

Charity registration number 515591

Company registration number 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A Heseltine
Mr S Heywood
Mr R Holmes
Mr A Mitchell
Mr R Oakden
Mr J Southworth
Mr M Sutton
Mr G Cooper

(Appointed 21 June 2022)

Sadly, Peter Wilcox, who had served as a trustee for 15 years and was Vice Chairman for 10 years, died earlier this year. His sound advice and his calm and measured way of resolving any contentious and difficult matters will be greatly missed by the trustees and management of Hoylake Cottage.

Secretary

Mr S Heywood

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
10 Banks Road
West Kirby
Wirral
Merseyside
CH48 4LG

Royal Bank of Scotland
1 Exchange Flags
Liverpool
L2 3XN

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

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

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and consolidated financial statements for the year ended 31 March 2023.

The consolidated 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 25 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited offers 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.

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 activities and generous donations from supporters and the local community:

- for some time the Trust has provided day care services for those suffering from dementia at fees that do not cover the cost of their provision
- the premises used for the day centre have been extensively refurbished
- in the recent past a sensory garden was created for residents of the nursing home to enjoy.

It has been the trustees' intention to commence the next phase of development of the Dementia Village in the day centre but that was delayed by the Coronavirus pandemic. Since fully re-opening the day centre attendances were substantially lower than earlier years and have fallen again during 2023. The effect of the pandemic on both the day centre and more particularly the nursing home means that funding the dementia village must be re-considered against the more important imperative of funding and maintaining the nursing home, the main part of the Trust's business.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENTS AND PERFORMANCE

Occupancy at the nursing home increased to close to the long-term average at 93% despite periodic short-term closures due to Covid infection, for which grant funding ceased in March 2022. Fortunately, fee rates for residents placed by the NHS to relieve backlogs in hospital were increased substantially and with some other increases, total fee income was 40% higher at the year end.

Unfortunately, recruitment of staff, especially of qualified nurses, remained difficult and substantial use of agency staff was needed at additional cost. Food prices increased by more than 30%, insurance by 15% and interest on loans was much higher as the bank base rate increased. Additionally, the hot water and central heating boilers had to be replaced as well as other internal repair work, much of which had been delayed during the pandemic. To improve internal systems the trust invested in care management and medication management software which has proved very successful in reducing staff time and improving efficiency.

Attendances at the day centre, although higher than the previous year were below the long-term average and income again failed to cover operating expenses.

The year yielded a very welcome return to surplus at £133,000 after depreciating the land and buildings value by £77,000. The value of the land and buildings substantially exceeds the balance sheet value of £5 million. Brookfield Homecare contributed £18,000 of the surplus.

Our staff have had another difficult and demanding year as we recovered from the pandemic effects on our business compounded by shortage of staff, the latter being both a local and national issue despite significant increases in pay. We are very grateful to all of our staff and volunteers who have cared for our residents and supported their relatives during another challenging year.

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

Fees increased during the year, partly assisted by Wirral Council supporting much needed higher staff pay rates by increasing their hourly fees. Overheads were well contained and a surplus, similar to the previous year at £18,000, was achieved. The business has considerable potential to grow but, as in previous years has been restricted by inability to recruit sufficient staff. That is certainly a local problem across the healthcare sector generally and the higher pay rates on offer have not made any substantial impact on it.

Fundraising and other non-charitable activity income

Donations were higher at some £28,000 and we were very fortunate to benefit from a legacy of £51,000, which helped to fund replacement of the boilers. Rental income from the 6 flats increased by 5% but expenses were slightly higher giving a net contribution similar to the previous year at £26,000.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £3,940,356, an increase of £161,985 which included the surplus on activities and transfers from restricted funds, the latter with formal agreement from the respective donors, as well as Unrestricted Funds at Brookfield Homecare of £71,074.

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 £32,109 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 £194,773 and free cash reserves were £178,362 which the Trustees consider acceptable.

Funding sources

The Trust's working capital requirements during the year were adequately funded from cash generated from business activities supported by the 2 long term loans from Royal Bank of Scotland. The new nursing home loan, originally repayable over 20 years from 2008 has been substantially reduced and repayments on the Coronavirus Business Interruption Loan which was required to fund the deficits incurred during the pandemic, started in June 2022 over a 5-year term.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The investment portfolio was realised to fund the business during the pandemic. Cash generated from normal charitable activities and donations is needed to fund ongoing working capital requirements so further longer term investment is unlikely at present.

