

Charity Registration No. 515591

Company Registration No. 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



HOYLAK COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Boon Mrs A Heseltine Mr S Heywood Mr R Holmes Mr A Mitchell Mr R Oakden Mr J Southworth Mr M Sutton Mr W A Twemlow Mr P Wilcox	(Appointed 27 August 2019)
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 1 Exchange Flags Liverpool L2 3XN	
Solicitors	Hill Dickinson 1 St Paul's Square Liverpool Merseyside L3 9SJ	

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

CONTENTS

	Page
Trustees' report	1 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13
Charity balance sheet	13
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 34

HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

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 80% 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 650 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, further delayed by continuing problems with the flat roof of the Day Centre building and once those had been resolved, by the pandemic.

HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE

Following the Government announced intention to increase the National Living Wage by 6.2% it was considered necessary to increase self-funded fees by 3.1% which, with a 4% increase in Social Services funded fees, was judged sufficient to cover the Trust's expenses.

Average occupancy in the nursing home was higher than the previous year at 97% and attendance at the Day Centre also higher, leading to an increase of 3.8% in nursing care fees and 19% in day care fees.

Staff salaries increased by 6.2%, partly due to the effect of the National Living Wage increase and linked increases for other staff but also to increased use of more expensive agency nursing staff because it was more difficult to recruit nurses, as well as to the increased level of care needed for the nursing home residents.

General overheads were well contained, but extensive repairs were needed to the roofs of both buildings, as well as replacement of equipment and redecoration at a total cost of £60,250, 55% more than the previous year.

These factors resulted in a deficit on our charitable activities of £11,650 compared to a surplus of £49,330 in the previous year. The contribution from fundraising and other income was £69,725 compared to £245,323 in the previous year, the latter benefiting from legacies of £119,000.

The investment portfolio was revalued at 31st March 2020 at £25,177 less than the opening balance which led to an overall surplus of £32,900 before depreciation on the historic value of the properties.

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.

Brookfield Homecare Limited

Brookfield Homecare was acquired on 11th March 2019 and the company's year end, which was 31st May, was changed to coincide with Hoylake Cottage, so the Hoylake Cottage consolidated accounts include a full year of Brookfield Homecare figures.

At the date of acquisition the company had negligible net assets so Hoylake Cottage provided a temporary loan of £40,000 supplemented with payment for refurbishment of 2 rooms in the former nursing home for use by the business at a cost of £12,000.

The first year under Hoylake Cottage ownership was focused on developing the business, which has considerable potential, improving procedures and compliance with regulations and on integrating it into Hoylake Cottage. That work added expenses of £36,000 during the year. Fee income increased proportionately by 12% during the year but overheads, including additional management expenses exceeded income by £7,255. That was expected and with management expenses now much reduced, the business is generating a surplus.

HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Fundraising and other non-charitable activity income

Donations and fundraising event income were lower as there were no specific appeals for funds during the year.

Sales at the charity shop declined by 25%; most of the reduction being due to closure of the shop for 2 months for long overdue refurbishment and to closure in March 2020 due to the Covid19 virus.

The apartments produced gross rental income of £38,163, slightly lower than the previous year due to short periods of vacancy during tenant changes. Overheads were similar to the previous year leading to net income of £24,655.

Gross investment income was a little lower as some investments were sold to support working capital. Whilst the previous year saw capital appreciation of £12,859, the year to March 2020 had a capital depreciation of £25,177. However, over the years that the portfolio has been held, there has been a net gain of £46,000 and the dividend yield has far exceeded interest on the equivalent cash.

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.

Reserves policy

The Balance Sheet of the Trust shows consolidated Unrestricted Funds of £4,395,482 which included a deficit at Brookfield Homecare of £4,113. 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 (£236,278) and Cash (£ 156,664). The reduction in cash and investments was used to fund capital expenditure on fixtures and fittings, the Day Centre flat roof, shop refurbishment and replacement of office computers, in total £81,500.

