

Preston Bethany Care
(A company limited by guarantee)
Report and Financial Statements
For the Year Ended 31 March 2016

Charity Number: 1140242
Company Number: 07394756

WEDNESDAY



B5IVNVPF

B01

02/11/2016

#1377

COMPANIES HOUSE

Montpelier Audit Limited
Statutory Auditor
Charter House
Pittman Way
Preston
Lancashire
PR2 9ZD

PRESTON BETHANY CARE

CONTENTS

	Page
Legal and administrative information	1 to 2
Report of the trustees	3 to 11
Independent auditor's report	12 to 13
Statement of financial activities	14
Balance sheet	15
Notes to the financial statements	16 to 22

PRESTON BETHANY CARE

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name: Preston Bethany Care

Charity Number: 1140242

Company registration number: 07394756

Registered office and operational address Bethany House
Gamull Lane
Ribbleton
Preston
PR2 6TQ

Operating name Bethany House

Trustees Mrs J Kay (Chairperson)
Mr P Billsborough (Secretary)
Dr P Johns (Treasurer to 31 March 2015)
Mr J Henderson (Treasurer from 1 April 2015)
Mr S W Rogers (Resigned 10 February 2016)
Mr A Wright
Miss M Hargreaves
Mr E Holland

Home Manager: Mrs G Whitfield

Bankers: HSBC Bank plc
49a Fishergate
Preston PR1 8BQ

Kingdom Bank
Ruddington Fields Business Park
Mere Way
Ruddington
Nottingham NG11 6JS

PRESTON BETHANY CARE

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers:

Cumberland Building Society
90 Fishergate
Preston PR1 2NJ

Furness Building Society
51-55 Duke Street
Barrow in Furness
Cumbria LA14 1RT

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne NE3 4PL

Solicitors:

Napthens LLP
7 Winckley Square
Preston
PR1 3JD

Auditor:

Montpelier Audit Limited
Statutory Auditor
Charter House, Pittman Way
Fulwood
Preston
PR2 9ZD

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

The trustees are pleased to present their annual report, together with the audited financial statements of the charity for the year ended 31 March 2016, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes; and confirm that the latter comply with the requirements of the Act, the Articles of Association and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in 2015 – FRSSE SORP).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 2nd October 2010 and registered as a charity in February 2011. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its articles of association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

The company was formed to take the assets and responsibility for management of the residential care home Bethany House. This was previously operated for many years by Preston Bethany Trust, a charity founded in March 1981. On 1st April 2011 the assets and responsibility for management of Bethany House was transferred from Preston Bethany Trust to Preston Bethany Care, and subsequently Preston Bethany Trust was removed from the Charity Commission register of charities.

Organisational Structure and Management

The Trustees of the Company (6-9 trustees) act as the management committee of Bethany House. They meet at least four times per year and at each meeting receive reports from the Manager, Treasurer (financial report) and Home Inspection report. Any other managerial and planning issues are also dealt with. The Manager's report and Treasurer's report are circulated prior to the meeting. The Manager is also invited to attend these meetings on a non-voting basis.

The day to day affairs of Bethany House are dealt with by the Manager, with input from the Chairman, or Treasurer as appropriate. Staff are appointed by the Manager, with input by Trustees where appropriate, and are employed to cater for the material needs of the residents. A large number of volunteers from many churches in and around Preston assist in catering for the spiritual needs of the residents.

Staff training carries a high priority, and all staff are encouraged to take NVQ courses at an appropriate level. Protocols are in place dealing with protection of vulnerable adults, handling of complaints by residents or their representatives, staff discipline, financial controls within the home, Health and Safety issues etc. Many of these are requirements of registration with the appropriate external bodies. All staff are subjected to a DBS check before commencing employment.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

Trustee recruitment, induction and training

The charity trustees are also the company directors for the purposes of company law. Trustees are elected to serve for a period of three years after which they must be re-elected. All trustees give their time voluntarily and receive no benefit from the charity.

