

Charity Registration No. 515591

Company Registration No. 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Boon	
	Mrs A Heseltine	(Appointed 27 August 2019)
	Mr S Heywood	Director of Brookfield Homecare Limited
	Mr R Holmes	
	Mr A Mitchell	
	Mr R Oakden	
	Mrs K Roberts	
	Mr J Southworth	
	Mr M Sutton	
	Mr W A Twemlow	Vice Chairman & Director of Brookfield Homecare
	Mr P Wilcox	Chairman & Director of Brookfield Homecare Limited
Secretary	Mr S Heywood	
General manager	Miss G Beesley	
Charity number	515591	
Company number	01844549	
Registered office	Southworth House 35 Birkenhead Road Hoylake Wirral Merseyside CH47 5AQ	
Auditor	McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	
Bankers	National Westminster 10 Banks Road West Kirby Wirral Merseyside CH48 4LG	
	Royal Bank of Scotland 10 Winckley Square Preston PR1 3JJ	

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Hill Dickinson
1 St Paul's Square
Liverpool
Merseyside
L3 9SJ

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, 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

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and 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."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 95% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 45 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited provides domiciliary care services to approximately 100 local residents, providing some 600 hours of care each week at present, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and in particular, increases in the National Living Wage – the latter being significantly higher than inflation in recent years.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising such as creating a sensory garden and the refurbishment of the former nursing home for use by the day centre which, whilst in demand within the community, does not attract any financial support from local government service commissioners to fund the cost.

The next phase of development of the Dementia Village in the Day Centre was, unfortunately, delayed by the need for weather dependent repairs to the flat roof of the Day Centre building. The roof has recently been replaced and the next phase of the development will commence soon.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2019

ACHIEVEMENTS AND PERFORMANCE

A 3% increase in nursing care fees, needed to cover the 4.8% increase in National Living Wage, with continued close attention to operating expenses delivered a much improved net surplus, both on day-to-day operations and including fundraising and other income.

Occupancy at the nursing home was in line with the long-term average of 95%. Attendance at the Day Centre increased after much effort to market services in the local community which has confirmed our long held opinion that these services, although not considered worthy of government grant support, are valued by the community.

FINANCIAL REVIEW

Hoylake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on 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.

Occupancy levels were slightly above the previous year leading to an increase of 6% in fees. Staff salary expenses were 0.5% above the previous year, a very good achievement after the increase in National Living Wage despite more reliance on agency staff than had been expected to cover the continuing shortage of nurses.

Day Centre fees increased by 8% in line with the higher attendance resulting in a contribution to overheads 50% higher than the previous year.

Overheads were well contained but replacement of various items of equipment throughout the nursing home and higher food cost increased expenditure by more than expected.

The Trust achieved a surplus on its charitable activities of £49,330, considerably better than the previous year. After fundraising and other income and a contribution from Brookfield Homecare, there was a net surplus, before depreciation on the historic value of the properties, of £310,652.

Brookfield Homecare Limited

Brookfield Homecare was acquired on 11th March and the company's accounts were consolidated into Hoylake Cottage's accounts. The company's share capital was acquired by Hoylake Cottage for the £2 face value and on completion of the acquisition, the previous owners took a dividend from the company equal to its accumulated undistributed profit. Hoylake Cottage then injected a loan of £25,000 to provide working capital and, additionally, paid for conversion of 2 offices in the day centre building for use by the company, its former premises being scheduled for demolition. It is intended that, over time, the inter-company debt will be repaid.

The company's accounts had a net surplus of £3,142 at the year-end which was consolidated into Hoylake Cottage's accounts.

Fundraising and other non-charitable activity income

The Trust benefited from a substantial increase in donations during the year and from a very successful event at Caldy Open Gardens which realised a net £20,000, the majority of which was dedicated to creation of a Dementia Village in the day centre and to improvements to dementia nursing care in the nursing home.

The Trust was extremely fortunate in benefiting from legacies of £119,000 during the year which will assist in funding improvements to the nursing home and day centre buildings.

