

Charity Registration No. 700121

Company Registration No. 02120194 (England and Wales)

**WIRRELDERLY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# WIRRELDERLY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr M J Duckworth Mr M Ayers (Chair) Mrs S Jenkin Mr S S Kirkby Mr M A Paddock Mrs B P Robinson Mr O Faluyl	(Appointed 24 June 2021) (Appointed 29 July 2021)
<b>Chief Executive Officer &amp; Secretary</b>	Ms R Zabeliauske	
<b>Charity number</b>	700121	
<b>Company number</b>	02120194	
<b>Principal address</b>	Elderholme Clatterbridge Road Bebington Wirral CH63 4JY	
<b>Registered office</b>	Elderholme Clatterbridge Road Bebington Wirral CH63 4JY	
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
<b>Bankers</b>	Barclays Bank plc	

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# WIRRELDERLY

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# **WIRRELDERLY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

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 charitable company's Memorandum and 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) (effective 1 January 2019)".

### **Objectives and activities**

The objectives and activities of the charity are:

To provide care for the highly dependent, frail and elderly and those requiring long term or end of life care.

To relieve the aged and infirm, particularly, but not exclusively, those who are residents in the Borough of Wirral.

To maintain and conduct a residential nursing home and provide other health and social care services.

To conduct undertake and promote or encourage research into care and treatment of the aged and infirm and to provide for the dissemination of the results of such research.

To promote, encourage or assist in the teaching or training of doctors, nurses, physiotherapists, administrators and managers and other persons engaged in any branch of medicine.

To provide professional and personal care of the highest standard to all residents in its care.

To maintain the highest standard of care and make improvements where identified.

To monitor its service provision and endeavour to provide the highest level of care.

We monitor performance against a number of key performance indicators including :- occupancy levels , staff turnover and average fee per week.

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

### **Achievements and performance**

The COVID-19 pandemic raised particular challenges in healthcare services since March 2020. Nevertheless, Elderholme continues to use its potential and is striving to provide nursing care to a highest standard.

The pandemic enforced new demands on implementing additional compliance and infection control management. While following multiple versions of government guidance, we made every reasonable effort to comply taking into account the vulnerability of older people living here at the same time aiming to keep the services safe, trusted and accessible.

We had to reorganise our care environment to achieving best infection prevention and control practice as per national guidance and adopt it taking zoning or quarantine recommendations into account to make it as much Covid secure as possible. We invested in building a visiting booth for the residents to enable visiting and took steps to segregate staff in order to adhere to social distancing rules as much as reasonably possible in the circumstances.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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Our frontline staff have been truly courageous to play a key role in protecting the most vulnerable in the Home from the deadly virus while continuing providing direct and kind care for all our service users. We worked closely with our suppliers, local health and social care professionals to ensure adequate supplies of PPE.

Staff, residents and visitors testing for Covid-19 has been introduced to care homes. Every member of staff working in the Home has been entitled to testing and the employees have been paid full wages if they had to self isolate. The Charity took steps to secure and arrange Covid-19 vaccinations to all residents and staff. Some clinically vulnerable staff used Furlough scheme. Some staff have been restricted working in one care setting only. All of the above has significantly inflated the overall wages costs.

The Charity managed the change of the Registered Manager seamlessly after the previous matron retired after 12 years of loyal service. The new Registered Manager, who took over in November 2020 worked in Elderholme for 5 years as a registered nurse and was warmly welcomed by all staff and residents in her new role.

The Board and the senior management monitor performance against a number of key performance indicators including: - occupancy levels, staff turnover and average fee per week.

### **Financial review**

The charity again registered a satisfactory income for the year of £4,161,140 compared to £3,755,765 for the year to 31 March 2020 enabling the high standards of care to continue.

Because of COVID-19 imposed restrictions by government, our average occupancy levels and main income from service users reduced. Expenses for day-to-day operations significantly increased because of additional compliance requirements in various government guidelines. Combination of rising costs for meeting regulatory compliance, essential improvements of the service and increase in staff wages forced the Charity to increase the residents' fees to meet them.

The Charity gained a satisfactory, in the circumstances, surplus of £61,358 compared to £237,859 for the same period last year. This has been achieved including various COVID-19 related funding received from the government totalling £237,104 which has been spent strictly in compliance with the conditions imposed. There has been no major spend on capital last year. Instead, Elderholme invested in better quality staff training, renewed some equipment and introduced new software.

The Charity has also received Bounce Back Loan of £50,000 to support with financial difficulties caused by the restrictions put in place by government throughout the pandemic.

Despite the big drop in surplus, Elderholme prioritised providing safe and high standard of care with high ratio of staff to residents during the most challenging pandemic in our lifetime.