On appointment all are inducted in the workings of the charity and provided with the last accounts and minutes of trustee meetings. Information on the role and responsibilities of a trustee is given by provision of appropriate Charity Commission information. All trustees receive a DBS check prior to taking up responsibilities.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Specific risks, and the appropriate systems and procedures to mitigate these risks, are as follows:-

Closure of the home due to fire or other damage. The insurance policy covers loss of income due to foreseeable risks.

Closure of the home by external bodies. The home is currently registered with the Care Quality Commission which is reviewed annually.

An unannounced CQC inspection took place in December 2015 and January 2016, which rated Bethany House as "requires improvement" against 3 out of 5 new standards. Since the report was issued, Preston Bethany Care have dedicated considerable additional resources to updating processes, procedures and training as part of the action plan which the trustees believe will ensure the house obtains a rating of 'good' or 'outstanding' on the planned revisit by CQC which is expected during the next twelve months.

The home is contracted with Lancashire County Council to provide residential care for elderly residents. The home renewed the Investors in People Standard for a further three years in May 2014. It also achieved ISO 9001 certification in January 2014. This certification lasts for three years. These items identify some measure of the quality of the home.

Loss of computer held data. Regular daily backups are made of all data, to an external location.

Loss of income due to falling occupancy. The trust monitors occupancy levels (generally in excess of 95%) in planning budgets, staffing levels and future developments.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

The trustees continue to review the practical implementation of the new funding arrangements of the Care Act 2016. The April 2016 LCC fee increase of approximately 8% will help narrow the differential between private paying residents and LCC supported residents, thus reducing the Top Ups required. The introduction of the National Living Wage (NLW) in April 2016 has been implemented with the minimal additional financial burden on the charity, but the trustees are routinely monitoring the government's proposed increments to the NLW. The trustees have budgeted for the 2016/17 auto-enrolment of staff in Workplace Pension Schemes similarly to the NLW the trustees are monitoring the financial burden of Auto Enrolment. In July 2016 (PBC staging date for Pension Auto Enrolment), the trustees have agreed to fund the employer contribution and to provide all staff with an additional salary increase to encourage the staff to remain within the pension scheme.

OBJECTIVES, AIMS AND ACTIVITIES

Preston Bethany Care (PBC) Objectives and Aims

Bethany House is a comprehensively equipped residential care home for the elderly, managed by Preston Bethany Care. It is the objective of Bethany House to provide care to all residents to a standard of excellence which embraces fundamental principles of Good Care Practice, and that this may be witnessed and evaluated through the practice, conduct and control of quality care in the home.

Bethany House is a Christian Home that upholds the principles outlined in the Statement of Faith of the Evangelical Alliance. Respect and assistance are given to enable each resident to follow their faith in the home and to encourage participation in the local church of their particular denomination.

PBC's objective is that residents shall live in a clean, comfortable and safe environment, and be treated with respect and sensitivity to their individual needs and abilities. Staff will be responsive to the individual needs of residents and will provide the appropriate degree of care to assure the highest possible quality of life within the home.

To meet these client needs the care service within the home is designed to achieve the following objectives:

To deliver a service of the highest quality that will improve and sustain the resident's overall quality of life. In this respect the care service is designed to meet the present and future requirements of the appropriate inspectorates, in a people-oriented fashion.

To ensure that the care service is delivered flexibly, attentively and in a non-discriminatory fashion while respecting each resident's right to independence, privacy, dignity, fulfilment, and the rights to make informed choices and to take risks.

To ensure that each resident's needs and values are respected in matters of religion, culture, race or ethnic origin, sexuality and sexual orientation, political affiliation, marital status, parenthood and disabilities or impairments.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

To ensure that the care service in whole is delivered in accordance with agreed Contracts for Care and the individual personal care plan.

To manage and implement a formal programme of staff planning, selection, recruitment, training and personal development to enable resident's care needs to be met. The directors continually aim to provide PBC staff with competitive salaries, suitably planned and managed rotas within a pleasant working environment.

To manage the care service efficiently and effectively to make best use of resources and to maximise value for money for the residents.

To ensure that all residents receive written information on the home's procedure for handling complaints, comments and compliments, and how to use it.

Fundamental Ethos of PBC

It is a fundamental ethos that those residents who live in Bethany House should be able to do so in accordance with the home's Statement of Values set out below.

