

REGISTERED COMPANY NUMBER: 01844549 (England and Wales)
REGISTERED CHARITY NUMBER: 515591

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011
FOR
HOYLAKE COTTAGE**



McLintocks Limited
Chartered Accountants and
Statutory Auditors
56 Hamilton Street
Birkenhead
Wirral
CH41 5HZ

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

The trustees who are also directors of the trust for the purposes of the Company law, have pleasure in presenting their report with the financial statements of the trust for the year ended 31 March 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01844549 (England and Wales)

Registered Chanty number
515591

Registered office
35 Birkenhead Road
Hoylake
Wirral
Merseyside
CH47 5AQ

Trustees

Mrs M Aboud	
Mrs E Spark	
W A Twemlow	
N Wilson	
A Mitchell	
R P Wilcox	
M Matthews	
J Southworth	
R M Tucknott	
M R Unger	- resigned 13 6 11
Mrs K L Williams	- appointed 21 9 10
C J Turnbull	- appointed 24 3 11

Company Secretary
S Heywood

Auditors

McLintocks Limited
Chartered Accountants and
Statutory Auditors
56 Hamilton Street
Birkenhead
Wirral
CH41 5HZ

Bankers

National Westminster PLC
10 Banks Road
West Kirby
Wirral
CH48 4LG

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Hill Dickinson LLP
No 1 St Paul's Square
Liverpool
L3 9SJ

Chief executive

Mrs L Cooke

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governance

The company changed its name to Hoylake Cottage on 10th March 2009. It is referred to in this report as "the Trust".

The Trust is a charitable company limited by guarantee incorporated on 30th August 1984 and is established under a Memorandum of Association which sets out its objectives and powers and is governed by its Articles of Association. It is managed by a Board of Directors ("the board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

Two committees have been established by the Board.

Fundraising Committee

Addresses strategic options to achieve the charitable fundraising objectives of the Trust.

Management Committee

Responsible for establishing and maintaining policies and procedures for the sound financial management of the Trust.

Risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery of all operational aspects of the charitable trust.

The Board of Trustees meets approximately 6 times per annum. The Committees often meet more frequently to suit their particular needs and function.

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee Selection Criteria

Trustees are selected on the following criteria

- 1 An ability to provide the necessary skills and experience to meet defined needs
- 2 A willingness to attend regular Board meetings and other meetings when required In order to draw from as wide a sector of the community as possible the recruitment process consists of advertising as well as networking through the existing Trustees We also look to recruit from amongst our volunteers if they have the necessary skills and ability

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision making process and the business plan and financial performance of the Trust They are taken on a tour of the facilities, meet key employees and are encouraged to attend relevant external training

Trustees are elected (or re-elected) in accordance with the Trust's articles of association at its AGM The Articles of Association specify that the Board of Trustees should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12

Management

Day-to-day operational management is under the control of the Chief Executive, appointed 2nd January 2006, who is responsible to the Board of Trustees Regular meetings are held between the Chief Executive and the Management Committee to ensure that the Trust's objectives continue to be met Operational decision-making is delegated by Trustees to the Chief Executive, including revenue and capital financial transactions that are within the annual budgets agreed by the Board of Trustees and monitored in both formal and informal meetings by members of the Management Committee

Risk Assessment

Operational risk assessments have been carried out and the major risks have been identified Suitable policies have been established to manage those risks

Independent Inspection

Independent inspections carried out by the statutory regulator, The Care Quality Commission, have led to favourable reports on the overall quality of care provision and on the quality of accommodation

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

OBJECTIVES AND ACTIVITIES

Objects

The Trust's objects as set out in its Memorandum of Association are

- The relief, care and assistance of older persons
- Provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and, in particular, but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community

Aim

Our aim is to provide a centre of excellence at the heart of the community with the highest standard of care in the best possible surroundings. Our staff provide a service which values the individual and promotes independence, choice, dignity and autonomy. We make sure that our residents and clients receive the right care from the right people at the time of their choice.

Key Objectives

The Trustees' key objectives, delegated to the Chief Executive, are to strive to maintain high standards of care that are recognised by the Care Quality Commission in their periodic assessments, to maintain occupancy at the nursing home and attendance at the Day Centres at levels that are commensurate with operational and financial efficiency and to fully cover operational expenditure from fee income for services delivered.