Sales at the charity shop were a little lower and expenses were higher, reducing the net contribution to £11,000.

As ever, we were dependent upon our volunteers and supporters who assist in staffing the charity shop throughout the year, donate their surplus goods to the shop, help out at the nursing home and day centres and give their support to our events. We are truly grateful to them all for their dedication.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2019

The apartments created on the first floor of the former nursing home contributed £26,000 net rental income in the year, making a significant contribution to our funding requirements, at a considerably higher yield than was obtainable elsewhere.

The Trust's investment portfolio, managed by an investment management company, yielded £5,188 net income from a wide range of investments. The gain on investment valuation over the previous year was £12,859 compared to £2,776 in the previous year.

Post balance sheet events & plans for future periods

During the first 6 months of the current financial year the Trust has achieved a break-even position on charitable activities having had a dip in occupancy in the nursing home for part of that period which has been reversed. Day centre income has been substantially higher than the previous year.

Additional management expenses whilst the business is being developed at Brookfield Homecare has led to a break-even position. During the first 6 months of the current financial year the Trust has achieved a break-even position on charitable activities having had a dip in occupancy in the nursing home for part of that period which has been reversed. Day centre income has been substantially higher than the previous year.

Additional management expenses whilst the business is being developed at Brookfield Homecare has led to a break-even result after 6 months. We expect a small surplus at the year end.

We expect to achieve a consolidated net surplus in the full year.

Reserves policy

The Balance Sheet of the Trust shows consolidated Unrestricted Funds of £4,454,220. Unrestricted Funds freely available to be spent on the Trust's purposes (being, for the purposes of this section of the Trustees Report, its "Reserves") comprised investments (£329,032) and Cash (£209,197).

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

Restricted funds shown in the Balance Sheet were £47,756 and represented donations for specific purposes which were unspent at the year end. Some of these funds have since been used for their intended purpose and plans are in place to use the majority of the remainder during the year.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The Board approved an updated Investment Policy during the year confirming the appointment of Investec Wealth & Investment Limited as investment manager, authorising 3 of the Trustees to issue instructions and establishing performance benchmarks and the review process.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower occupancy.
- increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- the introduction of and annual increases above inflation in National Living Wage, apparently without acceptance of the impact that will have on the care industry and without a realistic increase in state-funded fees for nursing care.
- budget constraint within local & central government affecting ability to fund nursing care places.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business will provide an opportunity to offset periods of lower occupancy in the nursing home with growth in domiciliary care which is, currently, where investment in the care sector is being encouraged.

A detailed review of the risks faced by the Trust was carried out during the year with severity rankings assessed which identified the top 2 risks as Compliance with legislation and regulations and IT & Data management. In both cases actions to mitigate those risks were devised and implemented.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. 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.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. An application to register the subsidiary as a charity has been made to the Charity Commission.

The Trust Board of Directors

The Board currently comprises 11 Trustees and meets monthly.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

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 should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Board has established a Clinical Governance Committee to provide the Board with an independent assurance that there is high quality and safe clinical practice operating at the Trust at all times and to check and ratify policies and compliance.

Management

Day-to-day operational management is under the control of the General Manager and the Nursing Unit Manager who are responsible to the Board. They, together with the Finance Manager, attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the General Manager and the Nursing Unit Manager, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2019

Pay policy for key management personnel

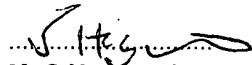
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in his capacity as a director in the year.

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 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.



Mr S Heywood

Secretary

Dated: 19.11.2019

HOYLAK COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees, who are also the directors of Hoylake Cottage for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, 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 financial statements 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 financial statements 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2019 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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 group's and 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.

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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 group and 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Use of our report

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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited

20.11.19.