Principal risks and uncertainties

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 overall occupancy. This has been especially true over the last 3 years.
- an increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- annual increases above inflation in National Minimum Wage and the more recent introduction of National Living Wage whilst much needed, have been implemented without acceptance of the full impact that has had on the care industry and has not led to 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 2023

Post balance sheet events & plans for future periods

In the first half of the year occupancy has improved to near normal levels and there has been a welcome increase in fees payable by the NHS which has led to an increase in direct placements of residents in the nursing home. Staff expenses have increased by 6% mainly due to the need to make extensive use of agency staff because recruitment of permanent staff has been so difficult despite higher levels of pay being offered.

As expected with inflation having increased, food cost has increased by some 20% and the rising bank base rate has led to much higher interest charges.

Nevertheless, the trust was comfortably in surplus after the first 6 months and the trustees are satisfied that there will be a surplus at the year end, although there are a number of uncertainties that may prove challenging to manage. Liquid resources available to the trust are deemed to be sufficient for needs.

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.

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 2023

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 Heseltine

Mr S Heywood

Mr R Holmes

Mr A Mitchell

Mr R Oakden

Mr J Southworth

Mr M Sutton

Mr P Wilcox

Mr WA Twemlow

Mr G Cooper

(Resigned 17 April 2023)

(Resigned 15 September 2022)

(Appointed 21 June 2022)

Pay policy for key management personnel

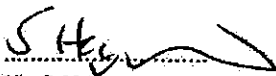
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

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: 4.12.2023

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2023 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 2023 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

7.12.23

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 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	91,183	1,004	92,187	36,903	148,724	185,627
Charitable activities	4	4,146,050	-	4,146,050	3,051,005	-	3,051,005
Other trading activities	5	-	-	-	13,624	-	13,624
Investments	6	41,877	-	41,877	41,829	-	41,829
Other income		8,585	-	8,585	5,904	-	5,904
Total income		4,287,695	1,004	4,288,699	3,149,265	148,724	3,297,989
<u>Expenditure on:</u>							
Raising funds	7	15,538	-	15,538	15,254	-	15,254
Charitable activities	8	4,136,049	3,524	4,139,573	3,538,339	151,703	3,690,042
Total resources expended		4,151,587	3,524	4,155,111	3,553,593	151,703	3,705,296
Net gains/(losses) on investments	11	-	-	-	4,407	-	4,407
Net incoming/(outgoing) resources before transfers		136,108	(2,520)	133,588	(399,921)	(2,979)	(402,900)
Gross transfers between funds		25,877	(25,877)	-	1,120	(1,120)	-
Net income/(expenditure) for the year/ Net movement in funds		161,985	(28,397)	133,588	(398,801)	(4,099)	(402,900)
Fund balances at 1 April 2022		3,778,371	60,506	3,838,877	4,177,172	64,605	4,241,777
Fund balances at 31 March 2023		3,940,356	32,109	3,972,465	3,778,371	60,506	3,838,877

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

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

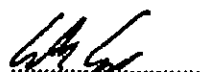
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		5,092,444		5,127,857
Current assets					
Debtors	18	243,650		250,453	
Cash at bank and in hand		226,882		222,745	
		<u>470,432</u>		<u>473,198</u>	
Creditors: amounts falling due within one year	21	(468,263)		(454,133)	
Net current assets			<u>2,169</u>		<u>19,065</u>
Total assets less current liabilities			<u>5,094,613</u>		<u>5,146,722</u>
Creditors: amounts falling due after more than one year	23		(1,122,148)		(1,307,845)
Net assets			<u><u>3,972,465</u></u>		<u><u>3,838,877</u></u>
Income funds					
Restricted funds	24		32,109		60,608
Unrestricted funds	26		3,940,356		3,778,371
			<u><u>3,972,465</u></u>		<u><u>3,838,877</u></u>