Significant activities that contribute to achievement of stated objectives

The Trust's principal activity is provision of 24 hour nursing and respite care for older people who are unable to support themselves at home or in other care services and this comprises 80% of the total activity. The 2 Day Centres, which provide occupational therapy and social activities to older people, some of whom suffer from dementia, comprise the remaining activity. The Nursing Home, which is registered with the Care Quality Commission, comprises 62 beds, of which 22 are for residents who suffer from dementia. The Day Centres receive 20 - 25 daily attendees, many of whom are transported by the Trust's minibus service.

The Trust has always sought to deliver the highest quality service at an affordable price to service users, which requires significant fundraising activity to support and improve those activities. Funds are attracted from within the local community through a range of events and from a wider area by seeking grants and significant donations from sponsors and other charitable organisations.

In delivering its services and in fundraising activity, the Trust is supported by a network of dedicated volunteers who assist in the Cottage Day Centre, help at the Charity Shop, help at the nursing home reception and support local fundraising events. Without their support, the Trust would not be able to deliver these services.

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Operating Activities and Review of Results

High care standards have been confirmed by Care Quality Commission assessment, rating the nursing home as 3 Star and consistently high occupancy has been achieved throughout the year. Attendance at the Day Centres was maintained at normal levels.

PUBLIC BENEFIT

The Board is aware of the Charity Commission's guidance in relation to public benefit. In the opinion of the Trustees, this report indicates how our activities have delivered public benefit.

FINANCIAL REVIEW

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities, rather than in support of operational expenditure.

During the year, high occupancy levels and a more favourable mix of residents led to a 5% increase in fee income. Overheads, mainly salaries, increased by 4% leaving a small surplus after unrestricted fundraising slightly lower than last year.

Fundraising

The Trust received several large donations and two grants during the year to fund the new Kitchen and Laundry building, which allowed work to start in late 2010, much earlier than had been expected. The Fundraising Campaign held a series of events which successfully raised the balance of funds needed for the new development.

The Charity Shop, largely manned by volunteers, had another very successful year, increasing sales by almost 2%. The shop continues to be a major part of the Trust's fundraising activity, delivering a reliable and continuous source of income at relatively low operating cost. A vital part of its success is regular donations of good quality clothes, books and other saleable goods from the local community.

Post year-end events

The new Kitchen and Laundry building was completed on budget and only slightly behind in September 2011.

Reserves

The Trust's reserves comprise:

Unrestricted Funds

The Unrestricted Funds consist of a designated fund - the Permanent Fund and an un-designated fund - the General Fund.

Designated Funds

Permanent Fund

This fund represents the approximate depreciated book value of the tangible fixed assets relating to unrestricted funds, excluding costs related to the new development. From time to time transfers are made from the General Fund to correct any substantial differences.

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

Non-Designated Funds

General Fund

This General Fund is an amalgamation of the two accumulated funds (Foundation and Development) which were used in financing the new nursing home, completed in May 2008. It now provides working capital.

Restricted Funds

These funds represent monies received specifically as funding for re-development of the former nursing home building and surrounding garden.

Reserves Policy

The trustees regularly review the Trust's needs for reserves in line with the guidance issued by the Charity Commission. The trustees are of the opinion that a minimum general reserve of £250,000 is required to fund working capital requirements. The reserve was partly represented by cash deposits.

Funding sources

The Trust's cash reserves adequately fund daily working capital requirements, supplemented, if required, by an overdraft facility from National Westminster Bank.

The new nursing home, completed in 2008, was part-funded by a 20 year loan from Royal Bank of Scotland, secured on the Trust's land and buildings. The interest rate is fixed until 2018.

Investment Policy

Under the Memorandum and Articles of Association, the Trust has the power to make any investment the directors see fit. However in view of the substantial capital expenditure which has been undertaken the Trustees have taken the view that all liquid reserves should remain in no risk deposit accounts and are available at short notice.

PLANS FOR FUTURE PERIODS

Having secured funding for the second phase of the re-development project, the 5 year strategy plan is being reviewed to ensure that it reflects currently known and expected changes in health care needs from service commissioners and the local community. The resultant plan will inform the Fundraising Strategy for the next 3 - 5 years.

It is expected that the Trust's intention to re-develop the remaining buildings into Day Centres providing occupational therapy, social activities and other services for older people some of whom may suffer dementia will be confirmed by the updated strategy plan.

The Trust's usual charitable activities will continue in the forthcoming year. Fundraising activities will continue to play a vital part in developing future plans to provide a range of services suitable to meet the needs of older people in the community.

