

Charity registration number 515591

Company registration number 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Heseltine	Vice Chair
	Mr S Heywood	Trustee: Brookfield Homecare
	Mr R Holmes	
	Mr A Mitchell	
	Mr R Oakden	
	Mr J Southworth	Chair
	Mr M Sutton	
Mr P Wilcox	Trustee: Brookfield Homecare	

Secretary Mr S Heywood

General manager Miss G Beesley

Charity number 515591

Company number 01844549

Registered office
Southworth House
35 Birkenhead Road
Hoylake
Wirral
Merseyside
CH47 5AQ

Auditor
Xeinadin Audit Limited
2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

Bankers
National Westminster
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CH48 4LG

Royal Bank of Scotland
1 Exchange Flags
Liverpool
L2 3XN

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

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Brabners LLP
Horton House
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HOYLAKE COTTAGE

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HOYLAKE COTTAGE

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

The trustees present their 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 Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

OBJECTIVES AND ACTIVITIES

Purpose and aims

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

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

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

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 80% of the Trust's activity.

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

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

Brookfield Homecare Limited provides domiciliary care services to approximately 80 local residents, providing some 500 hours of care each week, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and to maintain competitive salary levels for our staff. It is unfortunate that fees offered by public sector healthcare service commissioners do not always match these increases in expenses.

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

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

The next phase of development of the Dementia Village in the Day Centre was, unfortunately, delayed by the pandemic. Once the day centre was able to re-open, attendances have remained rather lower than in pre-pandemic years and, for the time being, further development is on hold.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

Continuation of the Coronavirus epidemic during 2021 again severely affected the Trust. Occupancy at the nursing home started the year at an historically low 37 residents. With repeated temporary closures due to infection amongst either residents or staff, the average occupancy during the year was only 75% compared to our long-term rate of 95%. Shortages of staff led to high fees to staffing agencies. Competition for healthcare staff, particularly from the NHS and a general shortage meant recruitment was rarely successful and thus, continuing dependence on high cost agency staff. As a result, the Trust incurred a deficit of £422,000 which included depreciation on the land and buildings of £77,000. The subsidiary, Brookfield Homecare, contributed a surplus of £19,000.

Inevitably, that meant deficits arising every month, although reducing in the early part of 2022. With the investment portfolio having been sold to provide cash to support the business in February 2021, it was necessary to request our bank for support in the form of a Coronavirus Business Interruption Loan of £450,000, which was granted. The terms of the loan were such that repayments were deferred for 1 year and no interest was charged for the first year.

With slowly increasing occupancy from the third quarter and a rising contribution from the Day Centre which fully re-opened in June and supported by Government grants, performance gradually improved. Whilst the grants helped, they funded expenditure which we would not otherwise have incurred such as substantial quantities of PPE and salary payments to staff self-isolating.

We owe a debt of gratitude to all of our staff for the way in which they have cared for our residents and supported their relatives in such difficult circumstances as we coped with all of the changes and requirements imposed upon us, which sometimes were demanding and confusing. Their dedication and support is very much appreciated by us all.

FINANCIAL REVIEW

Hoylake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Although restrictions due to the Coronavirus pandemic continued during the year the effect on Brookfield Homecare was less than at Hoylake Cottage. The main problem was shortage of staff which meant that fewer services could be offered to clients although our office staff were able to provide support with client visits. Grants from Local Government covered additional expenses on PPE and cleaning materials and allowed us to pay staff full salary whilst self-isolating or after infection with Covid.

A surplus of £18,000 was achieved as well as a donation given to Hoylake Cottage to help manage their expenses.

Fundraising and other non-charitable activity income

Donations were much reduced at £5,287 but we were fortunate to benefit from legacies of £15,000. Investment income was much reduced and the remainder of the investment portfolio was sold in January 2022. Rental income from the 6 flats increased by 4% and expenses were slightly lower than the previous year giving a net contribution of £25,000.

HOYLAKE COTTAGE

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

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £3,778,371, a reduction of £398,801, which included Unrestricted Funds at Brookfield Homecare of £52,968.