The financial statements were approved by the Trustees on 4.11.2023


Mr S Heywood
Trustee


Mr G Cooper
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	16		5,091,348		5,122,531
Investments	17		2		2
			<u>5,091,350</u>		<u>5,122,533</u>
Current assets					
Debtors	19	181,608		227,757	
Cash at bank and in hand		168,795		148,973	
		<u>350,403</u>		<u>376,730</u>	
Creditors: amounts falling due within one year	22	<u>(418,210)</u>		<u>(405,515)</u>	
Net current liabilities			<u>(67,807)</u>		<u>(28,785)</u>
Total assets less current liabilities			<u>5,023,543</u>		<u>5,093,748</u>
Creditors: amounts falling due after more than one year	23		<u>(1,122,148)</u>		<u>(1,307,845)</u>
Net assets			<u><u>3,901,395</u></u>		<u><u>3,785,903</u></u>
Income funds					
Restricted funds	25		32,110		60,500
Unrestricted funds	27		3,869,285		3,725,403
			<u>3,901,395</u>		<u>3,785,903</u>

The financial statements were approved by the Trustees on 4.12.2023


 Mr S Heywood
 Trustee


 Mr G Cooper
 Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	33		252,701		(444,846)
Investing activities					
Purchase of tangible fixed assets		(91,365)		(25,879)	
Purchase of investments				(9,634)	
Proceeds on disposal of investments				(175,115)	
Investment income		41,877		41,829	
Net cash used in investing activities			(49,488)		(181,431)
Financing activities					
Repayment of bank loans		(205,245)		255,866	
Net cash (used in)/generated from financing activities			(205,245)		255,866
Net (decrease)/increase in cash and cash equivalents			(2,032)		(7,549)
Cash and cash equivalents at beginning of year			222,745		230,294
Cash and cash equivalents at end of year			220,713		222,745
Relating to:					
Cash at bank and in hand			226,883		222,745
Bank overdrafts included in creditors payable within one year			(6,170)		-
			220,713		222,745

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

With the end of the Coronavirus pandemic and Government-imposed restrictions on our operations, occupancy levels increased to very close to our long-term average. A satisfactory surplus was achieved in the year end and that trend continued into the 2023-24 year. Therefore, 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 be no repetition of the forced closures of the nursing home and day centre due to pandemics.

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 or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

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

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

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

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

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

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

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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 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.

1.11 Retirement benefits

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

1.12 Taxation

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.13 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 2023. 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
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	26,791	1,004	27,795	3,422	1,865	5,287
Legacies receivable	51,292	-	51,292	15,267	-	15,267
Government grants	13,100	-	13,100	18,214	146,859	165,073
	<u>91,183</u>	<u>1,004</u>	<u>92,187</u>	<u>36,903</u>	<u>148,724</u>	<u>185,627</u>

HOYLAKE COTTAGE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

4 Charitable activities

	Nursing	Day dementia	Domiciliary	Total	Nursing	Day dementia	Domiciliary	Total
	care	care	care		care	care	care	
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
	3,465,488	157,627	522,935	4,146,050	2,406,582	141,289	503,134	3,051,005

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	-	13,624

6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	41,394	39,454
Income from listed investments	133	2,369
Interest receivable	350	6
	<u>41,877</u>	<u>41,829</u>

7 Fundraising expenditure

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs	216	180
Investec costs	-	937
Apartment expenses	15,322	14,137
	<u>15,538</u>	<u>15,254</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total 2023	Nursing	Day dementia care	Domiciliary care	Total 2023	Nursing	Day dementia care	Domiciliary care	Total 2022
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	2,462,350	141,277	358,377	2,962,004	2,214,939	115,487	348,376	2,678,802				
Depreciation and impairment	91,300	31,249	4,029	126,578	83,365	31,634	4,693	119,692				
Rates & water	10,657	-	-	10,657	10,498	-	-	10,498				
Insurance	46,784	-	4,027	50,811	41,144	-	3,694	44,838				
Light & heat	104,832	-	-	104,832	70,251	-	-	70,251				
Phone	10,126	-	850	10,976	9,943	-	840	10,783				
Advertising, printing, postage & stationery	11,760	-	4,506	16,266	10,016	-	4,378	14,394				
General expenses	21,646	8,652	5,634	35,932	20,598	4,110	8,239	32,947				
Medical supplies	20,453	-	34	20,487	8,931	-	32	8,963				
Catering	141,873	-	-	141,873	103,178	-	-	103,178				
Cleaning & laundry	100,265	-	-	100,265	90,804	-	-	90,804				
Recruitment & other staff costs	29,281	-	3,702	32,983	35,685	-	2,858	38,543				
Domestic & non medical supplies	10,784	-	-	10,784	12,909	-	-	12,909				
Transport	-	11,105	-	11,105	-	11,419	-	11,419				
Repairs & maintenance	107,683	-	9,023	116,706	88,851	-	8,796	97,647				
Entertainment	2,574	-	-	2,574	7,207	-	-	7,207				
	<u>3,172,368</u>	<u>192,283</u>	<u>390,182</u>	<u>3,754,833</u>	<u>2,808,319</u>	<u>162,650</u>	<u>381,906</u>	<u>3,352,875</u>				
Share of support costs (see note 9)	212,691	23,632	117,514	353,837	189,909	21,101	102,563	313,573				
Share of governance costs (see note 9)	22,413	2,490	6,000	30,903	16,903	1,878	4,813	23,594				
	<u>3,407,472</u>	<u>218,405</u>	<u>513,696</u>	<u>4,139,573</u>	<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>				

