

Company registration number: 03371617

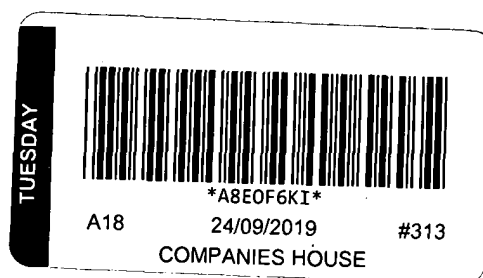
Charity registration number: 1064810

PHILIP CUSSINS HOUSE

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Philip Cussins House

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Philip Cussins House

Reference and Administrative Details

Presidents	Geoffrey Lurie and Alan Share
Vice President	Theo Benjamin
Chairman	Martin Levinson
Vice Chairman	Alan Cahill
Treasurer	Anthony Josephs
Trustees	J B Dinsdale G Bernstone F I Fagleman A A Josephs D M Gold A D Cahill P Netts M A Levinson B S Marcus C E Lurie
Secretary	M A Levinson
Key Management Personnel	Ms Forster, Home Manager - until Sept 2018 Mrs Lemon, Home Manager - From Oct 2018 Mrs Parry, Administrator
Principal Office	33 Linden Road Gosforth Newcastle upon Tyne NE3 4EY
	The charity is incorporated in England and Wales.
Company Registration Number	03371617
Charity Registration Number	1064810
Solicitors	Tilly Bailey and Irvine 12 Evolution Wynyard Park Wynyard TS22 5TB
Auditor	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Philip Cussins House

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2018.

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of trustees

New trustees are sought as and when the trustees consider this necessary and appointments are made by agreement of the trustees.

Organisational structure

The day to day management of the care home is in the hands of a manager and an administrator. The trustees take an active interest in the day to day operations of the care home.

Objectives and activities

Objects and aims

The Charity's objective is to provide and maintain a residential care home for elderly members of the local Jewish community, and others, who are in need of care.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

The charity relies on the income from fees and charges to cover most of its operating costs. In setting the level of fees the trustees give due consideration to the need to ensure that the residential accommodation provided by Philip Cussins House is accessible to all members of the local Jewish community.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Philip Cussins House

Trustees' Report (continued)

Achievements and performance

I have pleasure in presenting the twenty second Annual Report and Audited Accounts on behalf of the Directors of Philip Cussins House.

It has been the tradition to limit this report to the previous year's activities, ending on 31st December prior to the AGM. As the AGM is now held in the summer, I have decided that my report, although not the financial report, will be as up to date as possible prior to the date of printing. Hopefully it will be more relevant as a result.

2018 was very much a year of transition. We appointed a new Manager, Margaret Lemon, who had been our Deputy for many years. She was appointed at a time of disharmony amongst the staff and has rapidly reunited our wonderful team of carers, cooks and domestics. Anne Henderson has also thrived in her new role as Deputy Manager.

Soon after Margy was appointed, we had unannounced inspections by the Care Quality Commission and, shortly afterwards by Newcastle City Council Social Services. We passed both with flying colours! Well done everyone.

In addition, we now have a Shomer/cook from the Gateshead Community, Mrs Y Freudiger, who, in her quiet and dignified manner, has supervised the process of ensuring that our kitchens achieve the highest standards of Kashrus – and cooked heimishe gefilte fish which the residents loved! We are immensely grateful to Rabbi Lieberman, the Head of the Gateshead Kashrus Authority, for his tactful and sympathetic guidance which has seen this project through to completion. Tzviki Sandler has also facilitated the increasingly strong links between our two communities and we thank him most sincerely for his support.

We could not have achieved this without the willing cooperation of our kitchen staff headed by Simon Badminton and of course the support of Susan Allan, our House Manager.

I am also indebted to Anthea Parry our Finance Manager for ensuring the running of our administration – and, of course, all our fabulous staff for the loving care that they give to our residents every day (and night!) of the year.

Thanks also to my fellow Trustees on our Board for their hard work and support, especially Alan Cahill, Vice Chairman, Anthony Josephs, Finance Director, and the House Committee, Pamela Gold, Carole Lurie, Bernice Marcus and Barbara Netts.

This year was also memorable for a visit from Marie van der Zyl, the President of the Board of Deputies. She spent time chatting to a number of residents, trustees and staff whilst enjoying tea and cake.