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

Restricted funds shown in the Balance Sheet were £60,506 and represented donations for specific purposes which were unspent at the year end. These funds will be used for their intended purpose as soon as it is appropriate to do so.

At the balance sheet date, free reserves were £180,239 and free cash reserves were £162,239 which the Trustees consider acceptable.

Funding sources

The Coronavirus Business Interruption Loan and the Trust's cash reserves adequately funded daily working capital requirements during the year supplemented by receipts from the sale of the investment portfolio.

The new nursing home completed in 2008 was part-funded by a 20 year loan from Royal Bank of Scotland, secured on the Trust's land and buildings. The interest rate which was capped at a maximum rate of 6.89% until June 2018, has since reverted to a floating rate, which was considered acceptable in the previous low interest rate environment. As interest rates are now rising the Trust is in discussion with its bank about a fixed rate option for the loans.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The Board reviewed the Investment Policy during the year confirming the continuation of Investec Wealth & Investment Limited as investment manager, authorising 3 of the Trustees to issue instructions and confirming performance benchmarks and the review process. That authorisation is now at an end.

Principal risks and uncertainties

Due to the inability to hold formal Board Meetings during part of the year the risks were not reviewed but the risks listed below remain relevant.

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

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

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

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2022

Post balance sheet events & plans for future periods

In the first half of the 2022-23 year occupancy and fees for nursing care have increased to nearer normal levels. Staff expenses have risen considerably due to increases in staff salaries to compensate for rising inflation and to try to sustain recruitment and increasing competition for staff in the healthcare sector and a local shortage of staff has meant continued reliance on agency staff at higher cost.

Catering expenses and utility costs have risen substantially over the first 6 months and many other overheads are increasing in line with inflation.

Fees paid by the NHS and Wirral Council have increased and fees we charge to private sector residents have been increased.

It is expected that there will be a surplus at the year end but the extent of that cannot be forecast at present due to the number of unknown factors. Cash and liquid assets are judged to be sufficient to support the Hoylake Cottage business in this financial year.

In all the circumstances the Trustees are satisfied that the Company can continue to operate as a going concern for the next 12 months.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 9 Trustees and normally meets monthly. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

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

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM. It has not been possible to hold an AGMs since 2019 but it is the Trustees intention to resume holding an annual AGM as soon as it is judged feasible.

Management

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

HOYLAKE COTTAGE

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

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

Mrs A Boon (Retired 2 December 2021)
Mrs A Heseltine
Mr S Heywood
Mr R Holmes
Mr A Mitchell
Mr R Oakden
Mr J Southworth
Mr M Sutton
Mr P Wilcox

Sadiq, Tony Twemlow, who had served as a trustee for 12 years and was Chairman for 10 years, died on 15th September. His sound advice and his calm and measured way of resolving an contentious and difficult matters will be greatly missed by the trustees and management of Hoylake Cottage.

Pay policy for key management personnel

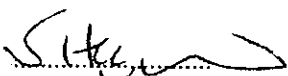
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

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

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr S Heywood

Trustee

Dated: 15th December 2022

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2022 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 trustees' 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 trustees' report has been prepared in accordance with applicable legal requirements.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge and experience of charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HOYLAKE COTTAGE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of XeinadIn Audit Limited

16.12.22

Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	36,903	148,724	185,627	25,997	172,467	198,464
Charitable activities	4	3,051,005	-	3,051,005	3,193,278	-	3,193,278
Other trading activities	5	13,624	-	13,624	14,175	-	14,175
Investments	6	41,829	-	41,829	42,242	-	42,242
Other income		5,904	-	5,904	10,118	-	10,118
Total income		3,149,265	148,724	3,297,989	3,285,810	172,467	3,458,277
Expenditure on:							
Raising funds	7	15,254	-	15,254	44,919	-	44,919
Charitable activities	8	3,538,339	151,703	3,690,042	3,504,374	155,430	3,659,804
Other	12	-	-	-	3,845	-	3,845
Total resources expended		3,553,593	151,703	3,705,296	3,553,138	155,430	3,708,568
Net gains/(losses) on investments	13	4,407	-	4,407	40,134	-	40,134
Net outgoing resources before transfers		(399,921)	(2,979)	(402,900)	(227,194)	17,037	(210,157)
Gross transfers between funds		1,120	(1,120)	-	9,000	(9,000)	-
Net movement in funds		(398,801)	(4,099)	(402,900)	(218,194)	8,037	(210,157)
Fund balances at 1 April 2021		4,177,172	64,605	4,241,777	4,395,366	56,568	4,451,934
Fund balances at 31 March 2022		3,778,371	60,506	3,838,877	4,177,172	64,605	4,241,777