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 £56,568 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 when current operating restrictions permit.

Funding sources

The Trust's cash reserves adequately fund daily working capital requirements.

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 which was capped at a maximum rate of 6.89% until June 2018, has since reverted to a floating rate, which is considered acceptable in the current low interest rate environment.

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 2020

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 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 provides 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 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 2020

Post balance sheet events & plans for future periods

The current financial year has been dominated by the Covid19 virus outbreak.

Occupancy in the nursing home has fallen to levels we have not seen for many years partly due to reluctance to enter long-term care and partly to suspected or actual infection within the nursing home which has precluded admissions.

Expenditure has risen substantially especially on purchases of PPE and on staff costs both in additional hours working to support care of our residents and in increased levels of absence due to self-isolation and infection.

The management and staff have had to cope with complex and difficult working conditions, regularly varied and sometimes conflicting guidance and direction from Government and regulators as well as increasing demands from the latter for data. In this, we are no different to other care providers who have all endured similar conditions.

Management and staff have been working under considerable stress for most of the year and have coped admirably for which the Board of Trustees is extremely grateful.

Earlier in the year, the Trustees of Brookfield Homecare successfully applied for a Government guaranteed "Bounce Back Loan" of £50,000 which was used to repay the inter-company loan from Hoylake Cottage thereby improving the latter's cash reserves. Hoylake Cottage obtained agreement to a 12 month capital repayment holiday on the long term loan saving some £140,000 cash which otherwise would have reduced the loan.

Inevitably, we will suffer a deficit during the year ending 31st March 2021, the extent of which is unclear at present. However, Hoylake Cottage has been generating a cash surplus, Brookfield Homecare has also generated a satisfactory surplus and we have an investment portfolio of £260,000. The Trustees are satisfied that the businesses are as well prepared and resourced as they can be to endure the problems we face.

HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 10 Trustees and normally meets monthly. The Articles of Association permit "virtual" Board meetings, which facility has been used effectively in the 2020-21 year.

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. It was not possible to hold an AGM to present the 2019 accounts and our ability to hold an AGM for the 2020 year is in doubt at present. 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 Clinical Nurse 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 Clinical Nurse 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Boon

Mrs A Heseltine

(Appointed 27 August 2019)

Mr S Heywood

Mr R Holmes

Mr A Mitchell

Mr R Oakden

Mrs K Roberts

(Resigned 25 February 2020)

Mr J Southworth

Mr M Sutton

Mr W A Twemlow

Mr P Wilcox

HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Pay policy for key management personnel

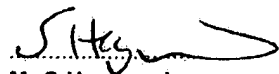
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

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

Trustee

Dated: 17th March 2021

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 2020 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 2020 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.

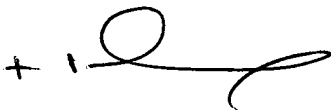
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

22.3.21

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 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	3,985	27,043	31,028	124,832	56,771	181,603
Charitable activities	4	3,288,080	-	3,288,080	2,925,288	-	2,925,288
Other trading activities	5	356,426	-	356,426	83,205	-	83,205
Investments	6	45,869	-	45,869	47,823	-	47,823
Other income		5,840	-	5,840	3,222	-	3,222
Total income		3,700,200	27,043	3,727,243	3,184,370	56,771	3,241,141
<u>Expenditure on:</u>							
Raising funds	7	370,250	-	370,250	65,476	580	66,056
Charitable activities	8	3,375,375	6,483	3,381,858	2,940,244	9,484	2,949,728
Total resources expended		3,745,625	6,483	3,752,108	3,005,720	10,064	3,015,784
Net gains/(losses) on investments	12	(25,177)	-	(25,177)	12,859	-	12,859
Net (outgoing)/incoming resources before transfers		(70,602)	20,560	(50,042)	191,509	46,707	238,216
Gross transfers between funds		11,748	(11,748)	-	15,353	(15,353)	-
Net movement in funds		(58,854)	8,812	(50,042)	206,862	31,354	238,216
Fund balances at 1 April 2019		4,454,220	47,756	4,501,976	4,247,358	16,402	4,263,760
Fund balances at 31 March 2020		4,395,366	56,568	4,451,934	4,454,220	47,756	4,501,976

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

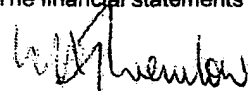
All income and expenditure derive from continuing activities.