HOYLAKE COTTAGE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

8 Charitable activities		(Continued)															
		Nursing		Day dementia care		Domiciliary care		Total 2023		Nursing		Day dementia care		Domiciliary care		Total 2022	
		2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022	2022
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Analysis by fund																	
Unrestricted funds		3,405,949	216,410	513,690	4,136,049	2,887,690	183,579	467,070	3,538,339	2,887,690	183,579	467,070	3,538,339	2,887,690	183,579	467,070	3,538,339
Restricted funds		1,523	1,995	6	3,524	127,441	2,050	22,212	151,703	127,441	2,050	22,212	151,703	127,441	2,050	22,212	151,703
		<u>3,407,472</u>	<u>218,405</u>	<u>513,696</u>	<u>4,139,573</u>	<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>	<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>	<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	284,221	-	284,221	275,124	275,124
Admin expenses	774	-	774	2,386	2,386
Professional fees	4,350	-	4,350	3,632	3,632
Bank charges	3,402	-	3,402	3,597	3,597
Interest payable & similar charges	61,090	-	61,090	28,834	28,834
Audit fees	-	8,975	8,975	-	8,520
Non audit fees	-	5,775	5,775	-	5,280
Legal and professional	-	4,284	4,284	-	13
Trustee indemnity insurance	-	10,080	10,080	-	7,968
Sundries	-	1,789	1,789	-	1,813
	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>	<u>313,573</u>	<u>337,167</u>
Analysed between					
Charitable activities	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>	<u>313,573</u>	<u>337,167</u>

Governance costs includes payments to the auditors of £8,975 (2022: £8,520) for audit fees.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administrative	9	8
Nursing	97	81
Ancillary	25	23
Domiciliary	25	25
Total	<u>156</u>	<u>137</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Employees	(Continued)	
Employment costs	2023	2022
	£	£
Wages and salaries	2,984,530	2,725,381
Social security costs	213,719	186,153
Other pension costs	47,976	42,392
	<u>3,246,225</u>	<u>2,953,926</u>

The key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £207,919 (2022:£184,489).

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

11 Gains and losses on investments

	Unrestricted funds 2023	Unrestricted funds 2022
	£	£
Gains/(losses) arising on:		
Sale of investments	-	4,407
	<u>-</u>	<u>4,407</u>

12 Trustees

There were no trustees' remuneration or expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Brookfield Homecare Limited

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

	2023	2022
	£	£
Turnover	531,796	528,091
Expenditure	(513,697)	(509,282)
	<u>18,099</u>	<u>18,809</u>
Aggregate assets and liabilities		
Fixed assets	1,096	5,127
Current assets	122,889	118,632
Current liabilities	(52,911)	(70,784)
	<u>71,074</u>	<u>52,975</u>