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

All income and expenditure derive from continuing activities.

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


HOYLAKE COTTAGE

CONSOLIDATED BALANCE SHEET


AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	15		5,127,657		5,221,469
Investments	17		-		161,075
			<u>5,127,657</u>		<u>5,382,544</u>
Current assets					
Debtors	19	250,453		99,514	
Cash at bank and in hand		222,745		230,294	
		<u>473,198</u>		<u>329,808</u>	
Creditors: amounts falling due within one year	22	(454,133)		(391,817)	
Net current assets/(liabilities)			19,065		(62,009)
Total assets less current liabilities			<u>5,146,722</u>		<u>5,320,535</u>
Creditors: amounts falling due after more than one year	24		(1,307,845)		(1,078,758)
Net assets			<u>3,838,877</u>		<u>4,241,777</u>
Income funds					
Restricted funds	27		60,506		64,605
Unrestricted funds	25		3,778,371		4,177,172
			<u>3,838,877</u>		<u>4,241,777</u>

The financial statements were approved by the Trustees on 15th December 2022



Mrs A Heseltine
Trustee



Mr S Heywood
Trustee

Company Registration No. 01844549

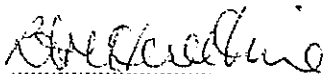
HOYLAKE COTTAGE

CHARITY BALANCE SHEET

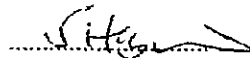
AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	16		5,122,531		5,211,650
Investments	17 & 18		2		161,077
			<u>5,122,533</u>		<u>5,372,727</u>
Current assets					
Debtors	20	227,757		58,335	
Cash at bank and in hand		148,973		139,310	
		<u>376,730</u>		<u>197,645</u>	
Creditors: amounts falling due within one year	23	(405,515)		(284,001)	
Net current liabilities			(28,785)		(86,356)
Total assets less current liabilities			5,093,748		5,286,371
Creditors: amounts falling due after more than one year	24		(1,307,845)		(1,078,758)
Net assets			<u>3,785,903</u>		<u>4,207,613</u>
Income funds					
Restricted funds	28		60,500		64,605
Unrestricted funds	26		3,725,403		4,143,008
			<u>3,785,903</u>		<u>4,207,613</u>

The financial statements were approved by the Trustees on 15th December 2022



Mrs A Heseltine
Trustee



Mr S Heywood
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	34		(444,846)		(115,849)
Investing activities					
Purchase of tangible fixed assets		(25,879)		(18,870)	
Purchase of investments		(9,634)		(84,862)	
Proceeds on disposal of investments		175,115		200,199	
Investment income		41,829		42,242	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			181,431		138,709
Financing activities					
Repayment of bank loans		255,866		50,770	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			255,866		50,770
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(7,549)		73,630
Cash and cash equivalents at beginning of year			230,294		156,664
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>222,745</u>		<u>230,294</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

During the year the Trust has been severely affected by continuation of the Covid-19 pandemic which has been reflected in the financial statements. At the time of approving the financial statements, the trustees have a reasonable expectation that the group and charity have sufficient resources to continue in operational existence for the foreseeable future on the expectation that there will not be a repetition of the repeated forced closures of the nursing home and Day Centre due to further outbreaks of Covid-19 or other epidemics. Although resources have been depleted during the year, the trustees are satisfied with that the additional support from Royal Bank of Scotland and the remaining cash resources, it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Local government covid-19 related grants are recognised on receipt.