Chartered Accountants
Statutory Auditor

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
Income and endowments from:							
Donations and legacies	3	124,832	56,771	181,603	30,203	26,527	56,730
Charitable activities	4	2,925,288	-	2,925,288	2,747,117	-	2,747,117
Other trading activities	5	83,205	-	83,205	49,574	3,118	52,692
Investments	6	47,823	-	47,823	44,851	-	44,851
Other income		3,222	-	3,222	35,730	-	35,730
Total income		3,184,370	56,771	3,241,141	2,907,475	29,645	2,937,120
Expenditure on:							
Raising funds	7	65,476	580	66,056	65,771	262	66,033
Charitable activities	8	2,940,244	9,484	2,949,728	2,828,168	14,695	2,842,863
Total resources expended		3,005,720	10,064	3,015,784	2,893,939	14,957	2,908,896
Net gains/(losses) on investments	12	12,859	-	12,859	2,776	-	2,776
Net incoming resources before transfers		191,509	46,707	238,216	16,312	14,688	31,000
Gross transfers between funds		15,353	(15,353)	-	1,045	(1,045)	-
Net movement in funds		206,862	31,354	238,216	17,357	13,643	31,000
Fund balances at 1 April 2018		4,247,358	16,402	4,263,760	4,229,997	2,759	4,232,756
Fund balances at 31 March 2019		4,454,220	47,756	4,501,976	4,247,354	16,402	4,263,756

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.

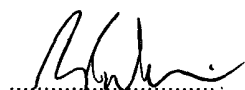
HOYLAKE COTTAGE

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	14	5,371,534		5,405,649	
Investments	16	329,032		318,005	
		<u>5,700,566</u>		<u>5,723,654</u>	
Current assets					
Debtors	20	165,426		125,892	
Cash at bank and in hand		209,197		83,711	
		<u>374,623</u>		<u>209,603</u>	
Creditors: amounts falling due within one year	23	<u>(336,642)</u>		<u>(314,846)</u>	
Net current assets/(liabilities)			37,981		(105,243)
Total assets less current liabilities			<u>5,738,547</u>		<u>5,618,411</u>
Creditors: amounts falling due after more than one year	25		(1,236,571)		(1,354,655)
Net assets			<u>4,501,976</u>		<u>4,263,756</u>
Income funds					
Restricted funds	26	47,756		16,402	
Unrestricted funds		4,454,220		4,247,354	
		<u>4,501,976</u>		<u>4,263,756</u>	

The financial statements were approved by the Trustees on 19.11.2019



Mr P Wilcox
Trustee



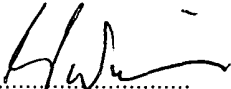
Mr W A Twemlow
Trustee

Company Registration No. 01844549

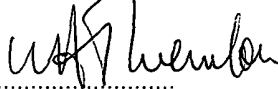
HOYLAKE COTTAGE
CHARITY BALANCE SHEET
AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	15	5,364,209		5,405,649	
Investments	16 & 17	329,034		318,005	
		<u>5,693,243</u>		<u>5,723,654</u>	
Current assets					
Debtors	21	162,911		125,892	
Cash at bank and in hand		173,802		83,711	
		<u>336,713</u>		<u>209,603</u>	
Creditors: amounts falling due within one year	24	(294,549)		(314,846)	
Net current assets/(liabilities)			42,164		(105,243)
Total assets less current liabilities			5,735,407		5,618,411
Creditors: amounts falling due after more than one year	25	(1,236,571)		(1,354,655)	
Net assets			<u>4,498,836</u>		<u>4,263,756</u>
Income funds					
Restricted funds	26	47,756		16,402	
Unrestricted funds		4,451,080		4,247,354	
		<u>4,498,836</u>		<u>4,263,756</u>	

The financial statements were approved by the Trustees on 19.11.2019



 Mr P Wilcox
 Trustee



 Mr W A Twemlow
 Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	31		270,773		89,589
Investing activities					
Purchase of tangible fixed assets		(75,957)		(10,674)	
Purchase of investments		(13,510)		(43,492)	
Proceeds on disposal of investments		15,344		95,534	
Rental income, dividends & interest 666		47,823		44,851	
Net cash (used in)/generated from investing activities			(26,300)		86,219
Financing activities					
Repayment of bank loans		(118,987)		(144,141)	
Net cash used in financing activities			(118,987)		(144,141)
Net increase in cash and cash equivalents			125,486		31,667
Cash and cash equivalents at beginning of year			83,711		52,044
Cash and cash equivalents at end of year			209,197		83,711

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, 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 financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and the charity have 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 financial statements.