There is a selection of photographs from her visit below.



Philip Cussins House

Trustees' Report (continued)



Philip Cussins House

Trustees' Report (continued)



Philip Cussins House

Trustees' Report (continued)

We also continued our regular theme days and evenings and the above photographs give a flavor of the events and variety of entertainers who came to serenade the residents over supper.

We record our grateful thanks to the GP's and district nurses from the Grove Medical Group along with others in the NHS who have addressed the needs of our residents.

We record with sadness the passing of Clive Hilton, Benny Gordon, Anne Cranton, Pavel Novak, Brenda Rach, Betty Shaffer, Ella Baker, Beulah Benjamin and Marjorie Craggs.

House Committee

We again record our thanks to the House Committee. Meeting every week, they work with Margaret Iemon & Anthea Parry and the staff to ensure that our residents lead full and active lives with lots of variety.

There are regular bingo sessions, birthday parties, bus outings, visits from the Cat & Dog shelter, children from a local nursery, and the zoo lab with different animals. We also have the services of a Hairdresser, Beautician, Chiropodist and Craft Lady. An exercise session is available once a week. Again we express our thanks to members of the community who have supported them.

Martin Levison officiated 1st night seder and Anthony Josephs the second night. WE are very grateful to them and their delightful granddaughters.

Again we thank Rabbi Fordsham and the boys, who once again he brought over from Gateshead to light the Chanukah candles and sign for our residents, and we also thank the girls from Gateshead's Beth Jacob who come bringing with them, the joy of their presence. Musical theme days are enjoyed by residents and staff.

We are grateful to Rabbi Lipsey for his visits to read and explain the Megilla, which is greatly appreciated by our residents. We are happy to welcome Yenti, our Shomer who oversees the kitchen and cooks. Around-the-World theme days are arranged by the kitchen staff 7 Dawn (the craft lady), including Chinese New Year, American, Italian and Turkish.

The Financial Position

Our operating deficit has increased significantly this year with a loss of £132,101, primarily due to a reduction in occupancy levels throughout the year, and there has been a reduction in the value of investments of £32,608, resulting in a reduction in our net assets of £164,709 in the year to 31st December. However, we have strong Liquid Reserves which will ensure the continued running of one of the best care homes in the North East.

Anthony Josephs wishes to record his appreciation of Anthea's efforts throughout the year, and to thank our Accountants and Auditors, MHA Tait Walker for the way they have handles our accounts this year.

Philip Cussins House

Trustees' Report (continued)

Last year I decided that the story of one of our residents may be of interest. This year, I feel it would be appropriate to ask the family of Benny Gordon, to write a few words about his life story. He recently passed away and was much loved by all of us at PCH.

DR BENNY GORDON (1920 – 2019)

Benny's four and a half years in his time at PC House saw him become very popular and well liked amongst residents and staff. His sense of humour was his hallmark. He took up residency here like a duck takes to water and within a short time of his arrival, he was playing in a regular bridge game with fellow residents. He was a fixture in an armchair in the corner of the lounge with his kippa on a permanent angle. His distinctive voice never changed during his advancing years and his Kiddush on Shabbat and Yom Tov became a regular feature.

He looked forward to yomtovim and especially Pesach where he played an active part in the sederim. One Purim he famously admonished Rabbi Lipsey for reading the Megillah too quickly, something the Rabbi always recalls with a smile on his face.

The son of a religious former president of Sunderland Hebrew Congregation, Benny followed the family tradition and like his mother and two brothers played a major part in the local community. For many years he served on the Board of Shechita and the Talmud Torah Committee.

In 1944 Benny married Joyce Bloom of Sunderland, the mother of his three children, Rosalyn, Bronia & Michael studied at Newcastle University Medical School. He was a General Practitioner in Sunderland until 1977 before taking up a position as one of two Consultant Dermatologists at the City's Royal Infirmary. He later became Head of Department until his retirement in 1985.

He was widowed in 1983 and re-married shortly after retiring, before moving to Netanya for the next 28 years. He was very involved with the British Community there, in particular helping the settling in of and delivering food parcels to the new olim from Ethiopia.

