

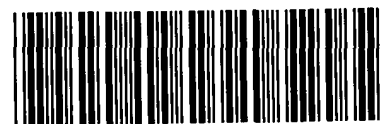
**The
SOUTHEND-ON-SEA DARBY AND JOAN ORGANISATION
LIMITED**

(a company limited by guarantee and not having a share capital)

**Registered Charity Number: 1093882
Company Number: 4378521**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2016**

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The Southend-on-Sea Darby and Joan Organisation Limited

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The Southend-on-Sea Darby and Joan Organisation Limited

Legal and Administrative Information

Legal and Administrative Information

The Charity is registered and is a company limited by guarantee governed by its Articles of Association.

Company Number: 4378521. Charity Number: 1093882.

Directors/Trustees

The subscribers/directors of the Charitable company (the Charity) are its trustees for the purposes of charitable law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Subscribers	Mr. J.A. Le Masurier	Chairman
	Mr. F.G. Wray	
	Mr. G.O. Jones	
	Mrs. J. Lambert	
	Mr. J.W. Anderson	Vice Chair
	Mr. B.R. Pallant	Resigned 29 September 2015
	Mrs A.E Andrews	
	Mr. O Rowe	Appointed 22 April 2015
	Mr. P Rothwell	Appointed 22 April 2015
Chief Executive	Charles Cormack	Retired 31st August 2015
	Michelle Rogers	Appointed 31st August 2015
Secretary	Charles Cormack	To 31st August 2015
	Michelle Rogers	From 31st August 2015
Registered Office	St Martins 59 Imperial Avenue Westcliff-on-Sea Essex SSO 8NQ	
Auditor	Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD	
Bankers	Barclays Bank plc PO Box 1504 Southend-on-Sea Essex SS2 6HZ	Royal Bank of Scotland Commercial Banking 280 Bishopgate London EC2M 4RB

The Southend-on-Sea Darby and Joan Organisation Limited

Trustees' Annual Report

For the year ended 31st March 2016

Structure

Southend-on-Sea Darby and Joan Organisation Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 February 2002 and amended 8th December 2011. The liability of Members in the event of the company being wound up is limited to a sum not exceeding £10 each.

The assets of the original charity were transferred into the name of the Charitable company in 2006. The original charity, which was formed in 1946, is used for fundraising, primarily focussed on existing legacy activity.

In April 2012, two local charities, St Martins Residential Care Ltd and the Mission of Help, merged with the Organisation.

Trustee Recruitment

The process of recruiting new trustees starts with a review of the existing board and identifying which skills are needed. Trustees then consider all suggested contacts prior to meeting and exploring the role with individuals.

Once an individual has been accepted, a formal induction process is started which includes a Trustee Handbook, the last three years financial statements, a visit to the Organisation's homes and meeting the staff.

Trustees are kept up to date with information, monthly reports, and briefings when appropriate.

Trustees meet every two months. In addition, every 4 weeks one of four trustees is involved in approving expenditure in excess of £10,000 and the countersigning of all payments.

All members of the Board give their time voluntarily and receive no benefits from the charity.

Management

The management and operation of the Organisation is delegated by the Trustees to the Chief Executive, Michelle Rogers. She has been with the Organisation since 2012, combining this function with Company Secretary and administrator to the Board.

In the case of the two care homes the care managers are registered with C.Q.C. and are fully qualified. The managers report directly to the Chief Executive, as does the Administrator

The Chief Executive also takes responsibility for personnel, health and safety and compliance issues in addition to supporting the managers of the care homes. Each home has a team of experienced senior staff reporting to the Home Manager. Together they are responsible for achieving and maintaining the high standards of care for which the Organisation is known. During the latter part of the year our Chief Executive Michelle Rogers undertook, together with the Trustees a thorough review of the current future of the organisation, including the possible introduction of new services.

The charity does not remunerate its Trustees. The Trustees are responsible for setting the remuneration of the charity's senior management team which comprise the key management personnel of the charity in charge of directing and controlling, running and operating the nursing homes on a day to day basis. Remuneration is set in the context of the charity's purposes, aims and values and to reflect the skills, experience and competences required for particular roles. In setting remuneration, the Trustees also consider a number of additional factors including an individual's contribution, affordability and remuneration offered by nursing homes and care providers of a similar size.