15 Tangible fixed assets - Group

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2022	7,269,665	583,471	5,976	61,500	7,920,612
Additions	-	91,365	-	-	91,365
At 31 March 2023	<u>7,269,665</u>	<u>674,836</u>	<u>5,976</u>	<u>61,500</u>	<u>8,011,977</u>
Depreciation and impairment					
At 1 April 2022	2,224,854	507,323	3,896	56,882	2,792,955
Depreciation charged in the year	77,651	46,679	1,094	1,154	126,578
At 31 March 2023	<u>2,302,505</u>	<u>554,002</u>	<u>4,990</u>	<u>58,036</u>	<u>2,919,533</u>
Carrying amount					
At 31 March 2023	<u>4,967,160</u>	<u>120,834</u>	<u>986</u>	<u>3,464</u>	<u>5,092,444</u>
At 31 March 2022	<u>5,044,811</u>	<u>110,065</u>	<u>1,025</u>	<u>4,618</u>	<u>5,127,657</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 2023

16 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	7,269,665	571,591	61,500	7,902,756
Additions	-	91,365		91,365
At 31 March 2023	7,269,665	662,956	61,500	7,994,121
Depreciation and impairment				
At 1 April 2022	2,224,854	498,489	56,882	2,780,225
Depreciation charged in the year	77,651	43,743	1,154	122,548
At 31 March 2023	2,302,505	542,232	58,036	2,902,773
Carrying amount				
At 31 March 2023	4,967,160	120,724	3,464	5,091,348
At 31 March 2022	5,044,811	73,102	4,619	5,122,531

17 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 14.

18 Debtors - Group

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	207,492	186,971
Prepayments and accrued income	36,058	63,482
	243,550	250,453

19 Debtors - Charity

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	150,388	147,141
Amounts owed by subsidiary undertakings	2,856	22,166
Prepayments and accrued income	28,364	58,450
	181,608	227,757

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Loans and overdrafts - Group & charity

	2023 £	2022 £
Bank overdrafts	6,170	-
Bank loans	1,324,280	1,529,525
	<u>1,330,450</u>	<u>1,529,525</u>
Payable within one year	208,302	221,680
Payable after one year	1,122,148	1,307,845
	<u>396,278</u>	<u>396,278</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>396,278</u>	<u>396,278</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.

21 Creditors: amounts falling due within one year - Group

	Notes	2023 £	2022 £
Bank loans and overdrafts	20	208,302	221,680
Other taxation and social security		42,908	44,288
Trade creditors		95,825	59,640
Other creditors		54,643	55,536
Accruals and deferred income		66,585	72,989
		<u>468,263</u>	<u>454,133</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Creditors: amounts falling due within one year - Charity

	Notes	2023 £	2022 £
Bank loans and overdrafts	20	208,302	221,680
Other taxation and social security		35,359	36,886
Trade creditors		95,766	59,370
Other creditors		18,246	21,432
Accruals and deferred income		60,537	66,147
		<u>418,210</u>	<u>405,515</u>

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

	Notes	2023 £	2022 £
Bank loans	20	<u>1,122,148</u>	<u>1,307,845</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Restricted funds - Group

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	10,717	-	(519)	(3,340)	6,858
Sandhills Fund	1,995	-	(1,995)	-	-
Entertainment Fund	-	1,004	(1,004)	-	-
Sandhills Events Fund	47,788	-	-	(22,537)	25,251
WBC Adult Social Care Infection Control Fund	6	-	(6)	-	-
	<u>60,506</u>	<u>1,004</u>	<u>(3,524)</u>	<u>(25,877)</u>	<u>32,109</u>

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

	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	-	385	(385)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	146,858	(146,852)	-	6
	<u>64,605</u>	<u>148,724</u>	<u>(151,703)</u>	<u>(1,120)</u>	<u>60,506</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.

Transfers between funds

This includes specific donations received and utilised during the year. During the year, 2 donors agreed that the Trust may utilise funds which were given for a specific purpose for general purposes at the trustees' discretion.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Restricted funds - Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	10,717	-	(519)	(3,340)	6,858
Sandhills Fund	1,995	-	(1,995)	-	-
Entertainment Fund	-	1,005	(1,005)	-	-
Sandhills Events Fund	47,788	-	-	(22,537)	25,252
	<u>60,500</u>	<u>1,005</u>	<u>(3,519)</u>	<u>(25,877)</u>	<u>32,110</u>

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

	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	-	385	(385)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
	<u>64,605</u>	<u>148,724</u>	<u>(151,703)</u>	<u>(1,120)</u>	<u>60,500</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.