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

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

1.5 Resources expended

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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	20%/25%/33.33% on cost & 15% reducing balance
Computers	33.33%/20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HOYLAKE COTTAGE

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

1 Accounting policies (Continued)

1.12 Retirement benefits

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

1.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.14 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2022. The results of the subsidiary are consolidated for the period from the date on which control passed.

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

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	3,422	1,865	5,287	3,525	10,616	14,141
Legacies receivable	15,267	-	15,267	1,300	-	1,300
Government grants	18,214	146,859	165,073	21,172	161,851	183,023
	<u>36,903</u>	<u>148,724</u>	<u>185,627</u>	<u>25,997</u>	<u>172,467</u>	<u>198,464</u>

HOYLAKE COTTAGE

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

4 Charitable activities

	Nursing	Day dementia	Domiciliary	Total	Nursing	Day dementia	Domiciliary	Total
	care	care	care		care	care	care	
	2022	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Sales within charitable activities	2,406,582	141,289	503,134	3,051,005	2,630,448	22,378	540,452	3,193,278

HOYLAKE COTTAGE

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

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	13,624	14,021
Shop income	-	154
	<hr/>	<hr/>
Other trading activities	13,624	14,175
	<hr/> <hr/>	<hr/> <hr/>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	39,454	37,698
Income from listed investments	2,369	4,482
Interest receivable	6	62
	<hr/>	<hr/>
	41,829	42,242
	<hr/> <hr/>	<hr/> <hr/>

HOYLAKE COTTAGE

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

7 Fundraising expenditure

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	180	216
	<u> </u>	<u> </u>
<u>Trading costs</u>		
Operating charity shops	-	16,093
Staff costs charity shop	-	10,864
Depreciation charity shop	-	1,482
	<u> </u>	<u> </u>
Trading costs	-	28,439
	<u> </u>	<u> </u>
Investec costs	937	1,337
Apartment expenses	14,137	14,927
	<u> </u>	<u> </u>
Investment costs	15,074	16,264
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u>15,254</u>	<u>44,919</u>
	<u> </u>	<u> </u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

	Nursing		Day dementia care		Domiciliary care		Total		Nursing		Day dementia care		Domiciliary care		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	2,214,939		115,487		348,376		2,678,802		2,207,458		22,066		374,232		2,603,756	
Depreciation and impairment	83,365		31,634		4,693		119,692		91,390		31,927		4,447		127,764	
Rates & water	10,498		-		-		10,498		11,144		-		-		11,144	
Insurance	41,144		-		3,694		44,838		33,640		-		2,911		36,551	
Light & heat	70,251		-		-		70,251		59,569		-		-		59,569	
Phone	9,943		-		840		10,783		9,506		-		1,037		10,543	
Advertising, printing, postage & stationery	10,016		-		4,378		14,394		12,407		-		4,666		17,073	
General expenses	20,598		4,110		8,239		32,947		19,836		3,426		11,980		35,242	
Medical supplies	8,931		-		32		8,963		28,761		-		7,245		36,006	
Catering	103,178		-		-		103,178		112,444		-		-		112,444	
Cleaning & laundry	90,804		-		-		90,804		100,366		-		-		100,366	
Recruitment & other staff costs	35,685		-		2,858		38,543		7,535		-		3,954		11,489	
Domestic & non medical supplies	12,909		-		-		12,909		13,580		-		-		13,580	
Transport	-		11,419		-		11,419		-		5,901		-		5,901	
Repairs & maintenance	88,851		-		8,796		97,647		80,052		-		9,362		89,414	
Entertainment	7,207		-		-		7,207		3,263		-		-		3,263	
	<u>2,808,319</u>		<u>162,650</u>		<u>381,906</u>		<u>3,352,875</u>		<u>2,790,951</u>		<u>63,320</u>		<u>419,834</u>		<u>3,274,105</u>	
Share of support costs (see note 9)	189,909		21,101		102,563		313,573		251,006		-		108,146		359,152	
Share of governance costs (see note 9)	16,903		1,878		4,813		23,594		17,534		-		9,013		26,547	
	<u>3,015,131</u>		<u>185,629</u>		<u>489,282</u>		<u>3,690,042</u>		<u>3,059,491</u>		<u>63,320</u>		<u>536,993</u>		<u>3,659,804</u>	