Principal Activities

The Articles of Association state that the objects of the Organisation are to assist in the relief of the needy and elderly including through the provision of residential homes. - the amendment to the Articles in December 2011 removed the restriction of operating within SOUTHEND-on-SEA and ESSEX particularly.

This assistance is currently provided in the form of two registered residential homes 'Sandringham' with up to 20 residents and St Martins with up to 26 residents.

The Southend-on-Sea Darby and Joan Organisation Limited

Trustees Annual Report

For the year ended 31st March 2016 (Continued)

Ensuring our work delivers our aims.

We review our Aims and Objectives regularly - this review looks at what we have achieved and the outcomes of our work over the previous 12 months. It looks at the success of each home in meeting the aims and objectives and the benefits brought to the people who come to live in the homes. This review also helps us ensure our aims, objectives and activities remain focussed on our stated purpose.

In shaping our objectives the trustees confirm that they have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB32)". The Organisation relies on the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give very careful consideration to the accessibility of its homes to those on low incomes. Currently 79% of our residents have all of their fees paid for them.

The Focus of our Work

Our main objectives for the year continued to be the provision of high quality care and support to people who come to live in our homes. We primarily care for people who have significant care needs, either through physical and/or mental frailty or because of one of the many dementias.

How our activities deliver public benefit.

All our activities focus on the needs of people with dependencies associated with the consequences of ageing. In the two care homes the residents are between the ages of 60 through to 99. We have residents who are mobile but living with dementia through to residents who need full 24 hour care as they are unable to leave their bed. The high level and standard of care provided is only possible within the funding received from the local authorities who purchase care, because, as a charity we do not include either depreciation or capital cost of the homes in our charges.

The Southend-on-Sea Darby and Joan Organisation Limited
Trustees' Annual Report
For the year ended 31st March 2016
(Continued)

Review of Developments/Achievements

The changing emphasis within Care of the Elderly will continue to have a considerable impact on the Organisation because the needs of new and existing residents are ever increasing. The emphasis on helping people to live and be supported in their own homes within the community has raised the dependency levels of people coming into both supported housing and care homes.

In spite of the continuing constraint on funds available via local authorities for the purchase of care in the community, our two homes have run at an average occupancy rate of well over 90% - maintaining this level of occupancy is a demonstration of the response to the high quality of care we provide.

In the year we sold Chaltonholme. The main reason was the growing unsuitability of the buildings for the needs of the residents, it was not cost effective to continue to adapt the buildings.

Staff

The work of the Organisation is entirely dependent on the commitment and hard work of its staff. They continue to provide a caring, loyal, quality service and have coped very well with the ever increasing dependency and frailty of our residents. This frailty is being demonstrated by the increasing numbers who live with dementia, or from the need for ever greater physical support. The extra needs of the residents have emphasised the requirement to keep on increasing the skill levels of each member of staff to enable them to use a wider variety of techniques and equipment.

Training and development of the staff remain a very important on-going investment, We have now achieved more than 90% of staff at NVQ Level 2 and all our senior staff have achieved or are working towards NVQ Level 3 or above. We provide specific training on aspects of dementia and the needs of the elderly as well as the need to comply with the regulatory environment in which we operate.

The Organisation is an 'Investors in People', and successfully achieved re-assessment in September 2014 and remains totally committed to staff development.

Review of Financial Position and comments on the Balance sheet

Along with many providers of care, we continue to be affected by the Local Authorities not recognising and funding the true cost of Care of the Elderly. The fees paid by local authorities have not been increased inline with inflation and thus are considerably below the cost of providing care.

When residents are on basic state support this has required a subsidy by the Organisation but regrettably we are not in the position of being able to subsidise as many cases as before. We thus ask new residents funded by local authorities, whenever they have relatives who can possibly afford it, to 'top-up' the standard contract rate. Where the financial circumstances of a resident or their families do not permit them to pay the full fee or a 'top-up', consideration is still given to a lower fee. 75% of residents are paying fees which are below full cost recovery.