Benny lived for a few months with his daughter Bronia & son in law Alan in Pinner before taking up residency in PC House in early 2015. Shortly after he was widowed again after his second wife, who'd returned to live with her family in Jersey, passed away following a short illness.

In the years that followed Benny liked nothing better than joining fellow residents in the garden on sunny days. He was a great animal lover and looked forward to various animals visiting from the nearby cat & dog shelter.

He also enjoyed rides in the country and often recalled his caravan days touring the Northumberland and Durham countryside.

Benny who always had a kind word for everyone was never short of visitors be they family or friends. He was very content at PC House and we his family can't praise the staff enough for the exceptional care, love and attention he always received from Day One. We will always be grateful to all concerned.

For Benny this wasn't just any home, IT WAS HIS HOME!

We are immensely grateful to Benny's children, Ros Brewer, Bronia Kleinman and Michael Gordon for their most generous donation to enable us to buy new garden furniture in his memory. Thank you!

Martin Levinson

Chairman

Philip Cussins House

Trustees' Report (continued)

Financial review

The charity made a operating deficit of £132,101 (2017: £60,113) and an overall deficit after revaluation movement of £164,709 (2017: £9,009).

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 18 months running costs, which would equate to holding approximately £1,144,000 in free reserves.

At the year end, free reserves were £886,265 (2017: £1,039,898), a decrease of £153,633 in the year. The trustees recognise the shortfall and are doing everything that they can to ensure performance is improved in the coming 12 months.

Investment policy and objectives

The trustees have considered the most appropriate policy for investing funds and have found that holding a portfolio of lower risk investments managed by Barclays Wealth to be most suitable.

Key Management Personnel

The board, who give their time freely and have received no remuneration in the year, have considered who are the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Philip Cussins House

Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Philip Cussins House for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

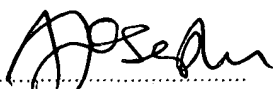
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 24.8.19 and signed on its behalf by:


.....
A A Josephs
Trustee

Philip Cussins House

Independent Auditor's Report to the Members of Philip Cussins House

Opinion

We have audited the financial statements of Philip Cussins House (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

Philip Cussins House

Independent Auditor's Report to the Members of Philip Cussins House (continued)

Other information

The trustees are 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out in the trustees report), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Philip Cussins House

Independent Auditor's Report to the Members of Philip Cussins House (continued)

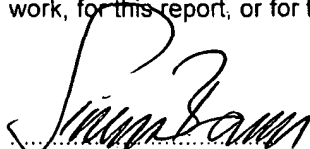
Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 23.9.19

MHA Tait Walker is a trading name of Tait Walker LLP.

Philip Cussins House

Statement of Financial Activities for the Year Ended 31 December 2018

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2018 £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	22,952	22,952	7,880
Charitable activities	4	586,892	586,892	602,052
Investment income	5	20,620	20,620	23,631
Total Income		<u>630,464</u>	<u>630,464</u>	<u>633,563</u>
Expenditure on:				
Raising funds		(3,362)	(3,362)	(2,214)
Charitable activities	6	<u>(759,203)</u>	<u>(759,203)</u>	<u>(693,502)</u>
Total Expenditure		<u>(762,565)</u>	<u>(762,565)</u>	<u>(695,716)</u>
Gains/losses on investment assets		<u>(32,608)</u>	<u>(32,608)</u>	<u>53,144</u>
Net expenditure		<u>(164,709)</u>	<u>(164,709)</u>	<u>(9,009)</u>
Net movement in funds		(164,709)	(164,709)	(9,009)
Reconciliation of funds				
Total funds brought forward		<u>2,070,710</u>	<u>2,070,710</u>	<u>2,079,719</u>
Total funds carried forward	17	<u>1,906,001</u>	<u>1,906,001</u>	<u>2,070,710</u>

All of the charity's activities derive from continuing operations during the above two periods.

