

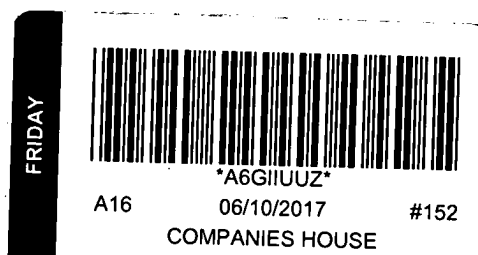
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Charity Registration No. 1093882

Company Registration No. 04378521 (England and Wales)

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



!RickardLuckin

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	JA Le Masurier JW Anderson GO Jones Ms AE Andrews P Rothwell OJ Rowe FG Wray Mrs JH Lambert
Secretary	Ms M Rogers
Charity number	1093882
Company number	04378521
Registered office	St Martins 59 Imperial Avenue Westcliff-on-Sea SS0 8NQ
Auditor	Rickard Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

CONTENTS

	Page
Trustees' report	1 - 6
Independent auditor's report	7 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the accounts	12 - 20

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and 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.

The 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.

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 60% 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 100. We have residents who are mobile but need assistance with daily activities, those 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.

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 require greater physical support and those who live with dementia. The extra needs of the residents have emphasised the requirement to continuously increase the skill set of each member of staff to enable them to use a wider variety of techniques and equipment.

Training and development of staff remain a very important on-going investment, we have now achieved more than 80% 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. Dementia Awareness training now forms part of our mandatory training programme for all new staff.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

Following the sale of Chaltonholme in the previous year we were in the position to begin upgrades across the two homes. To ensure our statutory obligations were met a substantial amount of money was spent during the year on identified upgrades on the Health & Safety of the environment in both our homes. We have also decided to purchase new arm chairs for the lounges along with generally refurbishing the communal areas. The project to remove all carpets from the homes and replace them with wood effect safety flooring began helping to brighten the environment.

We will continue to make upgrades throughout the coming year and next on our agenda is to replace the soft furnishings within the residents bedrooms. All of the upgrades to date have been met with positive feedback from our residents and relatives as well as visitors to the homes. This programme of upgrades forms part of our commitment to continuously review and improve the environment of our homes.

It has been a positive year for the organisation in that the homes ran at an overall occupancy rate of 97%. We have continued to develop our partnership working, forging links with other local charities to enhance opportunities. We are also now working closely with other care providers in the area to enhance training opportunities for the staff teams and regularly host training events which are attended by other care providers in the area, this also paves the way for more partnership working in the future.

In October 2016 we were inspected at St Martins care home by our regulators the Care Quality Commission. The outcome was that the home received a 'Good' rating. This rating is testament to the hard work, dedication and care shown by the staff team at St Martins. The rating for Sandringham also remains as 'Good'. These ratings are a reflection of the standards of care and support we offer to our residents and our staff teams within both homes.

With Dementia becoming more and more prevalent we have continued to develop our staff teams in this area. Dementia Awareness now forms part of our mandatory training for all new staff. The teams have also attended training on behaviour that challenges as well as the Virtual Dementia Tour which aims to give participants the best possible opportunity to understand what it is like to live with Dementia on a day to day basis. We believe that by continuously developing our teams in this area we can provide the best possible care and understanding to our residents who live with Dementia.

The specialist sensory Dementia garden at St Martins continues to be popular with our residents. Residents from Sandringham regularly visit the garden as well as those from other care homes in the area and those living in the local community.

This year saw us work in partnership with the Equal Arts Group to introduce chickens to the garden as part of an animal assisted therapy programme. This also incorporated an art group where the residents created many different pictures, murals and paintings with chickens as a theme. This then culminated in the residents art work being displayed at an exhibition locally.

Financial review

The Results for the year show a surplus from the day to day activities of the homes of £118,488.

This has been reduced by £101,224 of expenditure to improve the homes, leaving a net surplus of £17,264.

The trustees would like to acknowledge the hard work of the Chief Executive and the teams within both homes. The ongoing costs of the homes in more recent years have exceeded income and the resulting deficits were putting additional strains on the cash resources. Last year's accounts showed a surplus, but that included the profit on the sale of Chaltonholme.

The above sum of £101,224 of expenditure incurred in the year related to improving the flooring, replacing fire doors and other general improvements in the homes. These improvements were from the amounts designated for this purpose from the net proceeds on the sale of Chaltonholme.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Reserves policyAs 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, designated and restricted funds) to be the equivalent to 6 months costs i.e. c.£600,000

At the year end, the total funds held of the charity amounted to £2,396,543. £1,275,049 were tied up in fixed assets leaving free reserves of £1,121,494. Of this sum £132,396 was designated and represented the property maintenance reserve to upgrade the St Martins and Sandringham homes and this is currently above the free reserves target of £600,000 due to the sale of Chaltonholme in 2016.