Results for the year show a surplus of £40,961. This was achieved after the gain on the disposal of Chaltonholme of £183,620

The Southend-on-Sea Darby and Joan Organisation Limited

Trustees' Annual Report

For the year ended 31st March 2016

Review of Financial Position (continued) (Continued)

Staffing costs continue to consume over 90% of income. The overall staffing costs are higher than would normally be seen in a care organisation but reflect the Organisation's wish to invest in the care of the residents. The focus on occupancy levels and fee rates remains very important and the success is dependent on the way local commissioners, including social care adult services and the clinical commissioning groups adjust their strategies.

The implementation of the Health and Social Care Act 2008, the Care Act 2014 and its new regulations will affect spending in areas not directly associated with care of our residents - typically administration and documentation. We remain cautious about the forthcoming regulations from the Care Act and their impact on the cost of providing high quality care.

Reserves Policy

As a result of the review of the activities of the Organisation, the Trustees consider the most appropriate level of free reserves (those funds not tied up in fixed assets, and designated and restricted funds) to be the equivalent to 6 months turnover, i.e. c.£600,000. At the year end, the total funds held of the charity amounted to £2379278 of which £0 was held as restricted funds. Of the remaining funds £22845 was designated and represented the re valuation reserve held relating to freehold properties and £1277868 were tied up in fixed assets leaving free reserves of £1078565. This is currently above the free reserves target of £600,000 due to the sale of Chaltonholme. The funds which remain above and beyond our free reserves will be used throughout the coming years to ensure upgrades of equipment and services within both homes can be carried out in a timely manner. Some of this free reserves is also set aside to fund potential new business for the organisation going forward.

Risk Management

An assessment of the risks facing the Organisation has been carried out and a risk register produced. This is subject to regular review, at least annually, by the Trustees. In addition each home regularly carries out risk assessments on its environment and the residents who live within it. The Organisation is registered with CQC as a provider of care in care homes.

Identified Risks include, 1) Transformation - The charity's plan to concentrate on the disposal of non core assets and to concentrate on becoming a Dementia specialist may increase instability during the transition period. Our plans to deal with the risk include - Having comprehensive written plans to address all operational staff. Financial and communication issues will be agreed with the Board and regularly reported on. 2) Financial - The charity may be at risk of financial deficit owing to stagnant Local Authority fees, reduced demand and increased costs. Our plans to deal with this risk include ensuring there are regular, accurate and up to date reports to the Board on the trading and rolling forecast. 3) Regulatory - The organisation may attract negative reports from the CQC/Local Authority which could have a detrimental effect on the reputation and therefore the viability of the organisation. Our plan to deal with this risk is to have a robust framework in place which is understood by all staff and adhered to at all times with a regular reporting mechanism for the board to track. 4) Loss of key staff - The organisation may be vulnerable to loss of one or more key staff members. Our plan to deal with this risk is to ensure we have a succession plan for key staff members such as Chief Executive and Home Managers. 5) Lack of strategy - The organisation may drift if there is no clear and agreed strategy in place. Our plan to deal with this risk is to have a clear strategic plan that is understood and communicated to all involved within the organisation.

Future plans

A review of the properties used by the Organisation resulted in the decision to close and sell Chaltonholme. A successful sale was effected before year end. The proceeds will be applied to making further identified improvements to the Health, safety and welfare of our residents. We also expect to plan and introduce new services during the 2016/17 year which will require some investment. The organisation is also increasing its partnership work with other local charities as well as the local authority.

We recognise that developments, including the replacement of National Minimum Standards as a result of the Health and Social Care Act 2008 and the Care Act 2014, will continue to ask questions of the capability of our buildings to meet the needs of both present and future residents. We accept that there is still some way to go before the homes are equipped to provide the very highest standards to which we feel the elderly who live with us are entitled to.

The Southend-on-Sea Darby and Joan Organisation Limited

Trustees' Annual Report

For the year ended 31st March 2016 (Continued)

The Trustees remain alert to the ever-increasing needs of the elderly and constantly monitor the opportunities which arise to meet these needs. The development of resources for the provision of dementia care and rehabilitation for those who wish to leave hospital but do not have the immediate support at home, feature among these needs. In addition, we receive a significant number of requests for short-term accommodation, mostly for respite care to help both individuals and their carers which indicates an area of need. The need for quality day care including reablement is also becoming ever more apparent.

Investment Powers

Under the Articles of Association the Charity has the power to make any investments which the Trustees see fit.