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.

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 financial statements.

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.

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.

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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	1% on cost
Fixtures and fittings	20%/25%/33.33%/50% on cost & 15% reducing balance
Motor vehicles	25% reducing balance

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.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 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).

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 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.

1.10 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

1.11 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.

1.12 Retirement benefits

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Taxation

The charity is exempt from corporation tax on its charitable activities. Its subsidiary does not have charitable status and is therefore not exempt from corporation tax. This year there is no tax liability.

1.15 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2019. The results of the subsidiary acquired in the year are consolidated for the period from the date on which control passed

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	5,704	51,771	57,475	17,958	16,527	34,485
Legacies receivable	119,128	-	119,128	12,245	-	12,245
Lottery grant Sandhills	-	5,000	5,000	-	10,000	10,000
	<u>124,832</u>	<u>56,771</u>	<u>181,603</u>	<u>30,203</u>	<u>26,527</u>	<u>56,730</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	Nursing	Day dementia care	Total 2019	Nursing	Day dementia care	Total 2018
	2019	2019		2018	2018	
	£	£	£	£	£	£
Sales within charitable activities	2,721,391	203,897	2,925,288	2,559,405	187,712	2,747,117

5 Other trading activities

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2019	2018	2018	2018
	£	£	£	£
Fundraising events	21,819	1,491	3,118	4,609
Shop income	46,971	48,083	-	48,083
Trading activity income: Domiciliary care	14,415	-	-	-
Other trading activities	83,205	49,574	3,118	52,692

6 Investments

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Rental income	39,770	37,209
Income from listed investments	7,797	7,619
Interest receivable	256	23
	47,823	44,851