Transfers between funds

This includes specific donations received and utilised during the year. During the year, 2 donors agreed that the Trust may utilise funds which were given for a specific purpose for general purposes at the trustees' discretion.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

26 Unrestricted funds - Group

	Balance at 1 April 2022 £	Incoming resources £	Movement in funds		Gains and losses £	Balance at 31 March 2023 £
			Resources expended £	Transfers £		
General unrestricted funds	3,778,371	4,286,148	(4,151,587)	25,877	-	3,938,809
Designated funds	-	1,547	-	-	-	1,547
	<u>3,778,371</u>	<u>4,287,695</u>	<u>(4,151,587)</u>	<u>25,877</u>	<u>-</u>	<u>3,940,356</u>

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

	Balance at 1 April 2021 £	Incoming resources £	Movement in funds		Gains and losses £	Balance at 31 March 2022 £
			Resources expended £	Transfers £		
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>

Designated funds will be used for upgrading furnishings in residents rooms.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Unrestricted funds - Charity

	Balance at 1 April 2022 £	Incoming resources £	Movement in funds			Balance at 31 March 2023 £
			Resources expended £	Transfers £	Gains and losses £	
General unrestricted funds	3,725,403	3,754,353	(3,637,895)	25,877	-	3,867,738
Designated funds	-	1,547	-	-	-	1,547
	<u>3,725,403</u>	<u>3,755,900</u>	<u>3,637,895</u>	<u>25,877</u>	<u>-</u>	<u>3,869,285</u>

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

	Balance at 1 April 2021 £	Incoming resources £	Movement in funds			Balance at 31 March 2022 £
			Resources expended £	Transfers £	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>

Designated funds will be used for upgrading furnishings in residents rooms.

28 Analysis of net assets between funds - Group

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	5,092,444	-	5,092,444	5,127,657	-	5,127,657
Current assets/(liabilities)	(29,940)	32,109	2,169	(41,441)	60,506	19,065
Long term liabilities	(1,122,148)	-	(1,122,148)	(1,307,845)	-	(1,307,845)
	<u>3,940,356</u>	<u>32,109</u>	<u>3,972,465</u>	<u>3,778,371</u>	<u>60,506</u>	<u>3,838,877</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

29 Analysis of net assets between funds - Charity

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	5,091,348	-	5,091,348	5,122,531	-	5,122,531
Investments	2	-	2	2	-	2
Current assets/(liabilities)	(99,917)	32,110	(67,807)	(89,285)	60,500	(28,785)
Long term liabilities	(1,122,148)	-	(1,122,148)	(1,307,845)	-	(1,307,845)
	<u>3,869,285</u>	<u>32,110</u>	<u>3,901,395</u>	<u>3,725,403</u>	<u>60,500</u>	<u>3,785,903</u>

30 Related party transactions

Hoylake Cottage Care Manager is the daughter of trustee Michael Sutton, who was not involved in the process of her appointment. Her salary is paid at Hoylake Cottage standard pay rates.

31 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:

	2023 £	2022 £
Within one year	12,126	9,025
Between two and five years	18,926	15,551
	<u>31,052</u>	<u>24,576</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

32 Analysis of changes in net (debt)/funds

	At 1 April 2022	Cash flowsAt 31 March 2023	
	£	£	£
Cash at bank and in hand	222,745	4,138	226,883
Bank overdrafts	-	(6,170)	(6,170)
	<u>222,745</u>	<u>(2,032)</u>	<u>220,713</u>
Loans falling due within one year	(221,680)	19,548	(202,132)
Loans falling due after more than one year	(1,307,845)	185,697	(1,122,148)
	<u>(1,306,780)</u>	<u>203,213</u>	<u>(1,103,567)</u>

33 Cash generated from operations - Group

	2023	2022
	£	£
Surplus/(deficit) for the year	133,588	(402,900)
Adjustments for:		
Investment income recognised in statement of financial activities	(41,877)	(41,829)
Gain on disposal of investments	-	(4,407)
Depreciation and impairment of tangible fixed assets	126,578	119,692
Movements in working capital:		
Decrease/(increase) in debtors	6,903	(150,939)
Increase in creditors	27,509	35,537
Cash generated from/(absorbed by) operations	<u>252,701</u>	<u>(444,846)</u>