CORE VALUES OF CARE		
PRIVACY	DIGNITY	RIGHTS
INDEPENDENCE	CHOICE	FULFILMENT
SECURITY	RESPECT	EQUALITY

Bethany House aims to provide its residents with a secure, relaxed, and homely environment in which their care, well-being and comfort is of prime importance.

Carers will strive to preserve and maintain the dignity, individuality and privacy of all residents within a warm and caring atmosphere, and in so doing will be sensitive to the residents' ever changing needs. Such needs may be medical / therapeutic (for physical and mental welfare), cultural, psychological, spiritual, emotional and social, and residents are encouraged to participate in the development of their individualised care plans in which the involvement of family and friends may be appropriate and is greatly valued.

This will be achieved through programmes of activities designed to encourage mental alertness, self-esteem, and social interaction with other residents and with recognition of the core values of care, which are fundamental to the philosophy of our home.

All care staff within the home will be appropriately qualified to deliver the highest standards of care. A continuous staff-training programme is implemented to ensure that these high standards are maintained in line with the latest initiatives and developments in care practices as may be laid down in appropriate legislation.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

On Going Annual objectives (over and above the specific annual objectives)

Ensure that PBC maintains its dedication to the provision of the finest care for its residents. This will be achieved through the integration of efficient administrative practices with first class standards of care in accordance with the newly published requirements for registration with the Care Quality Commission and appropriate supplementary regulations.

Accordingly, the home has been established with a quality-orientated approach to care. A high degree of quality awareness is developed through all levels of staff through appropriate training and management. To reinforce this, it is the policy of the management that Bethany House shall continue to comply with the requirements of Investors In People in personnel matters and the requirements of ISO 9001 as a quality standard.

Public Benefit

The charity trustees have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties.

It should also be pointed out that the costs of building Bethany House were largely met by gifts received by Preston Bethany Trust (so incurring no repayment or interest costs), and since that time Bethany House has been managed by trustees on a voluntary basis. This means that all residents receive a significant benefit because the costs of running Bethany House are effectively subsidised by the very fact that it has always been owned and managed by a charitable organisation. Of course the level of this effective subsidy is not measurable.

In addition, the trustees have given due consideration to the findings of the Charity Commission who have published findings of Public Benefit investigations into three Care Home charities (published on the Charity Commission website) and have taken note of recent announcements following legal pronouncements with respect to public benefit. Bethany House has no set proportion of the number of publicly funded residents compared to the number of privately funded residents, in accordance with the current objectives of Preston Bethany Care to provide accommodation "according to their means" and it has always been our policy to accept entrants whose relatives cannot afford our small "Top up" fees. Because the top up fees contribute a small proportion of the total income, the trustees have not found it necessary to set aside funds to "subsidise" residents whose relatives are unable or unwilling to pay the top up fees. Thus the ability to pay is not a consideration of acceptance of new residents into Bethany House.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2015/16 Objectives

PBC achieved its 2015/16 objectives of:

- 1) Stabilising the financial controls following the transfer of the treasurer role.
- 2) Providing more open reporting for all directors (using "cloud based" technology)
- 3) Continuing the minor improvement programme within the home

The objectives were achieved by maintaining the high level of occupancy, thus increasing the income stream. Forward financial planning allowed this increase to offset the impact of NLW and Auto Enrolment, opening up PBC information to all directors in terms of reports inspections and financial records and continuing to fund minor building and soft furniture improvements throughout the home.

Operational Performance of Bethany House

The home has the capacity to care for 26 residents and during the year under review PBC have maintained a high level of occupancy. There is a constant stream of visitors and officials visiting the home, with never a dull moment. The home is managed by a general manager together with senior carers and administrative support.

Developments

The financial stability has enabled PBC to continually upgrade the existing accommodation and to generally improve the environment of the home.

During early 2015/16 the Trustees held a series of meetings to explore various methods of increasing awareness of the important works of PBC for the care of the elderly in the Preston area.