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
<u>Fundraising and publicity</u>						
Other fundraising costs	706	580	1,286	3,203	262	3,465
Staff costs	-	-	-	13,434	-	13,434
	<u>706</u>	<u>580</u>	<u>1,286</u>	<u>16,637</u>	<u>262</u>	<u>16,899</u>
Fundraising and publicity						
	<u>706</u>	<u>580</u>	<u>1,286</u>	<u>16,637</u>	<u>262</u>	<u>16,899</u>
<u>Trading costs</u>						
Operating charity shops	16,915	-	16,915	15,456	-	15,456
Other domiciliary care costs	2,594	-	2,594	-	-	-
Staff costs charity shop	20,809	-	20,809	19,496	-	19,496
Staff costs domiciliary care	8,634	-	8,634	-	-	-
Depreciation domiciliary care	48	-	48	-	-	-
	<u>49,000</u>	<u>-</u>	<u>49,000</u>	<u>34,952</u>	<u>-</u>	<u>34,952</u>
Trading costs						
	<u>49,000</u>	<u>-</u>	<u>49,000</u>	<u>34,952</u>	<u>-</u>	<u>34,952</u>
<u>Investment costs</u>						
Investec costs	1,966	-	1,966	-	-	-
Apartment expenses	13,804	-	13,804	14,182	-	14,182
	<u>15,770</u>	<u>-</u>	<u>15,770</u>	<u>14,182</u>	<u>-</u>	<u>14,182</u>
Investment costs						
	<u>15,770</u>	<u>-</u>	<u>15,770</u>	<u>14,182</u>	<u>-</u>	<u>14,182</u>
	<u>65,476</u>	<u>580</u>	<u>66,056</u>	<u>65,771</u>	<u>262</u>	<u>66,033</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	Nursing	Day dementia care	Total 2019	Nursing	Day dementia care	Total 2018
	2019	2019		2018	2018	
	£	£	£	£	£	£
Staff costs	1,958,426	122,331	2,080,757	1,861,431	128,179	1,989,610
Depreciation and impairment	81,494	28,528	110,022	87,569	24,879	112,448
Rates & water	10,520	-	10,520	10,322	-	10,322
Insurance	20,846	-	20,846	22,936	-	22,936
Light & heat	52,227	-	52,227	56,316	-	56,316
Phone	8,290	-	8,290	7,937	-	7,937
Advertising, printing, postage & stationery	9,079	-	9,079	7,784	-	7,784
General expenses	25,888	6,449	32,337	16,081	8,333	24,414
Medical supplies	19,396	-	19,396	20,223	-	20,223
Catering	130,206	-	130,206	125,838	-	125,838
Cleaning & laundry	66,599	-	66,599	63,267	-	63,267
Recruitment & other staff costs	12,123	-	12,123	14,963	-	14,963
Domestic & non medical supplies	34,499	-	34,499	29,622	-	29,622
Transport	-	12,704	12,704	-	10,252	10,252
Repairs & maintenance	104,229	-	104,229	103,839	-	103,839
Entertainment	13,180	556	13,736	13,720	431	14,151
	<u>2,547,002</u>	<u>170,568</u>	<u>2,717,570</u>	<u>2,441,848</u>	<u>172,074</u>	<u>2,613,922</u>
Share of support costs (see note 9)	193,891	21,543	215,434	195,224	21,692	216,916
Share of governance costs (see note 9)	15,052	1,672	16,724	10,823	1,202	12,025
	<u>2,755,945</u>	<u>193,783</u>	<u>2,949,728</u>	<u>2,647,895</u>	<u>194,968</u>	<u>2,842,863</u>
Analysis by fund						
Unrestricted funds	2,746,969	193,275	2,940,244	2,635,895	192,273	2,828,168
Restricted funds	8,976	508	9,484	12,000	2,695	14,695
	<u>2,755,945</u>	<u>193,783</u>	<u>2,949,728</u>	<u>2,647,895</u>	<u>194,968</u>	<u>2,842,863</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs	Governance costs	2019 Support costs	Governance costs	2018
	£	£	£	£	£
Staff costs	174,825	-	174,825	169,890	169,890
Admin expenses	1,612	-	1,612	1,048	1,048
Professional fees	2,912	-	2,912	4,429	4,429
Bank charges	5,235	-	5,235	12,645	12,645
Interest payable & similar charges	30,850	-	30,850	28,904	28,904
Audit fees	-	4,350	4,350	-	4,350
Non audit fees	-	3,150	3,150	-	3,150
Legal and professional	-	5,051	5,051	-	1,476
Trustee indemnity insurance	-	2,611	2,611	-	1,455
Sundries	-	1,562	1,562	-	1,594
	<u>215,434</u>	<u>16,724</u>	<u>232,158</u>	<u>216,916</u>	<u>228,941</u>
Analysed between					
Charitable activities	<u>215,434</u>	<u>16,724</u>	<u>232,158</u>	<u>216,916</u>	<u>228,941</u>

Governance costs includes payments to the auditors of £4,350 (2018: £4,350) for audit fees.

10 Trustees

During the year Mr S Heywood received £5,109 (2018: £5,905) for professional services supplied to Hoylake Cottage & Brookfield Homecare Limited and Mr R Oakden received £2,000 (2018: nil) for professional services supplied to Brookfield Homecare Limited in addition to normal trustee duties which have not been remunerated.

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Administrative	8	9
Nursing	96	90
Ancillary	32	35
Domiciliary	26	-
	<u>162</u>	<u>134</u>

Employment costs

	2019 £	2018 £
Wages and salaries	2,118,018	2,046,183
Social security costs	140,772	129,308
Other pension costs	26,235	16,939
	<u>2,285,025</u>	<u>2,192,430</u>

The key management personnel of the group comprise the General Manager, Clinical Nurse Manager, Nurse Manager and Finance Manager whose employee benefits total £147,278 (2018:£148,996).

