

Charity Registration No. 1140242

Company Registration No. 07394756 (England and Wales)

**Preston Bethany Care**  
**Annual Report and Financial Statements**  
**For the Year Ended**  
**31 March 2017**

TUESDAY



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14/11/2017

COMPANIES HOUSE

#7



**Montpelier**

Audit Limited  
Registered Auditor

# **PRESTON BETHANY CARE**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Operating name</b>	Bethany House
<b>Trustees</b>	Ms J Kay (Chairperson) Mr A Wright Mr S Henderson (Treasurer) Dr P Johns Mr P Billsborough (Secretary) Miss M Hargreaves Mr E Holland
<b>Home manager</b>	Mrs G Whitfield
<b>Charity number</b>	1140242
<b>Company number</b>	07394756
<b>Registered office and operation address</b>	Bethany House Gamull Lane Preston Lancashire PR2 6TQ
<b>Auditor</b>	Montpelier Audit Limited Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD
<b>Bankers</b>	Kingdom Bank Ruddington Fields Business Park Mere Way Ruddington Nottingham NG11 6JS  Cumberland Building Society 90 Fishergate Preston PR1 2NJ

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## **PRESTON BETHANY CARE**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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

Virgin Money  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

HSBC Bank Plc  
49a Fishergate  
Preston  
Lancashire  
PR1 8BQ

#### **Solicitors**

Napthens Solicitors  
7 Winckley Square  
Preston  
Lancashire  
PR1 3JD

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# **PRESTON BETHANY CARE**

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# **PRESTON BETHANY CARE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum 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**

Preston Bethany Care operates Bethany House. 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.

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.

## **PRESTON BETHANY CARE**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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#### **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 Bethany House.

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.

#### **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 requirements for registration with the Care Quality Commission and appropriate supplementary regulations.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **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.

## **PRESTON BETHANY CARE**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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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.

#### **Operational Performance of Bethany House**

Bethany House 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, bringing with them much variety. The home is managed by a general manager together with newly appointed care managers and administrative support.

#### **Developments**

Year on year, financial stability has enabled PBC to continually upgrade the existing accommodation and to generally improve the environment of the Bethany House.

#### **Achievements and performance**

PBC achieved its 2016/17 objectives of:

Commencing work to establish a new web site.

The trustees have visited various Churches and have established contacts with potential new trustees.

The physical environment of Bethany House has been improved and maintained.

The objectives were achieved by maintaining the high level of occupancy, thus maintaining the income stream.

#### **Financial review**

The accompanying audited accounts show net income for the year of £77,544. 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 £300,335. The free reserves are £590,525.

The need to obtain reasonable levels of reserves is considered important in the opinion of the board, not only in case of a significant drop in funding but also for potential future plans for the next phase of the charity's 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.

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.

# **PRESTON BETHANY CARE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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### **Risk Review**

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 March 2017. The inspector was satisfied with the improvements which had been made since the last inspection. The home was awarded the rating of "GOOD" in all 5 key lines of enquiry, resulting in an overall rating of "GOOD".

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 March 2017. It also achieved ISO 9001 certification in January 2017. This certification lasts for three years. These items identify some measure of the quality of the home.

**Loss of computer held data** - computer data is backed up constantly using the Carbonite online backup service. This encrypted cloud storage allows password protected access to files from any browser, enabling them to be recovered.

**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. Everyone strives to ensure that the best care possible is delivered.

**Maintaining a stable team** - the charity strives to ensure that it's employees are paid appropriately.

In April 2017 LCC provided a 4.17% increase for funded residents. Private residents fees were increased by 4.5% and top-ups were increased to maintain the fee levels across all residents. These increases provided a basis for the trustees to provide staff wage increases which comply with the increase of the National Living Wage (NLW). At the July 2016 staging date, the charity's employees were auto enrolled in a NEST pension scheme. Trustees continue to monitor the government's proposed increments to the NLW and are budgeting for the increases in pension contributions.

### **Objectives for 2017/18:**

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.

To complete the updated web site.

To continue the awareness campaign within the local community with the twin aims of increasing the diversity of the Christian input to Bethany House, whilst at the same time seeking new trustees to take PBC to the next stage of development.

Continue the improvements to the physical environment of Bethany House.

To develop links with local churches with a view to reaching and supporting the elderly in the community as well as at Bethany House



## **PRESTON BETHANY CARE**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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#### **Strategies to achieve the 2017/18 objectives:**

Appointment of communications and media officer to develop web site.

Approach churches within the Preston area with a view to promote an awareness of Preston Bethany Care and continue the search for new trustees.

The trustees have invited Captain David Thorp from the local Ascension Church and Community Centre in Ribbleson, to lead communion services in Bethany House, and are looking at ways to develop new links with our community.