Future Plans

Objectives for 2016/17

- 1) To fulfil the aims and objectives in the statement of purpose and to consolidate on developments in the preceding year and to maintain business stability.
- 2) Updating the promotional information, particularly the website
- 3) To start an awareness campaign within the local community with the twin aims of increasing the diversity of the Christian input Preston Bethany currently has, whilst at the same time seeking new trustees to take PBC to the next stage of development.
- 4) Continue the improvements to the physical environment of Bethany House whilst seeking to broaden the base of Christian input for the residents.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

Strategies to achieve the 2016/17 objectives

- 1) The trustees have approved funding to update and maintain the website as part of the promotional and awareness campaign
- 2) The trustees also have approved funding to create a video to support the trustees on an awareness campaign which will be targeted at the local churches. The Chairman and the office administrator have agreed to work together on this process.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial Review

The accompanying audited accounts show net income for the year of £79,414. This surplus has been achieved through the high occupancy levels maintained during the year.

The attached accounts show the current state of the finances which the trustees consider to be sound. The trustees are satisfied that the assets of the charity are available and adequate to fulfil the obligations of the Charity. They are also satisfied that the accounts comply with current statutory requirements and with the Trust Deed.

Reserves Policy

In accordance with guidelines issued by the Charity Commission the level of reserves is considered and reviewed at regular intervals by the trustees. The trustees have adopted a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity, should be broadly equivalent to six months of expenditure, which for the current year would equate to £283,425. The free reserves (note 8) are £515,391. These reserves are of course needed to continue the current activities of the charity in the event of a significant drop in funding or occupancy levels.

Also, the need to obtain reasonable levels of reserves is considered important in the opinion of the board, not only for the above reasons but also for the additional potential future plans to acquire a suitable plot of land for the next phase of the homes development. Furthermore, there are anticipated increases in labour costs as a result of Pensions Auto Enrolment and other suggested government changes. Overall, the combined effects of these changes are estimated to be around 7-8% of current wages costs in the accounts.

Additionally, since the year end, the directors have begun to put into place a succession campaign, initially to raise awareness of the home in the local area and to ultimately encourage new volunteer directors to join the board. This campaign has involved the directors allocating funds for a new promotional video, a new website and other advertising media. The directors are seeking volunteers from various backgrounds and ages, to ensure fresh ideas can be generated with a vision to continue the home's valued work amongst the elderly community within the Preston area.

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

Investment Policy

Under the Trust Deed, the charity has the power to invest any surplus liquid funds as the trustees see fit. The charity has had a policy of keeping such funds in short and medium term deposits which allows the charity to access some of the funds rapidly.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Preston Bethany Care for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

PRESTON BETHANY CARE

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

Auditor

A resolution will be proposed at the Annual General Meeting that Montpelier Audit Limited be re-appointed as auditor to the charity for the ensuing year.

This report was approved by the Board on 9th September 2016

Signed on behalf of the trustees



Janet Kay
Chairperson

PRESTON BETHANY CARE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTON BETHANY CARE FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Preston Bethany Care for the for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Companies Act 2011, and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PRESTON BETHANY CARE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTON BETHANY CARE FOR THE YEAR ENDED 31 MARCH 2016

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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 Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Montpelier Audit Limited

**Susan McDonald BSc, FCA, DChA
Senior Statutory Auditor
For and on behalf of
Montpelier Audit Limited, Statutory Auditor
PRESTON**

Date: *26th October 2016*

Montpelier Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PRESTON BETHANY CARE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE FOR THE YEAR ENDED 31 MARCH 2016

Income from:	Unrestricted Funds	
	2016 £	2015 £
Charitable activities		
Residential Fees	638,957	608,013
Donations and legacies	1,677	2,660
Investments		
Bank deposit interest	5,631	5,417
Total Income	<u>646,265</u>	<u>616,090</u>
Expenditure on:		
Charitable Activities		
Food & consumables	47,199	46,246
Staff costs (Note 3)	417,091	407,023
Heat & light	16,813	17,837
Water rates & council tax	9,588	6,694
Rest home insurance	3,621	3,514
Registration and other fees	4,237	3,913
Telephone	1,178	1,155
Printing, postage, stationery & advertising	2,007	2,347
Repairs & renewals	13,839	22,455
Motor expenses	556	789
Miscellaneous	3,430	3,627
Gardening	2,406	3,032
Clinical waste	4,176	5,130
Quality assurance costs	3,734	3,441
Training	4,575	4,315
Depreciation	21,468	20,943
Loss on disposal of fixed assets	-	-
Bank charges	32	32
Accountancy services (Note 11)	5,890	4,759
Audit fee (Note 11)	3,240	3,240
Trustees insurance (Note 10)	473	471
Legal & professional fees	1,298	367
	<u>566,851</u>	<u>561,330</u>
Total Expenditure (Note 4)	<u>(566,851)</u>	<u>(561,330)</u>
Net movement in funds (Note 2)	<u>79,414</u>	<u>54,760</u>
Reconciliation of funds:		
Total funds brought forward	898,786	844,026
Total funds carried forward (Note 8)	<u>978,200</u>	<u>898,786</u>