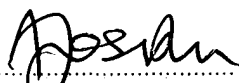
Philip Cussins House

(Registration number: 03371617)

Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	1,019,736	1,030,812
Investments	14	<u>576,047</u>	<u>662,399</u>
		<u>1,595,783</u>	<u>1,693,211</u>
Debtors	15		
- due within one year		42,315	53,607
- due after one year		150,000	150,000
Cash at bank and in hand		<u>159,067</u>	<u>216,868</u>
		<u>351,382</u>	<u>420,475</u>
Creditors: Amounts falling due within one year	16	<u>(41,164)</u>	<u>(42,976)</u>
Net current assets		<u>310,218</u>	<u>377,499</u>
Net assets		<u>1,906,001</u>	<u>2,070,710</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,906,001</u>	<u>2,070,710</u>
Total funds	17	<u>1,906,001</u>	<u>2,070,710</u>

The financial statements on pages 13 to 27 were approved by the trustees, and authorised for issue on 24.8.19 and signed on their behalf by:



 A A Josephs
 Trustee

Philip Cussins House

Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash expenditure		(164,709)	(9,009)
Adjustments to cash flows from non-cash items			
Depreciation		11,076	8,820
Investment income	5	(20,620)	(23,631)
Revaluation of investments		<u>30,520</u>	<u>(53,144)</u>
		(143,733)	(76,964)
Working capital adjustments			
Decrease/(increase) in debtors	15	11,292	(3,649)
(Decrease)/increase in creditors	16	<u>(1,812)</u>	<u>4,575</u>
Net cash flows from operating activities		<u>(134,253)</u>	<u>(76,038)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	20,620	23,631
Purchase of tangible fixed assets	13	-	(20,878)
Purchase of investments	14	(256,459)	-
Sale of investments		<u>312,291</u>	<u>7,212</u>
Net cash flows from investing activities		<u>76,452</u>	<u>9,965</u>
Net decrease in cash and cash equivalents		(57,801)	(66,073)
Cash and cash equivalents at 1 January		<u>216,868</u>	<u>282,941</u>
Cash and cash equivalents at 31 December		<u><u>159,067</u></u>	<u><u>216,868</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Philip Cussins House

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is:

33 Linden Road

Gosforth

Newcastle upon Tyne

NE3 4EY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Philip Cussins House 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. There is no significant estimates.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Philip Cussins House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Investment income

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Philip Cussins House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold Property	Straight line over expected life
Sephar Torah	Nil rate
Fixtures and fittings	50% Straight line
Computer equipment	20% Straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Pensions and other post retirement obligations

The charity has provided an employer pension scheme. The scheme is a defined contribution scheme. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

3 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Donations and legacies;			
Donations from individuals	21,026	21,026	7,880
Legacies	1,926	1,926	-
	<u>22,952</u>	<u>22,952</u>	<u>7,880</u>

4 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Care home room fees and daycare	<u>586,892</u>	<u>586,892</u>	<u>602,052</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1,352	1,352	5,444
Other income from fixed asset investments	14,018	14,018	13,278
Other investment income	5,250	5,250	4,909
	<u>20,620</u>	<u>20,620</u>	<u>23,631</u>

6 Expenditure on charitable activities

		Unrestricted funds	Total 2018	Total 2017
	Note	General £	£	£
Care home running costs		260,274	260,274	208,621
Staff costs		469,954	469,954	459,323
Allocated support costs	7	22,226	22,226	21,911
Governance costs	7	6,749	6,749	3,647
		<u>759,203</u>	<u>759,203</u>	<u>693,502</u>

£759,203 (2017 - £693,502) of the above expenditure was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Analysis of governance and support costs

Raising funds expenditure

Charitable investment management costs

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Investment Fees	<u>3,362</u>	<u>3,362</u>	<u>2,214</u>

Charitable activities expenditure

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Telephone	2,041	2,041	1,429
Printing Stationery, Postage and Advertising	8,218	8,218	9,047
Bank Charges	1,368	1,368	1,544
Trade Subscriptions	<u>10,599</u>	<u>10,599</u>	<u>9,891</u>
	<u>22,226</u>	<u>22,226</u>	<u>21,911</u>

Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Audit fees			
Audit of the financial statements	3,250	3,250	3,600
Legal fees	2,946	2,946	-
Other governance costs	<u>553</u>	<u>553</u>	<u>47</u>
	<u>6,749</u>	<u>6,749</u>	<u>3,647</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018 £	2017 £
Audit fees	3,250	3,600
Other non-audit services	553	47
Depreciation of fixed assets	<u>11,076</u>	<u>8,820</u>

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The charity paid on behalf of the trustees during the year indemnity insurance totalling £2,105 (2017 - £1,725).