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of The Southend-on-Sea Darby and Joan Organisation Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

None of the Trustees had any beneficial interest in any contract to which the Organisation was party during the year.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

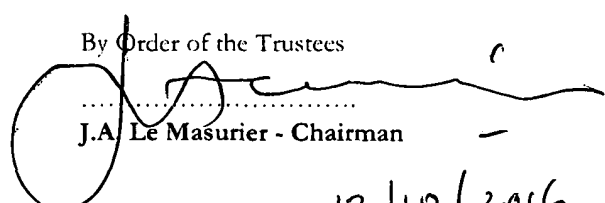
Small Companies rules

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditors

Kingston Smith LLP have expressed their willingness to remain in office as auditors of the charitable company.

By Order of the Trustees


J.A. Le Masurier - Chairman

12/10/2016

Independent Auditor's Report to the Members of The Southend-on-Sea Darby and Joan Organisation Limited

We have audited the financial statements of Southend-on-Sea Darby and Joan Organisation Limited for the year ended 31 March 2016 which comprise the Statement of Financial Activities (the Summary Income and Expenditure Account), the Balance Sheet, and the related notes. 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 Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement, 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.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act

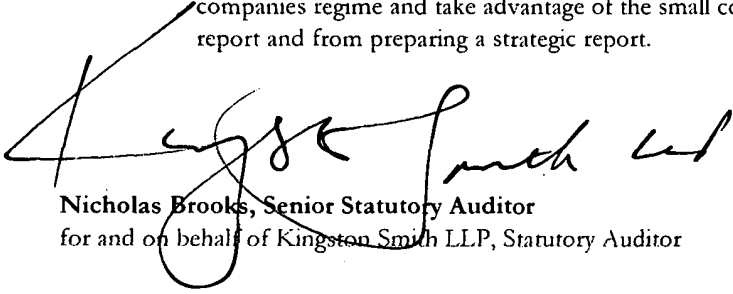
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of The Southend-on-Sea Darby and Joan Organisation Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 trustees' remunerations 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 preparing a strategic report.



Nicholas Brooks, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 31/10/ 2016

Southend-on-Sea Darby and Joan Organisation Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31st March 2016

	Note	Unrestricted General Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
INCOME FROM:					
<i>Donations and legacies</i>					
Donations and gifts		400	-	400	760
Legacies received		-	-	-	15,911
		<u>400</u>	<u>-</u>	<u>400</u>	<u>16,671</u>
<i>Investments</i>					
Gross interest		<u>2</u>	<u>-</u>	<u>2</u>	<u>37</u>
<i>Charitable activities</i>					
Residents fees		1,174,514	-	1,174,514	1,319,702
Sundry income		<u>6,584</u>	<u>-</u>	<u>6,584</u>	<u>10,011</u>
		<u>1,181,098</u>	<u>-</u>	<u>1,181,098</u>	<u>1,329,713</u>
Total Income		<u>1,181,500</u>	<u>-</u>	<u>1,181,500</u>	<u>1,346,421</u>
EXPENDITURE ON:					
<i>Charitable activities</i>					
Running of nursing homes	2	<u>1,324,158</u>	<u>-</u>	<u>1,324,158</u>	<u>1,653,120</u>
Total Expenditure	2	<u>1,324,158</u>	<u>-</u>	<u>1,324,158</u>	<u>1,653,120</u>
Net Expenditure for the year before transfers		(142,658)		(142,658)	(306,699)
Transfers between funds		-	-	-	-
Net Expenditure after transfers between funds		<u>(142,658)</u>	<u>-</u>	<u>(142,658)</u>	<u>(306,699)</u>
<i>Other recognised gains</i>					
Gains on disposal of fixed asset		183,620	-	183,620	-
Net movement in funds		<u>40,962</u>	<u>-</u>	<u>40,962</u>	<u>(306,699)</u>
<i>Reconciliation of Funds</i>					
Balance brought forward at 1st April 2015		2,332,820	5,497	2,338,317	2,645,016
Balance carried forward at 31st March 2016		<u>2,373,782</u>	<u>5,497</u>	<u>2,379,279</u>	<u>2,338,317</u>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. In 2015 all income and expenditure related to unrestricted funds.