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

12 Net gains/(losses) on investments

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Revaluation of investments	11,544	2,410
Gain/(loss) on sale of investments	1,315	366
	<u>12,859</u>	<u>2,776</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Brookfield Homecare Limited

A summary of the results of the subsidiary is shown below:

	2019	2018
	£	£
Turnover	14,415	-
Expenditure	(11,276)	-
	<u>3,139</u>	<u>-</u>

Aggregate assets and liabilities

Fixed assets	7,325	-
Current assets	71,624	-
Current liabilities	(75,810)	-
	<u>3,139</u>	<u>-</u>

14 Tangible fixed assets - Group

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2018	7,243,588	498,928	61,500	7,804,016
Additions	-	75,957	-	75,957
Disposals	-	(38,935)	-	(38,935)
	<u>7,243,588</u>	<u>535,950</u>	<u>61,500</u>	<u>7,841,038</u>
At 31 March 2019	7,243,588	535,950	61,500	7,841,038
Depreciation and impairment				
At 1 April 2018	1,921,653	429,810	46,906	2,398,369
Depreciation charged in the year	72,436	33,985	3,649	110,070
Eliminated in respect of disposals	-	(38,935)	-	(38,935)
	<u>1,994,089</u>	<u>424,860</u>	<u>50,555</u>	<u>2,469,504</u>
At 31 March 2019	1,994,089	424,860	50,555	2,469,504
Carrying amount				
At 31 March 2019	<u>5,249,499</u>	<u>111,090</u>	<u>10,945</u>	<u>5,371,534</u>
At 31 March 2018	<u>5,321,937</u>	<u>69,118</u>	<u>14,594</u>	<u>5,405,649</u>

The charity acquired 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 2019

15 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and Motor vehicles fittings		Total
	£	£	£	£
Cost				
At 1 April 2018	7,243,588	498,928	61,500	7,804,016
Additions	-	68,584	-	68,584
Disposals	-	(38,935)	-	(38,935)
At 31 March 2019	7,243,588	528,577	61,500	7,833,665
Depreciation and impairment				
At 1 April 2018	1,921,653	429,810	46,906	2,398,369
Depreciation charged in the year	72,436	33,937	3,649	110,022
Eliminated in respect of disposals	-	(38,935)	-	(38,935)
At 31 March 2019	1,994,089	(424,812)	50,555	2,469,456
Carrying amount				
At 31 March 2019	5,249,499	103,765	10,945	5,364,209
At 31 March 2018	5,321,937	69,118	14,594	5,405,649

16 Fixed asset investments - Listed investments Group & charity

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 1 April 2018	315,774	2,231	318,005
Additions	13,510	14,387	27,897
Valuation changes	11,546	-	11,546
Disposals	(26,450)	(1,966)	(28,416)
At 31 March 2019	314,380	14,652	329,032
Carrying amount			
At 31 March 2019	314,380	14,652	329,032
At 31 March 2018	315,774	2,231	318,005

Investment assets held in the UK at 31 March 2019 were £241,338 (2018: £225,331). Investment assets held outside the UK at 31 March 2019 were £87,697 (2018: £90,453).

Historical cost of investments at 31 March 2019 £267,627 (2018: £249,995).

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned trading subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 13.

18 Financial instruments -Group	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	103,217	81,578
Equity instruments measured at cost less impairment	329,032	318,005
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,535,690	1,635,886
	<u> </u>	<u> </u>
19 Financial instruments - Charity	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	118,239	81,578
Equity instruments measured at cost less impairment	329,032	318,005
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,499,961	1,635,886
	<u> </u>	<u> </u>
20 Debtors - Group	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	103,217	81,066
Other debtors	-	512
Prepayments and accrued income	62,209	44,314
	<u> </u>	<u> </u>
	165,426	125,892
	<u> </u>	<u> </u>
21 Debtors - Charity	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	84,524	81,066
Amounts owed by subsidiary undertakings	33,715	-
Other debtors	-	512
Prepayments and accrued income	44,672	44,314
	<u> </u>	<u> </u>
	162,911	125,892
	<u> </u>	<u> </u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Loans and overdrafts - Group & charity

	2019 £	2018 £
Bank loans	<u>1,370,530</u>	<u>1,489,517</u>
Payable within one year	133,959	134,862
Payable after one year	<u>1,236,571</u>	<u>1,354,655</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>669,579</u>	<u>787,431</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 to the Mersey Regional Health Authority and its successors in title.

