATED PARTY TRANSACTIONS</b>		
	2018 £	2017 £
Grants received from:		
Sir Josiah Mason's Relief in Need and Educational Charity	41,252	47,829
	<u>41,252</u>	<u>47,829</u>

Trustees, Councillor Mr G Moore is the representative of Birmingham City Council, and Councillor Mr K I Meeson and Mr M H Goodwin are representatives of Solihull MBC. Sir Josiah Mason's Care Charity is contracted at arm's length with both Councils and is not in receipt of any preferred terms of contract.

**16 POST BALANCE SHEET EVENTS**

In 2018, the Trustees of Sir Josiah Mason's Care Charity will be making an application to form a limited company and a registered charity titled Sir Josiah Mason Trust. At the same time, they will be applying to the Charity Commission to form a scheme to link Sir Josiah Mason's Care Charity with Sir Josiah Mason's Almshouse Charity and Sir Josiah Mason's Relief in Need and Educational Charity and to appoint the newly formed Sir Josiah Mason Trust as the corporate trustee for the Charity. If approved, this will lead to one set of consolidated accounts in the financial year 2018-2019.