#### **Structure, governance and management**

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms J Kay (Chairperson)  
Mr A Wright  
Mr S Henderson (Treasurer)  
Dr P Johns  
Mr P Billsborough (Secretary)  
Miss M Hargreaves  
Mr E Holland

#### **Appointment of Trustees**

The existing trustees are approaching charities in the local area to promote an awareness of Preston Bethany Care in the search for new trustees. A short video has been produced explaining the care Preston Bethany Care provides and what it means to be a trustee.

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.

#### **Trustee induction and training**

On appointment new trustees are inducted in the workings of the charity and provided with a directors pack which has 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.

## **PRESTON BETHANY CARE**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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#### **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.

#### **Statement of trustees' responsibilities**

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

Company Law requires the trustees to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

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 accounts may differ from legislation in other jurisdictions.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Montpelier Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

**PRESTON BETHANY CARE**

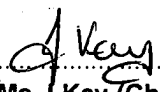
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**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.

  
.....  
**Ms J Kay (Chairperson)**  
**Trustee**  
Dated: 7.11.17.....

# **PRESTON BETHANY CARE**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PRESTON BETHANY CARE**

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We have audited the accounts of Preston Bethany Care for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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), including Financial Reporting Standard 102.

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 and regulations made under that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Preston Bethany Care for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)".

#### **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **PRESTON BETHANY CARE**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PRESTON BETHANY CARE**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

*Montpelier Audit Limited*

**Susan McDonald BSc FCA DChA (Senior Statutory Auditor)  
for and on behalf of Montpelier Audit Limited  
Statutory Auditor  
PRESTON**

Date: *9th November 2017*

## PRESTON BETHANY CARE

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted funds	
		2017	2016
	Notes	£	£
<b><u>Income from:</u></b>			
Donations and legacies	2	1,969	1,677
Charitable activities	3	671,080	638,957
Investments	4	5,165	5,631
<b>Total income</b>		<u>678,214</u>	<u>646,265</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	<u>600,670</u>	<u>566,851</u>
<b>Net income for the year/ Net movement in funds</b>		77,544	79,414
Fund balances at 1 April 2016		<u>978,200</u>	<u>898,786</u>
<b>Fund balances at 31 March 2017</b>		<u><u>1,055,744</u></u>	<u><u>978,200</u></u>

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.

# PRESTON BETHANY CARE

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	9		465,219		462,809
<b>Current assets</b>					
Debtors	10	14,986		11,049	
Cash at bank and in hand		609,622		539,179	
		624,608		550,228	
<b>Creditors: amounts falling due within one year</b>	11	(34,083)		(34,837)	
Net current assets			590,525		515,391
<b>Total assets less current liabilities</b>			1,055,744		978,200
<b>Income funds</b>					
<u>Unrestricted funds - general</u>					
Designated funds	13	465,219		462,809	
General unrestricted funds	13	590,525		515,391	
			1,055,744		978,200
			1,055,744		978,200

The accounts were approved by the Trustees on

7/11/2017

*J. S. Henderson*  
 Mr S Henderson (Treasurer)  
 Trustee

Company Registration No. 07394756

**PRESTON BETHANY CARE**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		91,243		117,358
<b>Investing activities</b>					
Purchase of tangible fixed assets		(25,965)		(21,039)	
Interest received		5,165		5,631	
<b>Net cash used in investing activities</b>			(20,800)		(15,408)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			70,443		101,950
Cash and cash equivalents at beginning of year			539,179		437,229
<b>Cash and cash equivalents at end of year</b>			609,622		539,179



# **PRESTON BETHANY CARE**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies**

#### **Charity information**

Preston Bethany Care is a private company limited by guarantee incorporated in England and Wales. The registered office is Bethany House, Gamull Lane, Preston, Lancashire, PR2 6TQ.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with 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 accounts are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Preston Bethany Care prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has 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 accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. At present there are no restricted funds.

#### **1.4 Income**

Incoming resources from charitable activities comprise resident fees accounted for in the period to which the service is provided. Fees paid for care after 31 March 2017 are carried forward as deferred income.

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

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.

Grants receivable are recognised on a performance basis when all conditions have been fulfilled.

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

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered.

The expenditure on charitable activities includes the costs of running the home, support and governance costs which have been allocated to the only charitable activity which is the provision of care to residents of Bethany House.

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.

#### 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.

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 decor 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 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:

Leasehold land and buildings	Over the life of the lease
Plant and equipment	15% Straight Line
Fixtures and fittings	20% Reducing Balance
Computers	33.3% Straight Line
Furniture and equipment	20% 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 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).

#### 1.8 Cash at bank

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.

#### 1.9 Financial instruments

The charity only has financial assets (debtors, cash and bank balances) and liabilities (creditors and accruals) of a kind that qualify as basic financial instruments. They are initially recognized at transaction value and subsequently measured at their settlement value.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.11 Retirement benefits

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions are charged as an expense as they fall due.

