

Charity registration number 1006024

Company registration number 0209389 (England and Wales)

DELPHSIDE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

DELPHSIDE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M J Albion L Barlow W H Devling Dr B J Finlayson P Harrison C A McNamara V B Welsh
Senior Management Team	P Jones - Registered Manager M McCabe - Clinical Manager J Dunn - Finance Manager
Secretary	P Jones
Charity number	1006024
Company number	0209389
Registered office	Avondale Mental Health Centre 11 Sandstone Drive Whiston Prescot Merseyside L35 7LS
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP
Bankers	Bank of Scotland Community Banking St Andrews Square Edinburgh Midlothian EH2 2YR

DELPHSIDE LIMITED

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DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 governing document, 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)" (effective 1 January 2019).

Objectives and activities

This company objectives are to relieve mentally ill or infirm persons by the provision of accommodation and other assistance in order that they might be rehabilitated and resettled in the community. The company aims to achieve these objectives by tailored activities and support.

Strategies for achieving stated aims and objectives

- To acquire suitable freehold or leasehold premises for the establishment of a home for the beneficiaries
- To maintain, equip, improve carry on and administer such a home for the care of the beneficiaries
- To employ staff to attend, train, and educate the beneficiaries (residents), and to accept help, assistance and services from such other persons as the charity may deem capable of furthering the objects of the charity
- To make all reasonable provisions for the payment of wages, salaries and pensions of employees of the charity
- To undertake any charitable trust that may lawfully be undertaken to further the objectives of the charity
- To appoint Trustees to act in the interests of the charity for the safety of any property given or held upon trust for charitable purposes.

Criteria or measures used to assess success in the reporting period

- Review the records of the care provided to the residents both in relation to personal records and also in relation to the maintenance and equipment of the home.
- Determine the records of the numbers of staff employed together with their responsibilities and make reference in the individual care records of the residents to demonstrate the achievement of the company objectives.
- Maintain payroll records and details of job descriptions and contracts of employment issued to the staff.
- Access the regular information bulletins issued by the Charity Commission and check that company procedures follow any advice issued.
- Ensure that the number of Trustees during the review period never falls below 3.

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

DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Significant activities undertaken and how they contribute to the achievement of the charity's aims and objectives

- Close attention to the Care Quality Commission (CQC) essential standards for nursing and care homes. This ensures the continuance of the home.
- Holding regular discussions with approved social workers (ASW) and commissioning teams, concerning the needs of the residents. This ensures the home is fit for purpose and able to meet needs.
- Listening to the residents and their families to ensure they are happy with the care provided. This ensures good feedback to the staff providing care for the residents, enhanced by formal feedback requests.
- Discussions with the local authority/health representatives (commissioners) over the levels of financial support they will make for the residents within the home. Understanding of the finances helps the continuance of the home.
- Maintaining good relationships with external professional partners such as hospital, GP doctors, Care Home Liaison and Urgent care teams, district nurses etc. when residents require medical attention and support. Resident's confidence in their care is thus maintained, and the services objective to help those residents in their care achieved.
- Secure and ensure Grant monies available for the control of Infection are utilised and allocated as per set criteria and that these are for the express use in providing a safe environment and supporting the wellbeing of residents and staff at the service.

Achievements and performance

Delphside Ltd (operating as Avondale Mental Healthcare Centre) continues to provide care and accommodation for persons with longer term mental health problems. Delphside Limited works closely with Clinical Commissioning Groups (CCG's) and local authorities (MBC) to identify individuals who would benefit from a period of residence at the home. Where possible the objective is to subsequently re-integrate such persons back into their local community.

Delphside Limited Registered with C.Q.C. under the Health and Social Care Act 2008 (Regulated Activity) Regulations 2010 and subsequent Health Care Act 2022. Delphside Limited continued to provide activities and services for persons identified as suitable for placement at Avondale during 2021/22. Central to that activity is the provision of accommodation for persons who require nursing or personal care, the treatment of disease, disorder or injury.

That service was delivered in accordance with the essential standards demanded by C.Q.C. and was overseen by Miss Paula Jones as the Registered Manager and Mr William Devling as Nominated Individual, and subsequently following his retirement from the role, By Mrs Margaret Janet Albion.

During the review period the company was registered with the CQC for the provision of 54 places within the home. Places are filled as a result of requests ASW make upon the home manager to assess the suitability of people for placement. Should the assessment indicate a likely positive outcome, a place is offered. The costs of the placement are determined by the assistance likely to be needed.