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 the free reserves is also set aside to fund potential new activities 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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Structure, governance and management

The charity 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 Mission of Help, merged with the organisation.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

JA Le Masurier
JW Anderson
GO Jones
Ms AE Andrews
P Rothwell
OJ Rowe
FG Wray
Mrs JH Lambert

Trustee Recruitment

The process of recruiting new trustees starts with a review of the existing board and identifying where new 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.

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

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

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

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, previously holding the position of Operations Manager. Michelle combines the function of Chief Executive with that of Company Secretary and Administrator to the Board.

In the case of the two care homes the care managers are registered with CQC 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.

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.

Statement of trustees' responsibilities

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

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Auditor

In accordance with the company's articles, a resolution proposing that Rickard Luckin Limited be reappointed as auditor of the company will be put to the next Annual General Meeting.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

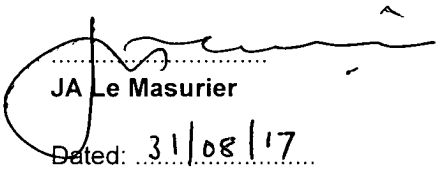
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



JA Le Masurier

Dated: 31/08/17

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

We have audited the accounts of The Southend-On-Sea Darby & Joan Organisation Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of The Southend-On-Sea Darby & Joan Organisation Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

Opinion on other matter prescribed by the Companies Act 2006

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

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SOUTHEND-ON-SEA DARBY & 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rickard Luckin Limited

Caroline Peters (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

6 September 2017

Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income and endowments from:</u>						
Donations and legacies	3	3,331	-	-	3,331	400
<u>Charitable activities</u>						
Residents fees		1,303,656	-	-	1,303,656	1,174,516
Services to residents		20,083	-	-	20,083	6,584
Other income	4	-	-	-	-	183,620
Total income		1,327,070	-	-	1,327,070	1,365,120
<u>Expenditure on:</u>						
Charitable activities	5	1,208,582	101,224	-	1,309,806	1,324,158
Net incoming resources before transfers		118,488	(101,224)	-	17,264	40,962
Gross transfers between funds		(205,278)	210,775	(5,497)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(86,790)	109,551	(5,497)	17,264	40,962
Fund balances at 1 April 2016		2,350,937	22,845	5,497	2,379,279	2,338,317
Fund balances at 31 March 2017		2,264,147	132,396	-	2,396,543	2,379,279

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

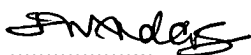
THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		1,275,049		1,277,868
Current assets					
Debtors	11	43,969		1,076,015	
Investments	12	750,000		-	
Cash at bank and in hand		452,334		152,810	
		<u>1,246,303</u>		<u>1,228,825</u>	
Creditors: amounts falling due within one year	13	<u>(124,809)</u>		<u>(127,414)</u>	
Net current assets			1,121,494		1,101,411
Total assets less current liabilities			<u>2,396,543</u>		<u>2,379,279</u>
Income funds					
Restricted funds	14		-		5,497
<u>Unrestricted funds</u>					
Designated funds	15	132,396		22,845	
General unrestricted funds		<u>2,264,147</u>		<u>2,350,937</u>	
			2,396,543		2,373,782
			<u>2,396,543</u>		<u>2,379,279</u>

The accounts were approved by the Trustees on 31/08/17



JW Anderson
Trustee

Company Registration No. 04378521

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		1,049,520		(1,191,129)
Investing activities					
Proceeds on disposal of tangible fixed assets		-		983,620	
Proceeds on disposal of investments		(750,000)		-	
Interest received		4		2	
Net cash (used in)/generated from investing activities			(749,996)		983,622
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			299,524		(207,507)
Cash and cash equivalents at beginning of year			152,810		360,317
Cash and cash equivalents at end of year			452,334		152,810

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

The Southend-On-Sea Darby & Joan Organisation Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is St Martins, 59 Imperial Avenue, Westcliff-on-Sea, SS0 8NQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have 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 subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0%
Plant and equipment	15% straight line
Fixtures and fittings	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Freehold property is currently depreciated at 0% per annum as the value of the property is continuing to rise. The policy is reviewed annually and will be adjusted if deemed appropriate.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Current asset investments

Investments included cash on deposit with a maturity date of less than one year.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	3,331	400