#### 1.12 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.

### 2 Donations and legacies

	2017	2016
	£	£
Donations and gifts	469	1,677
Government apprenticeship grant	1,500	-
	<u>1,969</u>	<u>1,677</u>

### 3 Charitable activities

	2017	2016
	£	£
Residential fees	<u>671,080</u>	<u>638,957</u>

### 4 Investments

	2017	2016
	£	£
Interest receivable	<u>5,165</u>	<u>5,631</u>

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 5 Charitable activities

	2017 £	2016 £
Staff costs	431,762	417,091
Depreciation and impairment	23,555	21,468
Food & consumables	52,247	47,199
Heat & light	16,004	16,813
Rates	10,106	9,588
Rest home insurance	4,022	3,621
Registration & other fees	4,686	4,237
Telephone	1,264	1,178
Printing, postage, stationery & advertising	4,755	2,007
Repairs & renewals	25,457	13,839
Motor expenses	288	556
Miscellaneous	2,676	3,430
Gardening	2,494	2,406
Clinical waste	3,893	4,176
Quality assurance costs	5,901	3,734
Training	1,773	4,575
Bank charges	32	32
Governance costs:		
Accountancy	6,046	5,890
Audit	3,240	3,240
Legal and professional	-	1,298
Trustee insurance	469	473
	<u>600,670</u>	<u>566,851</u>

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Insurance premiums during the year amounting to £469 (2016: £473) 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 by the charity during the year.

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2017 £	2016 £
Audit services	3,240	3,240
Accountancy services	3,896	3,838
Other services including payroll	2,150	2,052
	<u>9,286</u>	<u>9,130</u>

### 8 Employees

#### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Management and administration	2	3
Catering	4	6
Care assistants/nurses	27	26
	<u>33</u>	<u>35</u>

#### Employment costs

	2017 £	2016 £
Wages and salaries	429,787	415,145
Other pension costs	1,975	1,946
	<u>431,762</u>	<u>417,091</u>

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

**PRESTON BETHANY CARE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**9 Tangible fixed assets**

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Furniture and equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2016	521,692	82,720	144,587	15,364	4,270	768,633
Additions	-	14,903	6,916	4,146	-	25,965
Disposals	-	-	(2,624)	(240)	-	(2,864)
At 31 March 2017	521,692	97,623	148,879	19,270	4,270	791,734
<b>Depreciation and impairment</b>						
At 1 April 2016	106,998	69,915	112,162	13,074	3,675	305,824
Depreciation charged in the year	5,604	6,007	7,752	3,592	119	23,074
Eliminated in respect of disposals	-	-	(2,143)	(240)	-	(2,383)
At 31 March 2017	112,602	75,922	117,771	16,426	3,794	326,515
<b>Carrying amount</b>						
At 31 March 2017	409,090	21,701	31,108	2,844	476	465,219
At 31 March 2016	414,694	12,805	32,425	2,290	595	462,809

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 10 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	12,422	9,263
Other debtors	928	240
Prepayments and accrued income	1,636	1,546
	<u>14,986</u>	<u>11,049</u>

### 11 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	4,445	4,256
Accruals and deferred income	29,638	30,581
	<u>34,083</u>	<u>34,837</u>

### 12 Deferred income

	2017 £	2016 £
Residents Fees Received In Advance	<u>14,142</u>	<u>15,368</u>

### 13 Unrestricted funds

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
General reserves	515,391	678,214	(577,115)	(25,965)	590,525
Designated reserves:					
Property asset fund at cost	<u>462,809</u>	<u>-</u>	<u>(23,555)</u>	<u>25,965</u>	<u>465,219</u>
	<u>978,200</u>	<u>678,214</u>	<u>(600,670)</u>	<u>-</u>	<u>1,055,744</u>

The general reserve 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 of the charity.

The transfer from the free reserves arises when funds are spent on fixed assets.

The resources expended represents the annual depreciation charge and the disposal of the fixed assets.

# PRESTON BETHANY CARE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 14 Analysis of net assets between funds

	General reserves £	Designated reserves £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	-	465,219	465,219
Current assets/(liabilities)	590,525	-	590,525
	<u>590,525</u>	<u>465,219</u>	<u>1,055,744</u>

	General reserves £	Designated reserves £	Total £
Fund balances at 31 March 2016 are represented by:			
Tangible assets	-	462,809	462,809
Current assets/(liabilities)	515,391	-	515,391
	<u>515,391</u>	<u>462,809</u>	<u>978,200</u>

#### 15 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>37,655</u>	<u>36,968</u>

#### 16 Taxation

The charity is exempt from tax on its charitable activities.

#### 17 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.



**PRESTON BETHANY CARE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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<b>18</b>	<b>Cash generated from operations</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	77,544	79,414
	Adjustments for:		
	Investment income recognised in statement of financial activities	(5,165)	(5,631)
	Depreciation and impairment of tangible fixed assets	23,555	21,468
	Movements in working capital:		
	(Increase)/decrease in debtors	(3,937)	15,173
	(Decrease)/increase in creditors	(754)	6,934
	<b>Cash generated from operations</b>	<b>91,243</b>	<b>117,358</b>

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