All of the above amounts relate to continuing activities.

PRESTON BETHANY CARE

Company number 07394756

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Fixed Assets					
Tangible assets	5	462,809		463,238	
Current Assets					
Debtors	6	11,048		26,221	
Cash at bank and in hand		<u>539,179</u>		<u>437,229</u>	
		550,227		463,450	
Creditors: Amounts falling due within one year	7	<u>(34,836)</u>		<u>(27,902)</u>	
Net Current Assets		<u>515,391</u>		<u>435,548</u>	
Net Assets	9	<u>978,200</u>		<u>898,786</u>	
Funds:					
Unrestricted income funds	8	<u>978,200</u>		<u>898,786</u>	
Total Charity Funds		<u>978,200</u>		<u>898,786</u>	

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the trustees on 9th September 2016 and signed on their behalf by;


Stuart Henderson

Dated: 09 September 2016

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1 STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are of a material nature in relation to the financial statements

Basis of accounts preparation

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities presenting their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), and the Charities Act 2011 and applicable regulations.

Charitable activities

Incoming resources from charitable activities comprise resident fees. These are included on a receivable basis.

Donations and legacies

Voluntary income received by way of donations is included in incoming resources on a receivable basis.

Income from investments

Investment income in the form of bank interest is credited when receivable.

Fund accounting

The funds held by the charity are either:

Unrestricted funds

These are incoming resources receivable for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

These are unrestricted funds set aside by the trustees at their discretion for a designated purpose or incoming resources where donors have expressed a preference without imposing a trust.

At the present time there are no restricted funds.

Resources expended

Expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered. All charitable expenditure, including support costs and governance costs, are allocated to the applicable expenditure headings in the statement of financial activities.

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Allocation of support and governance costs

Governance costs comprise all costs including the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with trustee insurance.

Support costs and governance costs have been allocated to the only charitable activity which is provision of care to residents of Preston Bethany Care.

Expenditure on charitable activities

The expenditure on charitable activities includes costs of running the home, and governance costs (detailed above).

Fixed assets

Individual tangible fixed assets are capitalised at cost. The trustees do not apply a minimum value on items that will be recognised as fixed assets. The trustees review the fixed assets and the general décor of the home on a quarterly basis and implement a policy of repairs or replacement as necessary in the best interests of the charity.

Depreciation

Depreciation is provided at the following rates based on the estimated useful lives of the fixed assets and the anticipated residual value:-

Leasehold land and buildings		Over the life of the lease
Fixed plant	15%	p.a. straight line
Fixture & fittings and furniture & equipment	20%	p.a. reducing balance
Computer equipment	33 1/3%	p.a. straight line

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions are charged to the profit and loss account and included in staff costs.

Value added tax

VAT is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

2 NET MOVEMENT IN FUNDS

	2016 £	2015 £
<i>Net income for the year is arrived at after charging:</i>		
Depreciation of tangible fixed assets:		
- leasehold property	5,681	5,759
- owned assets	15,787	15,184
Auditor's remuneration for audit services	3,240	3,240
Trustees liability insurance	473	471
	<u>417,091</u>	<u>407,023</u>

3 STAFF COSTS AND EMOLUMENTS

	2016 £	2015 £
Total staff costs were as follows:		
Wages and salaries	393,887	384,842
Pension contributions	1,946	1,631
Social security costs	21,258	20,550
	<u>417,091</u>	<u>407,023</u>

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

Management and administration	3	3
Catering	6	6
Care assistants/nurses	26	28
	<u>35</u>	<u>37</u>

No employee received remuneration of more than £60,000 during the year (2015 – Nil).