HOYLAKE COTTAGE

REPORT OF THE TRUSTEES for the Year Ended 31 March 2011

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, McLintocks Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD


S Heywood - Secretary

Date 21.11.2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HOYLAKE COTTAGE

We have audited the financial statements of Hoylake Cottage for the year ended 31 March 2011 on pages ten to twenty six. 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).

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. 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 the 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 Statement of Trustees' Responsibilities, 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 financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2011 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

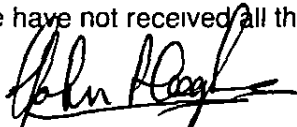
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HOYLAKE COTTAGE**

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' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Hughes (Senior Statutory Auditor)
for and on behalf of McLintocks Limited
Chartered Accountants and
Statutory Auditors
56 Hamilton Street
Birkenhead
Wirral
CH41 5HZ

Date

23/11/2011

HOYLAKE COTTAGE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the Year Ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	37,282	501,993	539,275	72,439
Activities for generating funds	3	59,535	133,898	193,433	135,265
Investment income	4	1,592	-	1,592	124
Incoming resources from charitable activities					
	5				
Nursing unit		2,073,756	-	2,073,756	1,953,381
Day hospital		216,175	-	216,175	216,131
Cottage care centre		129,319	-	129,319	135,701
Other incoming resources		<u>2,921</u>	<u>-</u>	<u>2,921</u>	<u>1,250</u>
Total incoming resources		2,520,580	635,891	3,156,471	2,514,291
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	30,806	101,429	132,235	112,035
Fundraising trading cost of goods sold and other costs	7	27,295	-	27,295	26,353
Charitable activities					
	8				
Nursing unit		1,905,567	5,162	1,910,729	1,775,942
Day hospital		194,911	-	194,911	229,238
Cottage care centre		124,063	-	124,063	108,897
Governance costs	9	15,975	-	15,975	23,573
Other resources expended	10	<u>188,693</u>	<u>-</u>	<u>188,693</u>	<u>194,107</u>
Total resources expended		2,487,310	106,591	2,593,901	2,470,145
NET INCOME FOR THE YEAR before transfers					
		33,270	529,300	562,570	44,146
Gross transfers between funds	21	<u>191,711</u>	<u>(191,711)</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		224,981	337,589	562,570	44,146

The notes form part of these financial statements

HOYLAKES COTTAGE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the Year Ended 31 March 2011

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Notes				
RECONCILIATION OF FUNDS				
Net income/(expenditure) for the year	224,981	337,589	562,570	44,146
Total funds brought forward	2,097,676	28,027	2,125,703	2,081,557
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>2,322,657</u>	<u>365,616</u>	<u>2,688,273</u>	<u>2,125,703</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

TOTAL RECOGNISED GAINS AND LOSSES

The Statement of Financial Activities (including Income and Expenditure Account) includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

The notes form part of these financial statements

HOYLAKE COTTAGE**BALANCE SHEET****At 31 March 2011**

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
FIXED ASSETS					
Tangible assets	14	4,723,627	-	4,723,627	4,644,976
CURRENT ASSETS					
Debtors amounts falling due within one year	15	149,530	-	149,530	60,820
Cash at bank and in hand		<u>102,141</u>	<u>365,616</u>	<u>467,757</u>	<u>141,710</u>
		251,671	365,616	617,287	202,530
CREDITORS					
Amounts falling due within one year	16	(335,800)	-	(335,800)	(274,877)
NET CURRENT ASSETS/(LIABILITIES)		<u>(84,129)</u>	<u>365,616</u>	<u>281,487</u>	<u>(72,347)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,639,498	365,616	5,005,114	4,572,629
CREDITORS					
Amounts falling due after more than one year	17	(2,316,841)	-	(2,316,841)	(2,446,926)
NET ASSETS		<u>2,322,657</u>	<u>365,616</u>	<u>2,688,273</u>	<u>2,125,703</u>
FUNDS	21				
Unrestricted funds				2,322,657	2,097,676
Restricted funds				<u>365,616</u>	<u>28,027</u>
TOTAL FUNDS				<u>2,688,273</u>	<u>2,125,703</u>

The notes form part of these financial statements

HOYLAKE COTTAGE

BALANCE SHEET - CONTINUED
At 31 March 2011

The financial statements were approved by the Board of Trustees on 21.11.2011
and were signed on its behalf by