Fee rates in relation to the main commissioning authority's funding were uplifted by a small percentage for standard rates and the service continued to provide suitable care and services to its charges.

Ongoing redecoration and planned maintenance at the service was held up in relation to amendments to external ramps, fire exits with planned work timescales and orders postponed due to Covid -19 restrictions.

DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

The service continued to hold the highest rating of Outstanding following CQC inspection in January 2022 which was a focused inspection surrounding safety and specifically Infection Control and Prevention/ Covid -19. This saw the service remaining as one of only three such service providers on Merseyside holding the Outstanding rating and the only service in Knowsley in Mental Health care to achieve this. This means the service remains in a favourable position re future endeavours.

The Covid-19 Pandemic continued to impact on the way in which processes were applied at the service with changes to working routines and difficulties surrounding accessing support from external professionals, recruitment and the stressors placed on staffing to manage changed routines, safety measures etc. Emergency contingency planning and business continuity planning helped minimise impact on service delivery and the finances of the service were supported by Adult Social Care Infection Control grant monies. Overall the service in the financial year 2021/22, with robust management and support from had another strong year and was able to achieve an excellent outcome in relation to its positive financial position.

Financial review

The financial results for the year are shown in the Statement of Financial Activities. Income for the year has increased by £207,543 to £2,343,476 from £2,135,933. Expenditure has increased by £147,396 to £2,200,476 from £2,053,239. This includes £93,471 of restricted income which has been fully expended in the year. The net surplus generated in the year was £142,841 in comparison to £82,694 in 2021.

This as resulted in total funds carried forward at 31 March 2022 of £968,197 in comparison to £825,356 at 31 March 2021. All funds carried forward are unrestricted.

The charity does have a restricted asset of £1,100,000 at 31 March 2022, in respect of the property, however an associated loan of the same amount is also held.

Reserves policy

The Council of Management maintains a reserve fund. Historically the level has been between two and four months' expenditure costs for Avondale Mental Healthcare Centre. The Council have found a reserve to be necessary to cover the effects of fluctuating levels of occupancy rates and necessary expenditure as the building ages. This is to be reviewed with a view to uplift to a reserve that will cover six month period due to changes brought about by Pandemic, National living wage and NI, which are likely to be ongoing.

The freely available reserves of the Charity increased by £136,696 and totalled £601,483 (2021 - £464,787).

The charity's principal funding comes from the following:

- Halton and St Helens Clinical Commissioning Group
- Knowsley Clinical Commissioning Group
- St Helens MBC
- Knowsley MBC
- Warrington MBC
- Liverpool MBC
- Hertfordshire MBC

Investment policy and objectives

Delphside has the power under its Memorandum and Articles to make any investment that its Council of Management sees fit. Funds are invested in cash based deposits to produce reasonable income and/or capital gain over time.

DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

Trustees take heed of the Charity Commission advice on the prevention of fraud by employees. Fidelity guarantee insurance is in place, as are internal checks and controls.

Trustees look towards how Government funding policies impact on local authorities and NHS Trusts. This leads to constant economies being made by both the charitable and private sectors as monies for placements in care homes is reduced. Trustees have seen a change in the needs of individuals being put forward for assessment. At the same time standard facilities within homes are increasing.

CQC and commissioners have amended visiting and inspecting processes in light of the Pandemic and the service remains proactive in seeking to ensure it is aware of those changes and the requirements it places on services in particular in relation to meeting the criteria for Safe and Well Led. This meaning any expectations being asked of the service in relation to standards in that area will be met by the service, whilst other care homes unable to meet the new requirements will fail. As a service Avondale has looked consistently at meeting all standards and exceed these when possible to ensure the service remains the "go to" service for the provision of mental health care in the community setting. The award of Outstanding rating from CQC evidences the services work in maintaining and exceeding those standards, which along with ongoing referrals for complex mental health placements at the service evidence the service holds a strong position as a Provider of mental health nursing care.

Links with Commissioners and in particular Commissioners in the Knowsley area who have been the responsible Commissioning body for the service throughout have remained good.

The service remains fixed of its position that clarity on service terms regarding fees, contractual obligations and the rights of the service to set those at reasonable rates is a must. That being necessary to allow suitable service provision, whilst maintaining financial viability and help secure future service market position.

The service continues in is collaborative working with Health Education England, Cheshire and Merseyside Workforce resilience team, Enhanced Health for Care homes and is looking to expand its collaborative working in future, for the benefit of the service.