4 ANALYSIS OF TOTAL EXPENDITURE

Note	Staff Costs £	Other £	Deprec- iation £	Total £
Charitable activities				
Care of residents	417,091	117,391	21,468	555,950
Governance costs (see below)	-	10,901	-	10,901
Total	<u>417,091</u>	<u>128,292</u>	<u>21,468</u>	<u>566,851</u>

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

Governance costs:	2016	2015
	£	£
Accountancy services (Note 11)	5,890	4,759
Audit fees (Note 11)	3,240	3,240
Trustees insurance (Note 10)	473	471
Legal and professional fees	1,298	367
	10,901	8,837

No support costs apart from those detailed above are considered to be in relation to governance. Support costs and governance costs have been allocated against the only charitable activity which is the provision of care to all residents of Preston Bethany Care.

5 TANGIBLE FIXED ASSETS

	Long Leasehold Land and Buildings	Fixed Plant	Furniture and Equipment	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2015	521,692	82,720	4,270	123,548	15,364	747,594
Additions	-	-	-	21,039	-	21,039
Disposals	-	-	-	-	-	-
At 31 March 2016	521,692	82,720	4,270	144,587	15,364	768,633
Depreciation						
At 1 April 2015	101,317	64,730	3,526	104,013	10,770	284,356
Charge for the year	5,681	5,185	149	8,149	2,304	21,468
Disposals	-	-	-	-	-	-
At 31 March 2016	106,998	69,915	3,675	112,162	13,074	305,824
Net Book Value						
At 31 March 2016	414,694	12,805	595	32,425	2,290	462,809
Net Book Value						
At 31 March 2015	420,375	17,990	744	19,535	4,594	463,238

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 DEBTORS

	2016 £	2015 £
These comprise:		
Residents fees	9,262	24,300
Prepayments and accrued income	1,546	1,501
Other debtors	240	420
	<u>11,048</u>	<u>26,221</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Residents fees in advance	15,368	9,744
Trade creditors	7,873	6,720
Accruals	7,340	7,150
PAYE	4,255	4,288
	<u>34,836</u>	<u>27,902</u>

8 UNRESTRICTED INCOME FUNDS

	Balance at 31 March 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2016 £
General Fund					
- Free reserve fund	435,548	646,265	(545,383)	(21,039)	515,391
Designated Fund					
- Property asset fund at cost	463,238	-	(21,468)	21,039	462,809
	<u>898,786</u>	<u>646,265</u>	<u>(566,851)</u>	<u>-</u>	<u>978,200</u>

The general fund is the 'free reserves' of the charity after allowing for all designated funds.

The designated property asset fund is the value of the unrestricted funds represented by the tangible fixed assets owned by the charity.

Transfers between funds arise when income is received which is required to be spent on fixed assets.

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

9 ANALYSIS OF NET ASSETS OF THE CHARITY

The fund balance at 31 March 2016 is represented by:

	Unrestricted Funds	
	2016	2015
	£	£
Tangible assets	462,809	463,238
Cash at bank and in hand	539,179	437,229
Current assets	11,048	26,221
Current liabilities	(34,836)	(27,902)
Total Net Assets	978,200	898,786

10 TRANSACTIONS WITH TRUSTEES

Neither the trustees or persons connected with them have received any remuneration during the period.

Insurance premiums during the year amounting to £473 (2015: £471) were incurred by the charity in respect of indemnity insurance for the trustees.

The charity has not met any individual expenses incurred by the trustees for services provided to the charity, during the year.

11 AUDITORS REMUNERATION

	2016	2015
	£	£
Audit Services	3,240	3,240
Accountancy Services	3,838	3,648
Other Services	2,052	1,111
	9,130	7,999

PRESTON BETHANY CARE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)

12 TAXATION

The charity is exempt from tax on its charitable activities.

13 COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital. The liability of members in the event of a winding up is limited to £10 per member.