W A Twemlow -Trustee



R P Wilcox -Trustee

The notes form part of these financial statements

HOYLAKE COTTAGE**CASH FLOW STATEMENT
for the Year Ended 31 March 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	912,095	288,874
Returns on investments and servicing of finance	2	(187,101)	(193,983)
Capital expenditure and financial investment	2	(271,167)	(23,032)
		<hr/>	<hr/>
		453,827	71,859
Financing	2	(127,780)	(44,940)
		<hr/>	<hr/>
Increase in cash in the period		<u>326,047</u>	<u>26,919</u>

Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		326,047	26,919
Cash outflow from decrease in debt and lease financing		<u>127,780</u>	<u>44,940</u>
Change in net debt resulting from cash flows		<u>453,827</u>	<u>71,859</u>
Movement in net debt in the period		453,827	71,859
Net debt at 1 April		<u>(2,429,163)</u>	<u>(2,501,022)</u>
Net debt at 31 March		<u>(1,975,336)</u>	<u>(2,429,163)</u>

The notes form part of these financial statements

HOYLAKE COTTAGE

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31 March 2011

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Net incoming resources	562,570	44,146
Depreciation charges	192,516	189,084
Interest received	(1,592)	(124)
Interest paid	188,693	194,107
(Increase)/decrease in debtors	(88,710)	54,971
Increase/(decrease) in creditors	<u>58,618</u>	<u>(193,310)</u>
Net cash inflow from operating activities	<u>912,095</u>	<u>288,874</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,592	124
Interest paid	<u>(188,693)</u>	<u>(194,107)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(187,101)</u>	<u>(193,983)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(271,167)</u>	<u>(23,032)</u>
Net cash outflow for capital expenditure and financial investment	<u>(271,167)</u>	<u>(23,032)</u>
Financing		
Loan repayments in year	<u>(127,780)</u>	<u>(44,940)</u>
Net cash outflow from financing	<u>(127,780)</u>	<u>(44,940)</u>

HOYLAKE COTTAGE

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31 March 2011

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 10 £	Cash flow £	At 31 3 11 £
Net cash			
Cash at bank and in hand	141,710	326,047	467,757
Debt			
Debts falling due within one year	(123,947)	(2,305)	(126,252)
Debts falling due after one year	<u>(2,446,926)</u>	<u>130,085</u>	<u>(2,316,841)</u>
	<u>(2,570,873)</u>	<u>127,780</u>	<u>(2,443,093)</u>
 Total	 <u>(2,429,163)</u>	 <u>453,827</u>	 <u>(1,975,336)</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005)

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

Tangible fixed assets

All fixed assets are initially recorded at cost. Assets below £500 are not capitalised

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold property	-	4% / 2% on cost
Fixtures & fittings	-	20%/25%/33 33% / 50% on cost
Motor vehicles	-	33 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

HOYLAKE COTTAGE**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2011**2 VOLUNTARY INCOME**

	2011 £	2010 £
Donations	383,420	53,710
Gift aid	89,855	4,124
Legacies	21,000	11,105
Grants	<u>45,000</u>	<u>3,500</u>
	<u>539,275</u>	<u>72,439</u>

Grants received, included in the above, are as follows

	2011 £	2010 £
Vodafone	-	2,500
Radio Merseyside	-	1,000
Garfield Weston Foundation	25,000	-
Anonymous	<u>20,000</u>	<u>-</u>
	<u>45,000</u>	<u>3,500</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2011 £	2010 £
Fundraising events	135,434	78,240
Shop income	<u>57,999</u>	<u>57,025</u>
	<u>193,433</u>	<u>135,265</u>

4. INVESTMENT INCOME

	2011 £	2010 £
Deposit account interest	<u>1,592</u>	<u>124</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2011 £	2010 £
Nursing units	Nursing unit	2,073,756	1,953,381
Day hospital	Day hospital	216,175	216,131
Cottage care centre	Cottage care centre	<u>129,319</u>	<u>135,701</u>
		<u>2,419,250</u>	<u>2,305,213</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 March 2011

6. COSTS OF GENERATING VOLUNTARY INCOME

	2011 £	2010 £
Staff costs	34,389	24,924
Public relations expenditure re building development	28,925	21,234
Fundraising expenditure re building development	<u>68,921</u>	<u>65,877</u>
	<u>132,235</u>	<u>112,035</u>

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2011 £	2010 £
Staff costs	15,977	14,347
Shop costs	<u>11,318</u>	<u>12,006</u>
	<u>27,295</u>	<u>26,353</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Totals £
Nursing unit	1,910,729	1,910,729
Day hospital	194,911	194,911
Cottage care centre	<u>124,063</u>	<u>124,063</u>
	<u>2,229,703</u>	<u>2,229,703</u>