HOYLAKÉ COTTAGE

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

8 Charitable activities		(Continued)															
		Nursing		Day dementia care		Domiciliary care		Total 2022		Nursing		Day dementia care		Domiciliary care		Total 2021	
		2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	2021	£
Analysis by fund																	
Unrestricted funds		2,887,690		183,579		467,070		3,538,339		2,938,119		63,320		502,935		3,504,374	
Restricted funds		127,441		2,050		22,212		151,703		121,372		-		34,058		155,430	
		<u>3,015,131</u>		<u>185,629</u>		<u>489,282</u>		<u>3,690,042</u>		<u>3,059,491</u>		<u>63,320</u>		<u>536,993</u>		<u>3,659,804</u>	

HOYLAKE COTTAGE

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

9 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	275,124	-	275,124	325,436	325,436
Admin expenses	2,386	-	2,386	1,810	1,810
Professional fees	3,632	-	3,632	9,883	9,883
Bank charges	3,597	-	3,597	2,736	2,736
Interest payable & similar charges	28,834	-	28,834	19,287	19,287
Audit fees	-	8,520	8,520	-	10,165
Non audit fees	-	5,280	5,280	-	3,885
Legal and professional	-	13	13	-	4,266
Trustee indemnity insurance	-	7,968	7,968	-	6,368
Sundries	-	1,813	1,813	-	1,863
	<u>313,573</u>	<u>23,594</u>	<u>337,167</u>	<u>359,152</u>	<u>385,699</u>
Analysed between Charitable activities	<u>313,573</u>	<u>23,594</u>	<u>337,167</u>	<u>359,152</u>	<u>385,699</u>

Governance costs includes payments to the auditors of £8,520 (2021: £10,165) for audit fees.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administrative	8	10
Nursing	81	92
Ancillary	23	25
Domiciliary	25	30
Total	<u>137</u>	<u>157</u>

HOYLAKE COTTAGE

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

10 Employees	(Continued)	
	2022	2021
Employment costs	£	£
Wages and salaries	2,725,381	2,703,903
Social security costs	186,153	190,409
Other pension costs	42,392	45,744
	<u>2,953,926</u>	<u>2,940,056</u>

From May 2021 the key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £184,489 (2021:£191,976).

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

11 Trustees

There were no trustees' remuneration or expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12 Other

	Total	Unrestricted funds
	£	
	2022	2021
Net loss on disposal of tangible fixed assets	-	3,845
	<u>-</u>	<u>3,845</u>

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	-	31,968
Gain/(loss) on sale of investments	4,407	8,166
	<u>4,407</u>	<u>40,134</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Brookfield Homecare Limited

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

	2022	2021
	£	£
Turnover	528,091	575,276
Expenditure	(509,282)	(536,996)
	<u>18,809</u>	<u>38,280</u>

Aggregate assets and liabilities

Fixed assets	5,127	9,819
Current assets	118,632	133,892
Current liabilities	(70,784)	(109,545)
	<u>52,975</u>	<u>34,166</u>