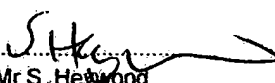
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HOYLAKE COTTAGE
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Notes.	£	2020 £	£	2019 £
Fixed assets					
Tangible assets			5,335,689		5,371,534
Investments			236,278		329,032
			<u>5,571,967</u>		<u>5,700,566</u>
Current assets					
Debtors	18	172,765		165,426	
Cash at bank and in hand		156,684		209,197	
			<u>329,429</u>	<u>374,623</u>	
Creditors: amounts falling due within one year			<u>(371,487)</u>	<u>(336,642)</u>	
Net current (liabilities)/assets			<u>(42,058)</u>		<u>37,981</u>
Total assets less current liabilities			<u>5,529,909</u>		<u>5,738,547</u>
Creditors: amounts falling due after more than one year			<u>(1,077,975)</u>		<u>(1,236,571)</u>
Net assets			<u>4,451,934</u>		<u>4,501,976</u>
Income funds					
Restricted funds			58,568		47,756
Unrestricted funds	24		4,395,366		4,454,220
			<u>4,451,934</u>		<u>4,501,976</u>

The financial statements were approved by the Trustees on 17th March 2021


 Mr. W. A. Twemlow
 Trustee

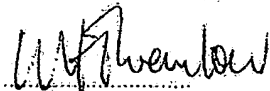

 Mr S. Heywood
 Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE
CHARITY BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	15		5,324,096		5,364,209
Investments	16 & 17		236,280		329,034
			<u>5,560,376</u>		<u>5,693,243</u>
Current assets					
Debtors	19	188,132		162,911	
Cash at bank and in hand		111,840		173,802	
		<u>299,972</u>		<u>336,713</u>	
Creditors: amounts falling due within one year	22	(326,323)		(294,549)	
Net current (liabilities)/assets			<u>(26,351)</u>		<u>42,164</u>
Total assets less current liabilities			5,534,025		5,735,407
Creditors: amounts falling due after more than one year			<u>(1,077,975)</u>		<u>(1,236,571)</u>
Net assets			<u>4,456,050</u>		<u>4,498,836</u>
Income funds					
Restricted funds			56,568		47,756
Unrestricted funds	25		4,399,482		4,451,080
			<u>4,456,050</u>		<u>4,498,836</u>

The financial statements were approved by the Trustees on 17th March 2021


 Mr. W.A. Twemlow
 Trustee


 Mr S. Heywood
 Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	32		72,516		270,773
Investing activities					
Purchase of tangible fixed assets		(90,854)		(75,957)	
Purchase of investments		(18,949)		(13,510)	
Proceeds on disposal of investments		86,526		15,344	
Investment income		45,869		47,823	
Net cash generated from/(used in) investing activities			22,592		(26,300)
Financing activities					
Repayment of bank loans		(147,641)		(118,987)	
Net cash used in financing activities			(147,641)		(118,987)
Net (decrease)/increase in cash and cash equivalents			(52,533)		125,486
Cash and cash equivalents at beginning of year			209,197		83,711
Cash and cash equivalents at end of year			156,664		209,197

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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. Since the year end it has been recognised that the Covid-19 Pandemic has had an adverse financial impact on the charity and will continue to do so in the near future. Notwithstanding that, the trustees are satisfied that the charity has adequate reserves and that it is appropriate to 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.