Structure, governance and management

Governing document and constitution

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company has no share capital, being a company limited by guarantee under clause 6 of its Memorandum of Association, with each member agreeing to contribute £1 in the event of it being wound up. The number of members registered at 31 March 2022 was 7.

Council of management

The company may at any time appoint a member of the Council of Management; there is no maximum limit on the number of members but there should be a minimum of three. At the Annual General Meeting one third of the members are eligible for re-election. The following served as trustees and directors of the charitable company during the year:

M J Albion
L Barlow
W H Devling
Dr B J Finlayson
P Harrison
C A McNamara
V B Welsh
Dr John Ashcroft

(Retired 4 February 2022)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Organisational structure

In accordance with the Memorandum and Articles of Association, the Council of Management governs the Charity. The Council meets at least bi-monthly to consider reports from the officers of the charitable company. Agenda and supporting documentation are sent to the Council at least 7 days prior to the meeting.

Induction and training of new trustees

New Trustees are inducted and appointed following due diligence in relation to Fit and Proper Persons requirements as per HMRC, Charity Commission and CQC guidance.

In order to ensure good financial governance of the Charity, annually the Trustees require the General Manager to produce a financial plan for the coming 12 months. This plan contains a budget of revenue expenditure and income. Also the General Manager produces a requirement for capital expenditure. This is considered alongside the existing cash position. The financial plan is the principle document that the Trustees rely upon during the year. They receive monthly management accounts on an income and expenditure basis, and also a monthly cash analysis.

Trustees task the General Manager to produce a business plan. This is a document that is extensively reviewed by the Trustees every two years. Between these dates it is updated by the General Manager. It covers the risks within the insurance policy for loss of income following extensive physical damage to the home. It also explains what contingency provision is made to safeguard the existing beneficiaries should the home cease to operate due to a failure of any of the operational systems due to any cause.

Business continuity plan for the service is also produced and updated annually or when influencing factors, such as Covid direct changes.

Regulatory risk is managed by the home meeting essential care standards as required by the Care Quality Commission (CQC).

Arrangements for setting the pay and remuneration of key management personnel.

Trustees have established a Remuneration Committee. This is guided by the Chair. The Committee meets annually and considers salaries for key managers against what is known in the local area. Additionally, there is a performance related pay scheme (PRP) in operation. Trustees determine the total amount to be distributed. Distribution is against set objectives. All employees are eligible to be considered against the set criteria for the award of PRP.

Charitable status

The company was appointed and registered as a charity by the Charity Commissioners for all purposes on 15th November 1991 (Certificate No. 1006024).

Patient's money

At 31 March 2022, the company held funds amounting to £42,628 (2021: £25,992) on behalf of the patients of Avondale Mental Healthcare Centre.

DELPHSIDE LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of trustee's responsibilities

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Xeinadin Audit Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

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 trustee's report was approved by the Board of Trustees.

M.P. *M J Albion (Trustee)* *L Barton (Trustee)*

M J Albion
Trustee

25 November 2022

DELPHSIDE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELPHSIDE LIMITED

Opinion

We have audited the financial statements of Delphside Limited (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2022 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.

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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustee's report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustee's report has been prepared in accordance with applicable legal requirements.

DELPHSIDE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DELPHSIDE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustee's 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 trustee's report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustee's 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the company.

The audit procedures undertaken to address any potential risk in relating to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the company complies with relevant laws, regulations and any cases actual or potential litigation or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DELPHSIDE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DELPHSIDE LIMITED

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 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 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.

**Michael Caputo FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited**

25 November 2022

**Chartered Accountants
Statutory Auditor**

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

DELPHSIDE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	2,519	-	2,519	9,848	-	9,848
Charitable activities	4	2,247,060	93,471	2,340,531	1,978,940	147,082	2,126,022
Investments	5	41	-	41	55	-	55
Other income	6	385	-	385	8	-	8
Total income		<u>2,250,005</u>	<u>93,471</u>	<u>2,343,476</u>	<u>1,988,851</u>	<u>147,082</u>	<u>2,135,933</u>
<u>Expenditure on:</u>							
Charitable activities	7	2,107,164	93,471	2,200,635	1,906,157	147,082	2,053,239
Net income for the year/ Net movement in funds		142,841	-	142,841	82,694	-	82,694
Fund balances at 1 April 2021		<u>825,356</u>	<u>-</u>	<u>825,356</u>	<u>742,662</u>	<u>-</u>	<u>742,662</u>
Fund balances at 31 March 2022		<u><u>968,197</u></u>	<u><u>-</u></u>	<u><u>968,197</u></u>	<u><u>825,356</u></u>	<u><u>-</u></u>	<u><u>825,356</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.