9. GOVERNANCE COSTS

	2011 £	2010 £
Staff costs	2,950	10,831
Telephone	358	355
Postage and stationery	307	300
Auditors' remuneration	4,061	4,391
Auditors' remuneration for non-audit work	2,940	3,180
Trustee indemnity insurance	3,833	3,735
General expenses	<u>1,526</u>	<u>781</u>
	<u>15,975</u>	<u>23,573</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 March 2011

10. OTHER RESOURCES EXPENDED

	2011	2010
	£	£
Interest payable and similar charges	<u>188,693</u>	<u>194,107</u>

11. NET INCOMING RESOURCES

Net resources are stated after charging

	2011	2010
	£	£
Auditors' remuneration	4,061	4,391
Auditors' remuneration for non-audit work	2,940	3,180
Depreciation - owned assets	192,516	189,085
Other operating leases	12,334	12,172
Staff pension contributions	4,897	4,886
Trustees' indemnity insurance	<u>3,833</u>	<u>3,735</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2011 nor for the year ended 31 March 2010

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2011 nor for the year ended 31 March 2010

HOYLAKE COTTAGE**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2011**13. STAFF COSTS**

	2011 £	2010 £
Wages and salaries	1,514,799	1,434,085
Social security costs	106,904	101,820
Other pension costs	<u>4,897</u>	<u>4,886</u>
	<u>1,626,600</u>	<u>1,540,791</u>

The average monthly number of employees during the year was as follows

	2011	2010
Administrative	8	7
Nursing	72	64
Ancillary	<u>36</u>	<u>41</u>
	<u>116</u>	<u>112</u>

No employee received emoluments of more than £60,000 during the current or previous year

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2010	5,503,559	278,452	62,300	5,844,311
Additions	<u>237,698</u>	<u>33,469</u>	-	<u>271,167</u>
At 31 March 2011	<u>5,741,257</u>	<u>311,921</u>	<u>62,300</u>	<u>6,115,478</u>
DEPRECIATION				
At 1 April 2010	1,007,393	129,642	62,300	1,199,335
Charge for year	<u>137,215</u>	<u>55,301</u>	-	<u>192,516</u>
At 31 March 2011	<u>1,144,608</u>	<u>184,943</u>	<u>62,300</u>	<u>1,391,851</u>
NET BOOK VALUE				
At 31 March 2011	<u>4,596,649</u>	<u>126,978</u>	-	<u>4,723,627</u>
At 31 March 2010	<u>4,496,166</u>	<u>148,810</u>	-	<u>4,644,976</u>

The trust purchased the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care

HOYLAKE COTTAGE**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2011**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Trade debtors	104,905	29,360
Prepayments and accrued income	<u>44,625</u>	<u>31,460</u>
	<u>149,530</u>	<u>60,820</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 18)	126,252	123,947
Trade creditors	83,949	41,360
Social security and other taxes	28,464	29,198
Other creditors	799	701
Nat West credit card	695	784
Accruals and deferred income	<u>95,641</u>	<u>78,887</u>
	<u>335,800</u>	<u>274,877</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans (see note 18)	<u>2,316,841</u>	<u>2,446,926</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 March 2011

18. LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year on demand Bank loans	<u>126,252</u>	<u>123,947</u>
Amounts falling between one and two years Bank loans - 1-2 years	<u>128,801</u>	<u>126,449</u>
Amounts falling due between two and five years Bank loans - 2-5 years	<u>402,210</u>	<u>394,866</u>
Amounts falling due in more than five years Repayable by instalments Bank loans more 5 years	<u>1,785,830</u>	<u>1,925,611</u>

The loan from Royal Bank of Scotland is repayable over 20 years. Monthly repayments commenced in October 2008. The interest rate has been fixed at 7.3 % for the first ten years.

19. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	2011 £	2010 £
Expiring Between one and five years	<u>12,456</u>	<u>12,179</u>

20. SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank loans	<u>2,443,093</u>	<u>2,570,873</u>

A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant held by Mersey Regional Health Authority and its successors in title.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 March 2011