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.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

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

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% on cost & 15% reducing balance
Computers	33.33%/20% on cost
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 2020

1 Accounting policies

(Continued)

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 2020

1 Accounting policies (Continued)

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.

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 2020. The results of the subsidiary 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.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

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
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	2,485	27,043	29,528	5,704	51,771	57,475
Legacies receivable	1,500	-	1,500	119,128	-	119,128
Lottery grant Sandhills	-	-	-	-	5,000	5,000
	<u>3,985</u>	<u>27,043</u>	<u>31,028</u>	<u>124,832</u>	<u>56,771</u>	<u>181,603</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total	Nursing	Day dementia care	Total
	2020	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£	£
Sales within charitable activities	2,826,199	242,755	219,126	3,288,080	2,721,391	203,897	2,925,288

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Fundraising events	10,682	21,819
Shop income	35,194	46,971
Trading activity income: Domiciliary care	310,550	14,415
Other trading activities	356,426	83,205

6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	38,163	39,770
Income from listed investments	7,398	7,797
Interest receivable	308	256
	45,869	47,823

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Fundraising expenditure

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2020	2019	2019	2019
	£	£	£	£
<u>Fundraising and publicity</u>				
Other fundraising costs	471	706	580	1,286
<u>Trading costs</u>				
Operating charity shops	18,707	16,915	-	16,915
Other domiciliary care costs (pre charity status)	19,624	2,594	-	2,594
Staff costs charity shop	20,348	20,809	-	20,809
Staff costs domiciliary care (pre charity status)	223,908	8,634	-	8,634
Depreciation domiciliary care (pre charity status)	2,077	48	-	48
Depreciation charity shop	657	-	-	-
Support costs domiciliary care (pre charity status)	69,084	-	-	-
Trading costs	354,405	49,000	-	49,000
Investec costs	1,866	1,966	-	1,966
Apartment expenses	13,508	13,804	-	13,804
Investment costs	15,374	15,770	-	15,770
	370,250	65,476	580	66,056

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total 2020	Nursing	Day dementia care	Total 2019
	2020	2020	2020		2019	2019	
	£	£	£	£	£	£	£
Staff costs	2,072,411	140,462	157,994	2,370,867	1,958,426	122,331	2,080,757
Depreciation and impairment	91,640	30,863	1,465	123,968	81,494	28,528	110,022
Rates & water	11,129	-	-	11,129	10,520	-	10,520
Insurance	21,876	-	959	22,835	20,846	-	20,846
Light & heat	58,072	4,096	-	62,168	52,227	-	52,227
Phone	9,575	-	1,054	10,629	8,290	-	8,290
Advertising, printing, postage & stationery	12,113	-	2,576	14,689	9,079	-	9,079
General expenses	24,311	6,606	2,141	33,058	25,888	6,449	32,337
Medical supplies	22,721	-	530	23,251	19,396	-	19,396
Catering	124,416	8,427	-	132,843	130,206	-	130,206
Cleaning & laundry	64,801	-	-	64,801	66,599	-	66,599
Recruitment & other staff costs	19,498	-	3,165	22,663	12,123	-	12,123
Domestic & non medical supplies	38,441	-	-	38,441	34,499	-	34,499
Transport	-	15,053	-	15,053	-	12,704	12,704
Repairs & maintenance	113,468	-	3,423	116,891	104,229	-	104,229
Entertainment	7,921	50	-	7,971	13,180	556	13,736
	2,692,393	205,557	173,307	3,071,257	2,547,002	170,568	2,717,570
Share of support costs (see note 9)	227,060	18,562	46,192	291,814	193,891	21,543	215,434
Share of governance costs (see note 9)	14,442	1,605	2,740	18,787	15,052	1,672	16,724
	2,933,895	225,724	222,239	3,381,858	2,755,945	193,783	2,949,728

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Charitable activities

(Continued)