DELPHSIDE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,466,714		1,460,569
Current assets					
Debtors	12	83,054		121,013	
Cash at bank and in hand		683,331		484,652	
		<u>766,385</u>		<u>605,665</u>	
Creditors: amounts falling due within one year	13	<u>(164,902)</u>		<u>(140,878)</u>	
Net current assets			601,483		464,787
Total assets less current liabilities			2,068,197		1,925,356
Creditors: amounts falling due after more than one year	14		(1,100,000)		(1,100,000)
Net assets			<u>968,197</u>		<u>825,356</u>
Income funds					
Unrestricted funds			968,197		825,356
			<u>968,197</u>		<u>825,356</u>

The financial statements were approved by the Trustees on 25 November 2022

PP *M J Albion (Trustee)* *H Barlow (Trustee)*

M J Albion
Trustee

Company registration number 0209389

DELPHSIDE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		238,095		126,308
Investing activities					
Purchase of tangible fixed assets		(39,457)		(32,417)	
Investment income received		41		55	
Net cash used in investing activities			(39,416)		(32,362)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			198,679		93,946
Cash and cash equivalents at beginning of year			484,652		390,706
Cash and cash equivalents at end of year			<u>683,331</u>		<u>484,652</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Delphside Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Avondale Mental Health Centre, 11 Sandstone Drive, Whiston, Prescot, Merseyside, L35 7LS.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). 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. The principal accounting policies adopted are set out below.

Delphside Limited is a registered charity in England. In the event of the charity being wound up, the liability in the respect of guarantee is limited to £1 per member of the charity. The address of the registered office is given in the report to the trustees. The nature of charity's operations and principle activities is to relieve mentally ill or infirm persons by the provision of accommodation and other assistance in order that they might be rehabilitated and resettled in the community at large

1.2 Going concern

At the time of approving the financial statements, 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 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 Income

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.

The building from which the company operates were initially furnished by St Helens & Knowsley Health Authority. All gifts in kind are not shown in the financial statements due to the difficulty in quantifying them.

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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	In accordance with the property
Fixtures and fittings	7 year straight line
Computers	3 year straight line
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 the statement of financial activities.

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 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.

1.9 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.

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.10 Taxation

As a registered charity, the company is not liable to corporation tax on its income, therefore no liability arose on any ordinary activities for the years ended 31 March 2022 nor 31 March 2021.

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.

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.

Determining useful economic lives of plant and equipment

The Charity depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	2,519	9,848

4 Charitable activities

	Relief of suffering	Relief of suffering
	2022	2021
	£	£
Department of Social Security	18,316	33,027
St Helens MBC	1,042,806	865,871
Knowsley MBC	811,792	894,384
Clinical Commissioning Groups	304,872	183,125
Warrington CC	67,600	62,400
Hertfordshire Trust	50,005	47,934
Liverpool CC	45,140	39,281
	<u>2,340,531</u>	<u>2,126,022</u>
Analysis by fund		
Unrestricted funds	2,247,060	1,978,940
Restricted funds	93,471	147,082
	<u>2,340,531</u>	<u>2,126,022</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	41	55

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Sundry income	385	8

7 Charitable activities

	Relief of suffering 2022	Relief of suffering 2021
	£	£
Staff costs	1,573,421	1,437,726
Depreciation and impairment	29,364	26,029
Hire of equipment	25,016	24,759
Rates and water	15,545	15,338
Insurance	24,065	21,840
Light and heat	46,512	52,929
Telephone, printing, stationery and postage	16,719	16,900
Waste disposal	25,428	21,892
Staff sundries	13,779	9,776
Sundry expenses	6,045	7,996
Catering provisions and consumables	122,223	104,755
Residents' welfare	24,583	19,787
Housekeeping and nursing consumables	39,432	48,348
Computer and software costs	39,409	41,247
Legal and professional fees	12,025	16,209
Repairs, renewals and gardening	58,772	54,918
Other charitable expenditure	-	6,515
	<u>2,072,338</u>	<u>1,926,964</u>
Share of support costs (see note 8)	119,447	115,985
Share of governance costs (see note 8)	8,850	10,290
	<u>2,200,635</u>	<u>2,053,239</u>
Analysis by fund		
Unrestricted funds	2,107,164	1,906,157
Restricted funds	93,471	147,082
	<u>2,200,635</u>	<u>2,053,239</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	97,004	-	97,004	92,092	-	92,092
Depreciation	3,947	-	3,947	3,499	-	3,499
Hire of equipment	1,539	-	1,539	1,523	-	1,523
Rates and water	957	-	957	944	-	944
Insurance	1,481	-	1,481	1,344	-	1,344
Light and heat	2,863	-	2,863	3,258	-	3,258
Telephone, printing, stationery and postage	426	-	426	1,039	-	1,039
Management fees	2,400	-	2,400	4,800	-	4,800
Sundry expenses	1,146	-	1,146	579	-	579
Computer and software costs	2,221	-	2,221	2,325	-	2,325
Repairs and renewals	3,266	-	3,266	3,052	-	3,052
Legal and professional	2,197	-	2,197	1,530	-	1,530
Audit fees	-	8,850	8,850	-	10,290	10,290
	<u>119,447</u>	<u>8,850</u>	<u>128,297</u>	<u>115,985</u>	<u>10,290</u>	<u>126,275</u>
Analysed between Charitable activities	<u>119,447</u>	<u>8,850</u>	<u>128,297</u>	<u>115,985</u>	<u>10,290</u>	<u>126,275</u>