15 Tangible fixed assets - Group

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	7,268,465	567,181	5,976	61,500	7,903,122
Additions	1,200	24,679	-	-	25,879
Disposals	-	(8,389)	-	-	(8,389)
	<u>7,269,665</u>	<u>583,471</u>	<u>5,976</u>	<u>61,500</u>	<u>7,920,612</u>
At 31 March 2022	7,269,665	583,471	5,976	61,500	7,920,612
Depreciation and impairment					
At 1 April 2021	2,147,203	476,938	2,169	55,343	2,681,653
Depreciation charged in the year	77,651	38,774	1,727	1,539	119,691
Eliminated in respect of disposals	-	(8,389)	-	-	(8,389)
	<u>2,224,854</u>	<u>507,323</u>	<u>3,896</u>	<u>56,882</u>	<u>2,792,955</u>
At 31 March 2022	2,224,854	507,323	3,896	56,882	2,792,955
Carrying amount					
At 31 March 2022	<u>5,044,811</u>	<u>76,148</u>	<u>2,080</u>	<u>4,618</u>	<u>5,127,657</u>
At 31 March 2021	<u>5,121,262</u>	<u>110,065</u>	<u>1,025</u>	<u>6,157</u>	<u>5,221,469</u>

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	7,268,465	555,301	61,500	7,885,266
Additions	1,200	24,679		25,879
Disposals	-	(8,389)		(8,389)
At 31 March 2022	7,269,665	571,591	61,500	7,902,756
Depreciation and impairment				
At 1 April 2021	2,147,203	471,070	55,343	2,673,616
Depreciation charged in the year	77,651	35,808	1,539	114,998
Eliminated in respect of disposals		(8,389)		(8,389)
At 31 March 2022	2,224,854	498,489	56,882	2,780,225
Carrying amount				
At 31 March 2022	5,044,811	73,102	4,618	5,122,531
At 31 March 2021	5,121,261	84,231	6,158	5,211,650

17 Fixed asset investments - Listed investments Group & charity

	Listed investments	Cash in portfolio	Total
	£	£	£
Cost or valuation			
At 1 April 2021	150,226	10,849	161,075
Additions	9,634	-	9,634
Valuation changes	4,238	-	4,238
Disposals	(164,098)	(10,849)	(174,947)
At 31 March 2022	-	-	-
Carrying amount			
At 31 March 2022	-	-	-
At 31 March 2021	150,226	10,849	161,075

18 Fixed asset investments - Charity investment in subsidiary

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors - Group	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	186,971	56,251
Other debtors	-	460
Prepayments and accrued income	63,482	42,803
	<u>250,453</u>	<u>99,514</u>
20 Debtors - Charity	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	147,141	18,069
Amounts owed by subsidiary undertakings	22,166	1,729
Other debtors	-	460
Prepayments and accrued income	58,450	38,077
	<u>227,757</u>	<u>58,335</u>
21 Loans and overdrafts - Group & charity	2022	2021
	£	£
Bank loans	<u>1,529,525</u>	<u>1,273,659</u>
Payable within one year	221,680	194,901
Payable after one year	<u>1,307,845</u>	<u>1,078,758</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>396,278</u>	<u>(475,418)</u>

A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

The loans from Royal Bank of Scotland comprise:

- 20 year mortgage secured on the land and buildings repayable by monthly instalments and granted in October 2008 at 1.5% above Base rate.
- 6 year Coronavirus Business Interruption loan of £450,000 granted in April 2021 secured on the land and buildings and by Government guarantee of 80% of the capital outstanding, with interest and repayments deferred until May 2022 then repayable by monthly instalments at 2.62% above base rate.

HOYLAKE COTTAGE

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

22 Creditors: amounts falling due within one year - Group

	Notes	2022 £	2021 £
Bank loans	21	221,680	194,901
Other taxation and social security		44,288	41,021
Trade creditors		59,640	52,625
Other creditors		55,536	51,422
Accruals and deferred income		72,989	51,848
		<u>454,133</u>	<u>391,817</u>

23 Creditors: amounts falling due within one year - Charity

	Notes	2022 £	2021 £
Bank loans	21	221,680	144,901
Other taxation and social security		36,886	32,701
Trade creditors		59,370	46,363
Other creditors		21,432	13,445
Accruals and deferred income		66,147	46,591
		<u>405,515</u>	<u>284,001</u>

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

	Notes	2022 £	2021 £
Bank loans	21	<u>1,307,845</u>	<u>1,078,758</u>

HOYLAKE COTTAGE

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

25 Unrestricted funds - Group

	Balance at 1 April 2021	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2022
	£	£	£	£	£	£
General unrestricted funds	4,177,172	3,149,265	(3,553,593)	1,120	4,407	3,778,371
	<u>4,177,172</u>	<u>3,149,265</u>	<u>(3,553,593)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,778,371</u>