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Other income

	2017	2016
	£	£
Net gain on disposal of tangible fixed assets	-	183,620

5 Charitable activities

	2017	2016
	£	£
Staff costs	943,908	1,012,468
Depreciation and impairment	2,819	9,923
Catering expenses	65,017	60,621
Insurance	8,661	13,184
Registration fees	6,907	55
Printing, postage, stationery & advertising	5,053	4,127
Sundry expenses	6,791	26,370
Bad debts	-	3,449
Heat and light	29,725	36,318
Telephone	1,969	7,040
Rates	9,011	11,916
Garden maintenance	256	2,179
Cleaning	34,384	35,113
Equipment	4,416	260
Maintenance	109,698	48,826
Bank charges	1,713	1,511
DBS charges	370	362
Services to residents	20,083	-
	1,250,781	1,273,722
Share of support costs (see note 6)	59,025	50,436
	1,309,806	1,324,158
Analysis by fund		
Unrestricted funds - general	1,208,582	1,324,158
Unrestricted funds - designated	101,224	-
	1,309,806	1,324,158

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Staff costs	-	20,000	20,000	20,000	Type of work
Professional fees	-	18,673	18,673	17,222	Governance
Auditors' remuneration	-	20,352	20,352	13,214	Governance
	-	59,025	59,025	50,436	
Analysed between Charitable activities	-	59,025	59,025	50,436	

Governance costs includes payments to the previous auditors of £12,600 and £7,752 (including VAT) to the current auditors (2016- £13,214) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Care services	60	65
Maintenance	3	3
Administration	2	3
	65	71

Employment costs

	2017 £	2016 £
Wages and salaries	905,284	965,854
Social security costs	53,093	59,814
Other pension costs	5,531	6,800
	963,908	1,032,468

There were no employees whose annual remuneration was £60,000 or more.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2016	1,275,000	67,118	109,495	1,451,613
At 31 March 2017	1,275,000	67,118	109,495	1,451,613
Depreciation and impairment				
At 1 April 2016	-	66,694	107,051	173,745
Depreciation charged in the year	-	375	2,444	2,819
At 31 March 2017	-	67,069	109,495	176,564
Carrying amount				
At 31 March 2017	1,275,000	49	-	1,275,049
At 31 March 2016	1,275,000	424	2,444	1,277,868

Land and buildings with a carrying amount of £1,275,000 were revalued at 30 September 2013 by Kevin Cruiks BSc MRICS of Ayers & Cruiks, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

On adoption of FRS 102 the trustees took advantage of the transitional arrangements and the valuation above was frozen as deemed cost. No further valuations are required, however, impairment reviews are undertaken regularly.

10 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	30,743	1,076,015
Instruments measured at fair value through profit or loss	750,000	-
Carrying amount of financial liabilities		
Measured at amortised cost	112,124	108,650

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	29,530	92,415
Other debtors	1,213	983,600
Prepayments and accrued income	13,226	-
	<u>43,969</u>	<u>1,076,015</u>

12 Current asset investments

	2017	2016
	£	£
Cash on deposit	750,000	-
	<u>750,000</u>	<u>-</u>

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	33,651	40,102
Other taxation and social security	12,685	18,764
Accruals and deferred income	78,473	68,548
	<u>124,809</u>	<u>127,414</u>

14 Restricted funds

	Balance at 1 April 2016	Incoming resources	Resources expended	Transfers	Balance at 31 March 2017
	£	£	£	£	£
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>(5,497)</u>	<u>-</u>

On discussion with the trustees it was recognised that the funds previously identified as restricted were not restricted but actually designated in the past, but are no longer required to be so, and therefore have been transferred to general unrestricted funds during the year.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016 £	Movement in funds			Balance at 31 March 2017 £
		Incoming resources £	Resources expended £	Transfers £	
Property reserve	22,845	-	-	(22,845)	-
Property maintenance	-	-	(101,224)	233,620	132,396
	<u>22,845</u>	<u>-</u>	<u>(101,224)</u>	<u>210,775</u>	<u>132,396</u>

On discussion with the trustees it was recognised that the property reserve funds previously identified as designated are no longer required to be so, and therefore have been transferred to general unrestricted funds during the year.

The property maintenance designated fund was designated by the trustees' for the upgrade and maintenance costs of the St Martins and Sandringham homes.

16 Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Fund balances at 31 March 2017 are represented by:				
Tangible assets	1,275,049	-	-	1,275,049
Current assets/(liabilities)	989,098	132,396	-	1,121,494
	<u>2,264,147</u>	<u>132,396</u>	<u>-</u>	<u>2,396,543</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>57,091</u>	<u>69,294</u>

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.

THE SOUTHEND-ON-SEA DARBY & JOAN ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 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 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.

19 Cash generated from operations	2017 £	2016 £
Surplus for the year	17,264	40,962
Adjustments for:		
Investment income recognised in statement of financial activities	(4)	(2)
Gain on disposal of tangible fixed assets	-	(183,620)
Depreciation and impairment of tangible fixed assets	2,819	9,923
Movements in working capital:		
Decrease/(increase) in debtors	1,032,046	(1,005,216)
(Decrease) in creditors	(2,605)	(53,176)
Cash generated from/(absorbed by) operations	1,049,520	(1,191,129)