9 Trustees

Transactions with trustees have been disclosed in note 20.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Management and administration	5	5
Nursing and rehabilitation	32	32
Domestic, laundry, porters and drivers	15	15
Catering	5	5
Bank	13	12
Total	<u>70</u>	<u>69</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees	(Continued)	
Employment costs	2022	2021
	£	£
Wages and salaries	1,514,305	1,391,104
Social security costs	114,966	100,178
Other pension costs	41,154	38,536
	<u>1,670,425</u>	<u>1,529,818</u>

Wage costs include £20,000 (2021: £nil) in relation to termination payments.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	Number	Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

11 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	1,696,617	275,060	24,192	22,750	2,018,619
Additions	-	39,457	-	-	39,457
At 31 March 2022	<u>1,696,617</u>	<u>314,517</u>	<u>24,192</u>	<u>22,750</u>	<u>2,058,076</u>
Depreciation and impairment					
At 1 April 2021	285,019	231,727	18,554	22,750	558,050
Depreciation charged in the year	16,336	14,590	2,386	-	33,312
At 31 March 2022	<u>301,355</u>	<u>246,317</u>	<u>20,940</u>	<u>22,750</u>	<u>591,362</u>
Carrying amount					
At 31 March 2022	<u>1,395,262</u>	<u>68,200</u>	<u>3,252</u>	<u>-</u>	<u>1,466,714</u>
At 31 March 2021	<u>1,411,598</u>	<u>43,333</u>	<u>5,638</u>	<u>-</u>	<u>1,460,569</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

(Continued)

The charity does not intend to sell its freehold property in the foreseeable future, particularly as the trustees have ambitious plans to expand the provision of its charitable activities which would involve keeping the property in question and incurring further capital investment in improving it.

The charity purchased the property in April 1999 with the aid of a loan from Knowsley Primary Care Trust (formerly St Helens and Knowsley Health Authority) of £1,100,000 secured by a legal charge and the primary care trust was granted a right of pre-emption exercisable until April 2020. Therefore, the charity, if it so wishes, may now sell the property to a third party without the constraint of pre-emption agreement.

The terms of the legal charge, however remain valid and provide that on any sale of property by the charity the sale price has to be agreed with the Primary Care Trust and the sale price is payable to the Primary Care Trust less the amount of any reasonable sums which shall be proved to the Primary Care Trusts reasonable satisfaction to have been expended by the charity out of its own funds in effecting structural additions or improvements to the property.

Therefore, in the event that the property is ever sold by the charity, it stands to benefit by up to a maximum of the expenditure it has incurred in effecting any structural additions or improvements to the property up to the date of sale.

Any potential economic benefit to be derived by the charity in the future depends entirely on the property being sold. The value of the property is considered to be in excess of its initial cost to the charity, however the charity does follow a policy of revaluation.

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	58,692	52,599
Prepayments and accrued income	24,362	68,414
	<u>83,054</u>	<u>121,013</u>

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	42,393	40,710
Trade creditors	24,374	38,505
Other creditors	51,385	35,791
Accruals and deferred income	46,750	25,872
	<u>164,902</u>	<u>140,878</u>

Included in other creditors is the amounts owing at 31 March 2022 in respect of defined pension contributions which were £8,757 (2021: £9,067).