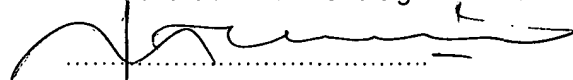
Southend-on-Sea Darby and Joan Organisation Limited

Balance Sheet at 31st March 2016

	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	6	1,277,868	2,087,791
Current Assets			
Debtors	7	1,076,015	70,799
Cash at bank and in hand		<u>152,810</u>	<u>360,317</u>
		1,228,825	431,116
Creditors: Amounts falling due within one year	8	<u>127,414</u>	<u>180,590</u>
Net Current Assets		<u>1,101,411</u>	<u>250,526</u>
Total Assets less Current Liabilities		2,379,279	2,338,317
Net Assets		<u><u>2,379,279</u></u>	<u><u>2,338,317</u></u>
Funds			
Restricted funds	11	5,497	5,497
Unrestricted funds			
- Designated funds	10	22,845	37,180
- General funds	9	<u>2,350,937</u>	<u>2,295,640</u>
Total Funds		<u><u>2,379,279</u></u>	<u><u>2,338,317</u></u>

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 10 to 16 were approved by the Executive Committee and signed on its behalf by:


 J.A. Le Masurier
 Chairman

Date: 12/10/2016

Southend-on-Sea Darby and Joan Organisation Limited
Company number - 4378521

Southend-on-Sea Darby and Joan Organisation Limited

Statement of cash flow

For the year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Cash used in operations	(1,191,129)	(287,560)
Net cash used in operating activities	<u>(1,191,129)</u>	<u>(287,560)</u>
Cash flows from investing activities		
Proceeds from the sale of property	983,620	542,500
Interest received	2	37
Net cash from investing activities	<u>983,622</u>	<u>542,537</u>
Change in cash and cash equivalents in the year	(207,507)	254,977
Cash and cash equivalents at beginning of year	360,317	105,340
Cash and cash equivalents at end of year	<u><u>152,810</u></u>	<u><u>360,317</u></u>

	2016 £	2015 £
Cash generated from operations		
Net incoming/(outgoing) resources	40,962	(306,699)
Interest received	(2)	(37)
Depreciation	9,923	14,257
Profit on disposal	(183,620)	-
(Increase)/decrease in debtors	(1,005,216)	72,611
Decrease in creditors	(53,176)	(67,692)
Cash used in operations	<u><u>(1,191,129)</u></u>	<u><u>(287,560)</u></u>

Southend-on-Sea Darby and Joan Organisation Limited
Notes to the Financial Statements
For the year ended 31st March 2016

1 Accounting Policies

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in England and Wales, and therefore has also prepared its financial statements 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 Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

The Charity has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation and reconciliation of how the transition has affected the reported financial position and financial performance is provided in the notes to the financial statements.

Going Concern

The trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible Fixed Assets and Depreciation

Depreciation of tangible fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Equipment and machinery	15% straight line
Fixtures and fittings	25% straight line

Tangible fixed assets costing more than £5,000 are capitalised.

Freehold land and buildings

The Freehold land and buildings are held at fair value based on market evidence (the revaluation model) and subject to an annual impairment review.

Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Residents fee income is recognised in the period in which services are provided and the related fee income is receivable.

Donations and grants, including grants in respect of major items of refurbishment, improvements or the purchase of fixed assets are recognised in the Statement of Financial Activities when receivable. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

Resources Expended

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Charitable activities include expenditure associated with running the nursing homes.

Fund Accounting

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

Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose and includes the revaluation reserve of tangible fixed assets used by the charitable company in its operational activities.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Group Accounts

The subsidiary company has remained dormant throughout the period. Group accounts have not therefore been prepared. The accounts relate to the single entity Southend-on-Sea Darby and Joan Organisation Limited.

Cash and cash equivalents

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

Southend-on-Sea Darby and Joan Organisation Limited

Notes to the Financial Statements

For the year ended 31 March 2016 (Continued)

1 Accounting policies (Continued)

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 7 and 8 for the debtor and creditor notes.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