	Nursing 2020 £	Day dementia care 2020 £	Domiciliary care 2020 £	Total 2020 £	Nursing 2019 £	Day dementia care 2019 £	Total 2019 £
Analysis by fund							
Unrestricted funds	2,927,462	225,674	222,239	3,375,375	2,746,969	193,275	2,940,244
Restricted funds	6,433	50	-	6,483	8,976	508	9,484
	<u>2,933,895</u>	<u>225,724</u>	<u>222,239</u>	<u>3,381,858</u>	<u>2,755,945</u>	<u>193,783</u>	<u>2,949,728</u>

HOYLAK COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	281,235	-	281,235	174,825	-	174,825
Admin expenses	4,134	-	4,134	1,612	-	1,612
Professional fees	38,724	-	38,724	2,912	-	2,912
Bank charges	3,815	-	3,815	5,235	-	5,235
Interest payable & similar charges	29,107	-	29,107	30,850	-	30,850
Audit fees	-	6,565	6,565	-	4,350	4,350
Non audit fees	-	3,885	3,885	-	3,150	3,150
Legal and professional	-	6,766	6,766	-	5,051	5,051
Trustee indemnity insurance	-	3,604	3,604	-	2,611	2,611
Sundries	-	1,850	1,850	-	1,562	1,562
	<u>357,015</u>	<u>22,670</u>	<u>379,685</u>	<u>215,434</u>	<u>16,724</u>	<u>232,158</u>
Analysed between						
Trading	65,201	3,883	69,084	-	-	-
Charitable activities	291,814	18,787	310,601	215,434	16,724	232,158
	<u>357,015</u>	<u>22,670</u>	<u>379,685</u>	<u>215,434</u>	<u>16,724</u>	<u>232,158</u>

Governance costs includes payments to the auditors of £6,565 (2019: £4,350) for audit fees.

10 Trustees

During the year Mr S Heywood received £13,132 (2019: £5,109) for professional services supplied to Hoylake Cottage & Brookfield Homecare Limited and Mr R Oakden received £24,000 (2019: £2,000) 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 2020 nor for the year ended 31 March 2019.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administrative	11	8
Nursing	88	96
Ancillary	34	32
Domiciliary	28	26
	<u>161</u>	<u>162</u>

Employment costs

	2020 £	2019 £
Wages and salaries	2,680,886	2,118,018
Social security costs	171,943	140,772
Other pension costs	43,529	26,235
	<u>2,896,358</u>	<u>2,285,025</u>

The key management personnel of the group comprise the General Manager, Clinical Nurse Manager, Nurse Manager, Office Manager and Finance Manager whose employee benefits total £191,976 (2019: £147,278).

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

12 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Revaluation of investments	(26,299)	11,544
Gain/(loss) on sale of investments	1,122	1,315
	<u>(25,177)</u>	<u>12,859</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

13 Brookfield Homecare Limited

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

	2020	2019
	£	£
Turnover	529,676	14,415
Expenditure	(536,932)	(11,273)
	<u>(7,256)</u>	<u>3,142</u>

Aggregate assets and liabilities

Fixed assets	11,593	7,325
Current assets	84,969	71,625
Current liabilities	(100,676)	(75,810)
Share capital	2	2
	<u>(4,114)</u>	<u>3,142</u>

14 Tangible fixed assets - Group

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2019	7,243,588	534,926	1,025	61,500	7,841,039
Additions	24,876	63,700	2,278	-	90,854
Disposals	-	(27,484)	-	-	(27,484)
At 31 March 2020	<u>7,268,464</u>	<u>571,142</u>	<u>3,303</u>	<u>61,500</u>	<u>7,904,409</u>
Depreciation and impairment					
At 1 April 2019	1,994,089	424,860	-	50,554	2,469,503
Depreciation charged in the year	75,683	47,595	687	2,736	126,701
Eliminated in respect of disposals	-	(27,484)	-	-	(27,484)
At 31 March 2020	<u>2,069,772</u>	<u>444,971</u>	<u>687</u>	<u>53,290</u>	<u>2,568,720</u>
Carrying amount					
At 31 March 2020	<u>5,198,692</u>	<u>126,171</u>	<u>2,616</u>	<u>8,210</u>	<u>5,335,689</u>
At 31 March 2019	<u>5,249,499</u>	<u>110,065</u>	<u>1,025</u>	<u>10,945</u>	<u>5,371,534</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 2020