10 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	439,897	430,724
Social security costs	26,654	26,670
Pension costs	<u>3,403</u>	<u>1,929</u>
	<u>469,954</u>	<u>459,323</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
Staff total	<u>27</u>	<u>28</u>

22 (2017 - 22) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £75,395 (2017 - £54,168).

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

11 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	3,250	3,600
Other fees to auditors		
All other non-audit services	553	47

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 January 2018	993,763	176,934	3,000	1,173,697
At 31 December 2018	993,763	176,934	3,000	1,173,697
Depreciation				
At 1 January 2018	-	142,885	-	142,885
Charge for the year	-	11,076	-	11,076
At 31 December 2018	-	153,961	-	153,961
Net book value				
At 31 December 2018	993,763	22,973	3,000	1,019,736
At 31 December 2017	993,763	34,049	3,000	1,030,812

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

14 Fixed asset investments

Other investments

	Listed investments £	Cash £	Total £
Cost or Valuation			
At 1 January 2018	657,058	5,341	662,399
Additions	-	256,459	256,459
Disposals	(258,547)	(53,744)	(312,291)
Revaluation	(30,520)	-	(30,520)
At 31 December 2018	<u>367,991</u>	<u>208,056</u>	<u>576,047</u>
Net book value			
At 31 December 2018	<u>367,991</u>	<u>208,056</u>	<u>576,047</u>
At 31 December 2017	<u>657,058</u>	<u>5,341</u>	<u>662,399</u>

The market value of the listed investments at 31 December 2018 was £576,047 (2017 - £662,399).

The historical cost of the above is £538,898 (2017: £532,735).

Included in the above:

Fixed deposit investments: £208,056 (2017: £5,340)
Barclays Charity Fund R: £367,990 (2017: £398,511)
Barclays Wealth Managed portfolios: £Nil (2017: £258,547)

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

15 Debtors

	2018 £	2017 £
Trade debtors	10,994	16,958
Prepayments and accrued income	27,370	32,698
Other debtors	153,951	153,951
	<u>192,315</u>	<u>203,607</u>

Debtors includes £150,000 (2017: £150,000) receivable after more than one year. This is a loan made to UHC at a rate of 3% plus base. It is expected to be repaid once planning issues are resolved.

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	19,335	11,263
Other taxation and social security	7,044	8,505
Other creditors	938	216
Accruals	13,847	22,992
	<u>41,164</u>	<u>42,976</u>

17 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
Unrestricted funds					
General	<u>2,070,710</u>	<u>630,464</u>	<u>(762,565)</u>	<u>(32,608)</u>	<u>1,906,001</u>
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
Unrestricted funds					
General	<u>2,079,719</u>	<u>633,563</u>	<u>(695,716)</u>	<u>53,144</u>	<u>2,070,710</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

18 Analysis of net assets between funds

	Unrestricted funds	
	General £	2018 Total funds £
Tangible fixed assets	1,019,736	1,019,736
Fixed asset investments	576,047	576,047
Current assets	351,382	351,382
Current liabilities	(41,164)	(41,164)
Total net assets	<u>1,906,001</u>	<u>1,906,001</u>
	Unrestricted funds	
	General £	2017 Total funds £
Tangible fixed assets	1,030,812	1,030,812
Fixed asset investments	662,399	662,399
Current assets	420,475	420,475
Current liabilities	(42,976)	(42,976)
Total net assets	<u>2,070,710</u>	<u>2,070,710</u>

19 Analysis of net funds

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	216,868	(57,801)	159,067
Net debt	<u>216,868</u>	<u>(57,801)</u>	<u>159,067</u>
	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	282,941	(66,073)	216,868
Net debt	<u>282,941</u>	<u>(66,073)</u>	<u>216,868</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

20 Related party transactions

During the year the charity made the following related party transactions:

United Hebrew Congregation of Newcastle upon Tyne

(A charity of which A A Josephs is also a Trustee.)

A loan has been provided to UHC which is repayable in November 2019. Interest is charged at 3% above base rate. The loan is secured by way of a first legal mortgage over the asset of the borrower.

The loan balance outstanding at the year end owed from UHC amounted to £170,994 (2017: £165,744). During the year interest was receivable amounting to £5,250 (2017: £4,909).

M Levinson

(M Levinson is a trustee of the charity)

During the year, M Levinson lent the charity £10,000 which was fully repaid in the year.