2 Charitable Activities

	2016 Total £	2015 Total £
Costs directly allocated to nursing homes		
Staff costs (nursing homes)	1,011,306	1,227,069
Other staff costs	1,162	3,491
Catering expenses	60,621	66,313
General expenses	47,185	80,838
Utility expenses	55,274	71,384
House expenses	86,378	139,690
Financial expenses	1,873	1,766
Depreciation	9,923	14,257
	<u>1,273,722</u>	<u>1,604,808</u>
Support and governance costs		
Staff costs - governance	20,000	20,000
Audit, legal and professional fees	30,436	28,312
	<u>1,324,158</u>	<u>1,653,120</u>
	2016 £	2015 £
Net expenditure is stated after charging:		
Depreciation	9,923	14,257
Auditor's remuneration - audit fees	13,214	13,446
Impairment of trade debtors (bad debts)	3,449	35,780

Southend-on-Sea Darby and Joan Organisation Limited

Notes to the Financial Statements (continued)

For the year ended 31st March 2016

3 Staff costs	2016	2015
	£	£
Staff expenses includes the following employee costs:		
Wages and salaries	980,629	1,153,708
Social security costs	59,814	66,951
Pension costs	5,638	4,050
	<u>1,046,081</u>	<u>1,224,709</u>
Care services	828,132	999,848
Maintenance	56,049	73,530
Administration	141,900	131,331
Direct charitable expenditure	1,026,081	1,204,709
Support costs	20,000	20,000
	<u>1,046,081</u>	<u>1,224,709</u>

Key management personnel consist of the Trustees and the Chief Executive. The total employee benefits of the charity's key management personnel were £69,294 (2015: £45,496).

No employee received employee benefits in excess of £60,000 (2015: nil).

No trustees received any remuneration or other employment benefits during the financial year (2015 - nil).

No trustees have been reimbursed for any expenses incurred (2015- nil).

The charity operates a defined contribution pension scheme. Contributions of £5,638 (2015: £4,050) were payable in the year with payments of £2,221 (2015: £765) outstanding at the year end.

4 Employees	2016	2015
	Number	Number
The average number of employees by function were:		
Care services	65	83
Maintenance	3	4
Administration	3	4
	<u>71</u>	<u>91</u>

5 Taxation

The charity is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Southend-on-Sea Darby and Joan Organisation Limited

Notes to the Financial Statements

For the year ended 31st March 2016 (Continued)

6 Tangible Fixed Assets	Equipment and Machinery £	Fixtures and Fittings £	Freehold Land and Property £	Total £
Cost or valuation				
At 1st April 2015	67,118	109,495	2,075,000	2,251,613
Disposals	-	-	(800,000)	(800,000)
At 31st March 2016	67,118	109,495	1,275,000	1,451,613
Depreciation				
At 1st April 2015	65,827	97,995	-	163,822
Charge for the year	867	9,056	-	9,923
At 31st March 2016	66,694	107,051	-	173,745
Net Book Value				
At 31st March 2016	424	2,444	1,275,000	1,277,868
At 31st March 2015	1,291	11,500	2,075,000	2,087,791

The properties were last valued on 30 September 2013 by Kevin Cruiks BSc MRICS of Ayers & Cruiks on a market value basis. The historical cost of freehold land and buildings is £1,252,155 (2015: £2,037,820).

7 Debtors	2016 £	2015 £
Trade debtors	92,415	62,769
Other debtors	983,600	7,186
Prepayments and accrued income	-	844
	<u>1,076,015</u>	<u>70,799</u>

8 Creditors: Amounts falling due within one year	2016 £	2015 £
Trade creditors	40,102	72,613
Taxation and social security	18,764	23,400
Accruals	68,548	77,412
Residents Monies	-	7,165
	<u>127,414</u>	<u>180,590</u>

The resident monies are held on behalf of the residents of each home run by Southend-on-Sea Darby and Joan Organisation Limited, though from 2016, the service is no longer offered.

Southend-on-Sea Darby and Joan Organisation Limited
Notes to the Financial Statements
For the year ended 31st March 2016
(Continued)

9 Analysis of Net Group Assets between Funds

At 31 March 2016	2016 Tangible Fixed Assets £	2016 Other Net Assets £	2016 Total £
Restricted funds	-	5,497	5,497
Unrestricted funds:			
Designated funds	22,845	-	22,845
General funds	1,255,023	1,095,914	2,350,937
Balance carried forward 31 March 2016	<u>1,277,868</u>	<u>1,101,411</u>	<u>2,379,279</u>