15 Tangible fixed assets - Charity

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2019	7,243,588	528,577	61,500	7,833,665
Additions	24,876	58,169		83,045
Disposals	-	(27,484)		(27,484)
At 31 March 2020	7,268,464	559,262	61,500	7,889,226
Depreciation and impairment				
At 1 April 2019	1,994,089	424,812	50,555	2,469,456
Depreciation charged in the year	75,683	44,740	2,735	123,158
Eliminated in respect of disposals		(27,484)		(27,484)
At 31 March 2020	2,069,772	442,068	53,290	2,565,130
Carrying amount				
At 31 March 2020	5,198,692	117,194	8,210	5,324,096
At 31 March 2019	5,249,499	103,765	10,945	5,364,209

16 Fixed asset investments - Listed investments Group & charity

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2019	314,380	14,652	329,032
Additions	18,949	115,766	134,715
Valuation changes	(26,299)	-	(26,299)
Disposals	(71,354)	(129,816)	(201,170)
At 31 March 2020	235,676	602	236,278
Carrying amount			
At 31 March 2020	235,676	602	236,278
At 31 March 2019	314,380	14,652	329,032

Investment assets held in the UK at 31 March 2020 were £175,329 (2019: £241,338). Investment assets held outside the UK at 31 March 2020 were £60,949 (2019: £87,697).

Historical cost of investments at 31 March 2020 £230,519 (2019: £267,627).

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable 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 Debtors - Group

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	116,992	103,217
Other debtors	193	-
Prepayments and accrued income	55,580	62,209
	<u>172,765</u>	<u>165,426</u>

19 Debtors - Charity

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	92,295	84,524
Amounts owed by subsidiary undertakings	55,512	33,715
Other debtors	193	-
Prepayments and accrued income	40,132	44,672
	<u>188,132</u>	<u>162,911</u>

20 Loans and overdrafts - Group & charity

	2020 £	2019 £
Bank loans	<u>1,222,889</u>	<u>1,370,530</u>
Payable within one year	144,914	133,959
Payable after one year	<u>1,077,975</u>	<u>1,236,571</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>474,583</u>	<u>669,579</u>
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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 is payable until June 2018.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

21 Creditors: amounts falling due within one year - Group

	Notes	2020 £	2019 £
Bank loans	20	144,914	133,959
Other taxation and social security		39,594	37,523
Trade creditors		93,274	79,082
Other creditors		48,455	42,628
Accruals and deferred income		45,250	43,450
		<u>371,487</u>	<u>336,642</u>

22 Creditors: amounts falling due within one year - Charity

	Notes	2020 £	2019 £
Bank loans	20	144,914	133,959
Other taxation and social security		33,312	31,159
Trade creditors		89,124	73,261
Other creditors		16,195	13,920
Accruals and deferred income		42,778	42,250
		<u>326,323</u>	<u>294,549</u>

23 Creditors: amounts falling due after more than one year Group & charity

	Notes	2020 £	2019 £
Bank loans	20	<u>1,077,975</u>	<u>1,236,571</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

24 Unrestricted funds - Group

	Balance at 1 April 2019	Incoming resources	Movement in funds			Balance at 31 March 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General unrestricted funds	4,454,220	3,700,200	(3,745,625)	11,748	(25,177)	4,395,366
	<u>4,454,220</u>	<u>3,700,200</u>	<u>(3,745,625)</u>	<u>11,748</u>	<u>(25,177)</u>	<u>4,395,366</u>

Comparative information in respect of the preceding year is as follows:

	Balance at 1 April 2018	Incoming resources	Movement in funds			Balance at 31 March 2019
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General unrestricted funds	4,247,358	3,184,370	(3,005,720)	15,353	12,859	4,454,220
	<u>4,247,358</u>	<u>3,184,370</u>	<u>(3,005,720)</u>	<u>15,353</u>	<u>12,859</u>	<u>4,454,220</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

25 Unrestricted funds - Charity

	Movement in funds					Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,451,080	3,170,524	(3,208,693)	11,748	(25,177)	4,399,482
	<u>4,451,080</u>	<u>3,170,524</u>	<u>(3,208,693)</u>	<u>11,748</u>	<u>(25,177)</u>	<u>4,399,482</u>

Comparative information in respect of the preceding year is as follows:

	Movement in funds					Balance at 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,247,354	3,107,056	(2,931,542)	15,353	12,859	4,451,080
	<u>4,247,354</u>	<u>3,107,056</u>	<u>(2,931,542)</u>	<u>15,353</u>	<u>12,859</u>	<u>4,451,080</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Nursing Unit Fund	8,939	13,260	(2,464)	(11,748)	7,987
Sandhills Fund	38,817	8,972	-	-	47,789
Entertainment Fund	-	3,969	(3,969)	-	-
Sandhills Events Fund	-	842	(50)	-	792
	<u>47,756</u>	<u>27,043</u>	<u>(6,483)</u>	<u>(11,748)</u>	<u>56,568</u>

Comparative information in respect of the preceding period is as follows:

	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)	-	-
	<u>16,402</u>	<u>56,771</u>	<u>(10,064)</u>	<u>(15,353)</u>	<u>47,756</u>

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.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

27 Analysis of net assets between funds - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	5,335,689	-	5,335,689	5,371,534	-	5,371,534
Investments	236,278	-	236,278	329,032	-	329,032
Current assets/ (liabilities)	(98,626)	56,568	(42,058)	(9,775)	47,756	37,981
Long term liabilities	(1,077,975)	-	(1,077,975)	(1,236,571)	-	(1,236,571)
	<u>4,395,366</u>	<u>56,568</u>	<u>4,451,934</u>	<u>4,454,220</u>	<u>47,756</u>	<u>4,501,976</u>

28 Analysis of net assets between funds - Charity

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	5,324,096	-	5,324,096	5,364,209	-	5,364,209
Investments	236,280	-	236,280	329,034	-	329,034
Current assets/ (liabilities)	(82,919)	56,568	(26,351)	(5,592)	47,756	42,164
Long term liabilities	(1,077,975)	-	(1,077,975)	(1,236,571)	-	(1,236,571)
	<u>4,399,482</u>	<u>56,568</u>	<u>4,456,050</u>	<u>4,451,080</u>	<u>47,756</u>	<u>4,498,836</u>

29 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 2020

30 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:

	2020 £	2019 £
Within one year	18,498	7,368
Between two and five years	61,149	31,632
	<u>79,647</u>	<u>39,000</u>

31 Analysis of changes in net (debt)/funds

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	209,197	(52,533)	156,664
Loans falling due within one year	(133,959)	(10,955)	(144,914)
Loans falling due after more than one year	(1,236,571)	158,596	(1,077,975)
	<u>(1,161,333)</u>	<u>95,108</u>	<u>(1,066,225)</u>

32 Cash generated from operations - Group

	2020 £	2019 £
(Deficit)/surplus for the year	(50,042)	238,216
Adjustments for:		
Investment income recognised in statement of financial activities	(45,869)	(47,823)
Gain on disposal of investments	(1,122)	(1,315)
Fair value gains and losses on investments	26,299	(11,544)
Depreciation and impairment of tangible fixed assets	126,702	110,070
Movements in working capital:		
(Increase) in debtors	(7,342)	(39,530)
Increase in creditors	23,890	22,699
Cash generated from operations	<u>72,516</u>	<u>270,773</u>