14 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Borrowings	<u>1,100,000</u>	<u>1,100,000</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Loans and overdrafts

	2022 £	2021 £
Other loans	1,100,000	1,100,000
Payable after one year	1,100,000	1,100,000

The NHS Property Services Limited loan (formerly Knowsley Primary Care Trust loan) is secured on the land and buildings at 11 Sandstone Drive, Prescot.

Further information can be found in note .

16 Restricted funds

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			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
COVID-19 Rapid Response	147,082	(147,082)	-	32,612	(32,612)	-
ASC Infection Control	-	-	-	41,817	(41,817)	-
Workforce recruitment & retention	-	-	-	19,040	(19,040)	-
	<u>147,082</u>	<u>(147,082)</u>	<u>-</u>	<u>93,469</u>	<u>(93,469)</u>	<u>-</u>

Property Fund

Following changes in legislation in prior years, St Helens & Knowsley Health Authority were required to dispose of Avondale Nursing Home.

It was agreed that Delphside Limited purchase the home from the Health Authority for £1,100,000. The purchase was funded by a 100% mortgage from St Helens and Knowsley Health Authority. Repayments of either capital or interest will not be required so long as the home is used for its current designated purpose.

This has been treated as a restricted fund, details of which are shown in the balance sheet on page 12.

The company was required to enter into a pre-emptive agreement with St Helens & Knowsley Health Authority to enable the Authority to repurchase the home, for a sum equal to the purchase price paid by the company, in the event of any future disposal. It is on the basis that the directors have decided not to charge depreciation on the freehold land and buildings.

The £1,100,000 mortgage, shown as a long term liability in note 15 above has not been discounted in the financial statements.

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Restricted funds

(Continued)

COVID-19 Rapid Response

During the year the charity received grant monies from Knowsley MBC as financial support to cover specific additional costs arising as a result of the Covid-19 pandemic and infection control.

ASC Infection Control

During the year the charity received grant monies from Knowsley MBC to support adult social care providers to reduce the rate of COVID-19 transmission in and between care homes.

Workforce Recruitment & Retention

During the year the charity received grant monies from Knowsley MBC to distribute to front line health care workers for their service in the the COVID-19 pandemic.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	366,714	1,100,000	1,466,714	360,569	1,100,000	1,460,569
Current assets/(liabilities)	601,483	-	601,483	464,787	-	464,787
Long term liabilities	-	(1,100,000)	(1,100,000)	-	(1,100,000)	(1,100,000)
	<u>968,197</u>	<u>-</u>	<u>968,197</u>	<u>825,356</u>	<u>-</u>	<u>825,356</u>

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 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:

	2022 £	2021 £
Within one year	16,491	23,906
Between two and five years	46,284	75,511
In over five years	-	6,017
	<u>62,775</u>	<u>105,434</u>

The operating leases represent leases of equipment to third parties. The leases are negotiated over terms of 3-5 years and rentals. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

19 Capital commitments

	2022 £	2021 £
At 31 March 2022 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>69,701</u>	<u>-</u>

20 Related party transactions

Remuneration of key management personnel

The Trustees consider the key management personnel to be comprised of; the Trustees, Registered Manager, Finance Manager, Service Coordinator and the Clinical Manager. The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>248,088</u>	<u>173,301</u>

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Victor Welsh is a trustee of the charity and is also a partner in the firm Victor Welsh, Solicitors and Notary Public. During the year this firm invoiced the charity £2,837 (2021: £16,844) for legal services provided. At the yearend a balance of £nil (2021: £nil) was owing to this firm.

During the year William Devling, a trustee of the charity, invoiced the charity £2,400 (2021: £4,800) for management services provided. At the yearend a balance of £nil (2021: £2,400) was owing to him.

There were no other transactions with any other Trustees.

DELPHSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21	Cash generated from operations		2022	2021
			£	£
	Surplus for the year		142,841	82,694
	Adjustments for:			
	Investment income recognised in statement of financial activities		(41)	(55)
	Depreciation and impairment of tangible fixed assets		33,311	29,528
	Movements in working capital:			
	Decrease/(increase) in debtors		37,959	(9,225)
	Increase in creditors		24,025	23,366
	Cash generated from operations		238,095	126,308
22	Analysis of changes in net (debt)/funds			
		At 1 April 2021	Cash flows	At 31 March 2022
		£	£	£
	Cash at bank and in hand	484,652	198,679	683,331
	Loans falling due after more than one year	(1,100,000)	-	(1,100,000)
		<u>(615,348)</u>	<u>198,679</u>	<u>(416,669)</u>