The loan from Royal bank of Scotland is repayable over 20 years. Monthly payments commenced in October 2008. Interest was charged at 1.5% above base rate. In place of the IRHP, a cap on interest payable has been substituted for which a monthly premium of £876 was payable until June 2018.

23 Creditors: amounts falling due within one year - Group

	Notes	2019 £	2018 £
Bank loans	22	133,959	134,862
Other taxation and social security		37,523	33,615
Trade creditors		79,082	90,553
Other creditors		42,628	9,194
Accruals and deferred income		<u>43,450</u>	<u>46,622</u>
		<u>336,642</u>	<u>314,846</u>

24 Creditors: amounts falling due within one year - Charity

	Notes	2019 £	2018 £
Bank loans	22	133,959	134,862
Other taxation and social security		31,159	33,615
Trade creditors		73,261	90,553
Other creditors		13,920	9,194
Accruals and deferred income		<u>42,250</u>	<u>46,622</u>
		<u>294,549</u>	<u>314,846</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

25 Creditors: amounts falling due after more than one year

Group & charity

	Notes	2019 £	2018 £
Bank loans	22	<u>1,236,571</u>	<u>1,354,655</u>

26 Restricted funds - Group & charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£	£
Nursing Unit Fund	3,545	15,790	(7,043)	(3,353)	8,939
Sandhills Fund	12,857	38,540	(580)	(12,000)	38,817
Entertainment Fund	-	1,933	(1,933)	-	-
Sandhills Events Fund	-	508	(508)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	16,402	56,771	(10,064)	(15,353)	47,756

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

Transfers between funds

This includes specific donations received and utilised during the year.

27 Analysis of net assets between funds - Group

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Tangible assets	5,371,534	-	5,371,534	5,405,649	-	5,405,649
Investments	329,032	-	329,032	318,005	-	318,005
Current assets/(liabilities)	(9,775)	47,756	37,981	(121,645)	16,402	(105,243)
Long term liabilities	<u>(1,236,571)</u>	<u>-</u>	<u>(1,236,571)</u>	<u>(1,354,655)</u>	<u>-</u>	<u>(1,354,655)</u>
	<u>4,454,220</u>	<u>47,756</u>	<u>4,501,976</u>	<u>4,247,354</u>	<u>16,402</u>	<u>4,263,756</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

28 Analysis of net assets between funds - Charity

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Fund balances at 31 March 2019 are represented by:						
Tangible assets	5,364,209	-	5,364,209	5,405,649	-	5,405,649
Investments	329,034	-	329,034	318,005	-	318,005
Current assets/(liabilities)	(5,592)	47,756	42,164	(121,645)	16,402	(105,243)
Long term liabilities	(1,236,571)	-	(1,236,571)	(1,354,655)	-	(1,354,655)
	<u>4,451,080</u>	<u>47,756</u>	<u>4,498,836</u>	<u>4,247,354</u>	<u>16,402</u>	<u>4,263,756</u>

29 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	7,368	1,320
Between two and five years	31,632	3,300
	<u>39,000</u>	<u>4,620</u>

30 Related party transactions

As disclosed in note 10, trustee, Mr S Heywood, received fees in connection with his company secretarial duties and trustee, Mr R Oakden received fees in connection with his professional services.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

31	Cash generated from operations - Group	2019 £	2018 £
	Surplus for the year	238,216	31,000
	Adjustments for:		
	Investment income recognised in statement of financial activities	(47,823)	(44,851)
	Gain on disposal of investments	(1,315)	(366)
	Fair value gains and losses on investments	(11,544)	(2,410)
	Depreciation and impairment of tangible fixed assets	110,070	112,448
	Movements in working capital:		
	(Increase) in debtors	(39,530)	(34,904)
	Increase in creditors	22,699	28,672
	Cash generated from operations	<u>270,773</u>	<u>89,589</u>