21. MOVEMENT IN FUNDS

	At 1 4 10 £	Net movement in funds £	Transfers between funds £	At 31 3 11 £
Unrestricted funds				
General fund	1,462,602	33,270	191,711	1,687,583
Permanent fund	<u>635,074</u>	<u>-</u>	<u>-</u>	<u>635,074</u>
	2,097,676	33,270	191,711	2,322,657
Restricted funds				
Building appeal fund phase 2	28,027	528,510	(190,921)	365,616
Specific fixed asset donations	<u>-</u>	<u>790</u>	<u>(790)</u>	<u>-</u>
	28,027	529,300	(191,711)	365,616
TOTAL FUNDS	<u>2,125,703</u>	<u>562,570</u>	<u>-</u>	<u>2,688,273</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,520,580	(2,487,310)	33,270
Restricted funds			
Entertainment fund	5,162	(5,162)	-
Building appeal fund phase 2	629,939	(101,429)	528,510
Specific fixed asset donations	<u>790</u>	<u>-</u>	<u>790</u>
	635,891	(106,591)	529,300
TOTAL FUNDS	<u>3,156,471</u>	<u>(2,593,901)</u>	<u>562,570</u>

Transfers between funds

This includes specific donations received and utilised during the year

HOYLAKES COTTAGE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 March 2011

22. CAPITAL COMMITMENTS

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>432,038</u>	<u>-</u>

23. ULTIMATE CONTROLLING PARTY

The trust is under the control of the trustees

24. COMPANY LIMITED BY GUARANTEE

The members have each guaranteed a total of £5 if called upon

HOYLAKE COTTAGE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2011**

	2011 £	2010 £
INCOMING RESOURCES		
Voluntary income		
Donations	468,035	53,710
Gift aid	5,240	4,124
Legacies	21,000	11,105
Grants	<u>45,000</u>	<u>3,500</u>
	539,275	72,439
Activities for generating funds		
Fundraising events	135,434	78,240
Shop income	<u>57,999</u>	<u>57,025</u>
	193,433	135,265
Investment income		
Deposit account interest	1,592	124
Incoming resources from charitable activities		
Nursing units	2,073,756	1,953,381
Day hospital	216,175	216,131
Cottage care centre	<u>129,319</u>	<u>135,701</u>
	2,419,250	2,305,213
Other incoming resources		
Other income	<u>2,921</u>	<u>1,250</u>
Total incoming resources	3,156,471	2,514,291
RESOURCES EXPENDED		
Costs of generating voluntary income		
Fundraising wages	31,217	22,868
Social security	3,172	2,056
Public relations expenditure re building development	28,925	21,234
Fundraising expenditure re building development	<u>68,921</u>	<u>65,877</u>
	132,235	112,035

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HOYLAKE COTTAGE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2011**

	2011 £	2010 £
Fundraising trading: cost of goods sold and other costs		
Wages	15,977	14,203
Social security	-	144
Shop costs	<u>11,318</u>	<u>12,006</u>
	27,295	26,353
Charitable activities		
Wages	1,464,893	1,387,152
Employer's NIC	103,494	98,651
Pension costs	4,897	4,886
Other operating leases	12,334	12,172
Rates and water	9,842	9,828
Insurance	13,592	16,532
Light and heat	49,956	61,603
Telephone	6,798	5,330
Postage and stationery	5,597	7,126
General expenses	24,508	15,851
Legal & professional	15,069	15,202
Medical supplies	27,972	21,108
Catering	99,467	96,542
Laundry	34,805	30,077
Training	6,474	4,274
Domestic supplies	27,454	21,546
Non medical purchases	2,578	1,226
Transport	15,544	14,086
Motor insurance	3,504	3,773
Therapy	28,444	27,819
Repairs & maintenance	49,391	44,423
Entertainment	770	614
Recruitment costs	4,251	1,203
Bank charges	2,911	4,241
Cleaning & waste removal	21,453	19,728
Donations	130	-
Depreciation of tangible fixed assets inc adjustment	<u>193,575</u>	<u>189,084</u>
	2,229,703	2,114,077
Governance costs		
Salaries and wages	2,712	9,862
Social security	238	969
Telephone	358	355
Carried forward	3,308	11,186

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HOYLAKE COTTAGE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 March 2011

	2011 £	2010 £
Governance costs		
Brought forward	3,308	11,186
Postage and stationery	307	300
Auditors' remuneration	4,061	4,391
Auditors' remuneration for non-audit work	2,940	3,180
Trustee indemnity insurance	3,833	3,735
General expenses	<u>1,526</u>	<u>781</u>
	15,975	23,573
 Other resources expended		
Bank interest	-	26
Bank loan interest	<u>188,693</u>	<u>194,081</u>
	<u>188,693</u>	<u>194,107</u>
 Total resources expended	2,593,901	2,470,145
	<hr/>	<hr/>
 Net income	<u><u>562,570</u></u>	<u><u>44,146</u></u>

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