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

	Balance at 1 April 2020	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£
General unrestricted funds	4,395,366	3,285,810	(3,553,138)	9,000	40,134	4,177,172
	<u>4,395,366</u>	<u>3,285,810</u>	<u>(3,553,528)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,177,172</u>

HOYLAKE COTTAGE

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

26 Unrestricted funds - Charity

	Movement in funds					Balance at 31 March 2022
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,143,008	2,663,393	(3,086,525)	1,120	4,407	3,725,403
	<u>4,143,008</u>	<u>2,663,393</u>	<u>(3,086,525)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,725,403</u>

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

	Movement in funds					Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,399,482	2,744,414	(3,050,022)	9,000	40,134	4,143,008
	<u>4,399,482</u>	<u>2,744,414</u>	<u>(3,050,022)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,143,008</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Restricted funds - Group

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

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	384	(384)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	146,858	(146,852)	-	6
	<u>64,605</u>	<u>148,723</u>	<u>(151,702)</u>	<u>(1,120)</u>	<u>60,506</u>

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

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

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

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

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

28 Restricted funds - Charity

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

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	384	(384)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	124,640	(124,640)	-	-
	<u>64,605</u>	<u>126,505</u>	<u>(129,489)</u>	<u>(1,120)</u>	<u>60,500</u>

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

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

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

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

29 Analysis of net assets between funds - Group

	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	5,127,657	-	5,127,657	5,221,469	-	5,221,469
Investments	-	-	-	161,075	-	161,075
Current assets/(liabilities)	(41,441)	60,506	19,065	(126,614)	64,605	(62,009)
Long term liabilities	(1,307,845)	-	(1,307,845)	(1,078,758)	-	(1,078,758)
	<u>3,778,371</u>	<u>60,506</u>	<u>3,838,877</u>	<u>4,177,172</u>	<u>64,605</u>	<u>4,241,777</u>

30 Analysis of net assets between funds - Charity

	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	5,122,531	-	5,122,531	5,211,650	-	5,211,650
Investments	2	-	2	161,077	-	161,077
Current assets/(liabilities)	(89,285)	60,500	(28,785)	(150,961)	64,605	(86,356)
Long term liabilities	(1,307,845)	-	(1,307,845)	(1,078,758)	-	(1,078,758)
	<u>3,725,403</u>	<u>60,500</u>	<u>3,785,903</u>	<u>4,143,008</u>	<u>64,605</u>	<u>4,207,613</u>

31 Related party transactions

During the year the daughter of trustee M Sutton was appointed as Hoylake Cottage Care Manager by the board of trustees. M Sutton was not involved in this process. Her salary is paid at Hoylake Cottage standard pay rates.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

32 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	9,025	9,025
Between two and five years	15,551	24,577
	<u>24,576</u>	<u>33,602</u>

33 Analysis of changes in net (debt)/funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	230,294	(7,549)	222,745
Loans falling due within one year	(194,901)	(26,779)	(221,680)
Loans falling due after more than one year	(1,078,758)	(229,087)	(1,307,845)
	<u>(1,043,365)</u>	<u>(263,415)</u>	<u>(1,306,780)</u>

34 Cash generated from operations - Group

	2022 £	2021 £
Deficit for the year	(402,900)	(210,157)
Adjustments for:		
Investment income recognised in statement of financial activities	(41,829)	(42,242)
(Gain)/loss on disposal of tangible fixed assets	-	3,845
Gain on disposal of investments	(4,407)	(8,166)
Fair value gains and losses on investments	-	(31,968)
Depreciation and impairment of tangible fixed assets	119,692	129,246
Movements in working capital:		
(Increase)/decrease in debtors	(150,939)	73,250
Increase/(decrease) in creditors	35,537	(29,657)
Cash absorbed by operations	<u>(444,846)</u>	<u>(115,849)</u>