At 31 March 2015	2015 Tangible Fixed Assets £	2015 Other Net Assets £	2015 Total £
Restricted funds	-	5,497	5,497
Unrestricted funds:			
Designated funds	37,180	-	37,180
General funds	2,050,611	245,029	2,295,640
Balance carried forward at 31st March 2015	<u>2,087,791</u>	<u>250,526</u>	<u>2,338,317</u>

10 Designated Funds

	At 01.04.15 £	Revaluation in the year £	Movement in Resources Incoming £	Resources Outgoing £	Transfers £	Balance 31.03.16 £
Property reserve	37,180	-	-	-	(14,335)	22,845
	<u>37,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,335)</u>	<u>22,845</u>

Designated funds represents the revaluation reserve held relating to freehold properties. The transfer in the year reflects the sale of one of the freehold properties in the year.

11 Restricted Funds

	At 01.04.15 £	Revaluation in the year £	Movement in Resources Incoming £	Resources Outgoing £	Transfers £	Balance 31.03.16 £
Welfare Residents Fund	77	-	-	-	-	77
Bed and Hoist Fund	596	-	-	-	-	596
Wheelchair Fund	624	-	-	-	-	624
CCTV Fund	4,200	-	-	-	-	4,200
	<u>5,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,497</u>

The welfare residents fund represents money raised specifically for the welfare of the residents.

The bed and hoist fund relates to a £2,000 donation received in 2011 to buy an electric bed and hoist.

The wheelchair fund relates to money received specifically for the purchase of wheelchairs.

The CCTV fund relates to money received specifically for the purchase of CCTV to be installed in the garden.

Southend-on-Sea Darby and Joan Organisation Limited

Notes to the Financial Statements

For the year ended 31st March 2016

(Continued)

12 Related Parties

The charitable company was formed to undertake the work previously carried out by the Southend-on-Sea Darby and Joan Organisation, an unincorporated charity. The majority of the trustees of both entities are one and the same and the organisations are managed on a unified basis. The current assets were originally transferred to the new limited company with the creation of an inter balance loan account.

13 Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

14 The Mission Of Help

The charitable company has a wholly owned subsidiary called The Mission of Help with the aim of providing charitable assistance to the poor and needy.

The assets and liabilities of the subsidiary were:

	2016	2015
	£	£
Cash at bank and in hand	-	938
Unrestricted funds	-	938

The Mission of Help is dormant and has not had any significant accounting transactions during the accounting period. No value has been attributed to this subsidiary undertaking in the accounts.

15 Transition to FRS 102

This is the first year that the charitable company has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014.

The main change to the financial statements is that governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Society.

Southend-on-Sea Darby and Joan Organisation Limited
Detailed Analysis of Income and Expenditure
For the year ended 31st March 2016

	2016 £	2015 £
Staff Expenses - Director and Administration		
Salaries and wages	1,031,306	1,224,708
Agency costs	-	22,361
Staff Training costs	1,162	3,491
	<u>1,032,468</u>	<u>1,250,560</u>
Catering Expenses		
Consumables	60,514	66,222
Non-foodstuff	107	91
	<u>60,621</u>	<u>66,313</u>
General Expenses		
Advertising, subscriptions and publications	767	3,891
Insurance	13,184	15,081
Registration fees	55	425
Printing, postage and stationery	3,360	4,590
Sundry expenses	26,370	21,070
Bad debt	3,449	35,780
	<u>47,185</u>	<u>80,837</u>
Utility Expenses		
Heating and lighting	36,318	44,689
Telephone	7,040	8,114
Rates	11,916	18,581
	<u>55,274</u>	<u>71,384</u>
House Expenses		
Garden	2,179	131
Cleaning costs	35,113	34,635
Equipment and furnishings	260	27,862
Maintenance	48,826	77,062
	<u>86,378</u>	<u>139,690</u>
Financial Expenses		
Bank charges	1,511	1,116
Criminal Record Bureau charges	362	650
	<u>1,873</u>	<u>1,766</u>
Depreciation - Direct and Administration		
Depreciation of plant and equipment	867	1,084
Depreciation of fixtures and fittings	9,056	13,173
	<u>9,923</u>	<u>14,257</u>
Governance costs (excluding salary costs)		
Professional fees	17,222	14,866
Auditors' remuneration	13,214	13,446
	<u>30,436</u>	<u>28,312</u>

This page is for management information only and does not form part of the statutory financial statements.