The trustees continue to manage the charity's funds in a cautious manner always keeping sufficient reserves to cope with emergencies. All major and ethical decisions continue to be taken by the board of trustees and are fully minuted in the statutory books. Board meetings are held monthly. The trustees are fully informed in writing and orally of all aspects of the Charity's operation by Chief Executive and Registered Manager.

The trustees have assessed that the level of general reserves required in the normal course of the charitable company's activity should be maintained at a level equivalent to between three and six months expenditure which represents approximately £1m - £2m. This is to meet the day-to-day requirements of providing the high level of care which the charitable company aims to give. At 31 March 2021 undesignated general reserves were £713,159 (2020: £576,918) which is below target level. However, the trustees do not see this as a significant concern given the future plans for the charity.

In order to accurately show the reserves tied up in fixed assets held by the charity, a designated tangible fixed asset fund has been created. The fund, in addition to the revaluation reserve, reflects the net book value of the tangible fixed assets used operationally by the charity net of loans secured on them.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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The trustees have assessed the major risks to which the charity is exposed to and together with senior management review them on a regular basis. The following are the risks and uncertainties facing the charity:

- Covid-19 imposed threats
- Compliance with the requirements of the Care Quality Commission, the local authority and NHS
- Ability to recruit suitable staff with sufficient knowledge, expertise and experience
- Use and monitoring of agency staff
- Not sufficient funding from the local authority
- Significantly increased costs of running the service

### Plans for the future

The next phase of refurbishment planned for 2020 unfortunately has been delayed because of the uncertainty brought by the pandemic. The Charity intends, subject to financial viability, to review the possibility of doing that in autumn 2021.

Increased demands for faster internet made us to look into installing our own fibre line. We have also looked into installing two additional sluice rooms and upgrading current sluice facilities to achieve better overall infection control in the Home. Both projects have been approved by the Board and should be completed in summer 2021.

The Charity is constantly reviewing prospect of implementing Real Living Wage for all of its employees. Currently there are two main employees groups receiving lower than Real Living Wage rate. The Charity would like to be able to increase all employees pay rate above Real Living wage rate and, subject to financial viability, will review the possibility of doing that in autumn 2021.

There is a prospect of expanding current car park and construction of further bedrooms added to the building. The Charity is also keen to continue negotiations with NHS regarding purchasing the neighbouring land for future expansion.

All projects above are completely dependent upon the Charity's recovery from the pandemic and its financial performance.

### Structure, governance and management

Wirrelderly is a company, limited by guarantee, which was incorporated on 6th April 1987 (Company Number: 02120194) and a registered charity (Charity Number: 700121) and is governed by its Memorandum and Articles of Association. The charity trades under the name Elderholme Nursing Home.

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

Mr B Rourke	(Retired 27 May 2021)
Mrs R Lloyd	(Retired 27 May 2021)
Mr M J Duckworth	
Mr M Ayers (Chair)	
Mrs S Jenkin	
Mr S S Kirkby	
Mr M A Paddock	
Ms J Evans	(Appointed 1 October 2020 and retired 26 August 2021)
Mrs B P Robinson	(Appointed 24 June 2021)
Mr O Faluy	(Appointed 29 July 2021)

None of the trustees has any beneficial interest in the charitable company.

New trustees are elected at a meeting of the board of trustees. It is the responsibility of the board to ensure that the appointment of trustees provides the full range of abilities and skills which are needed to ensure the effective governance of the charity.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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In accordance with the memorandum and articles the following retire by rotation and being eligible offer themselves for re-election:

Mr M Ayers  
Mr M J Duckworth  
Mr M A Paddock

The board of trustees govern the policy of the charity. All trustees give of their time freely and no remuneration was paid in the year. The management of the charity is delegated to the Chief Executive Officer who is responsible to the board of trustees for all aspects of the operation of the charity. There is also in place a full operational management team of Matron/Manager, Human Resources Manager and the Financial Administrator to support the Chief Executive Officer. However, the ultimate responsibility for the quality and range of service provided is the responsibility of the trustees, who meet on a monthly basis.

The trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other similar organisations across the sector.

There are no known related party transactions to report.

### **Auditor**

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

### **Disclosure of information to auditor**

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

On behalf of the board of trustees



**Mr M Ayers (Chair)**

Trustee

Dated: 30 September 2021

# WIRRELDERLY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2021*

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The trustees, who are also the directors of Wirrelderly 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 charitable company 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 charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# WIRRELDERLY

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WIRRELDERLY

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### Opinion

We have audited the financial statements of Wirrelderly (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 charitable company 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 charitable company'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.

# WIRRELDERLY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF WIRRELDERLY

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

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

In the light of the knowledge and understanding of the charitable company 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 charitable company 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 charitable company'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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# WIRRELDERLY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF WIRRELDERLY

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### Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

### 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
for and on behalf of DSG

30 September 2021

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# WIRRELDERLY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	240,098	27,091
Incoming resources from charitable activities	4	3,920,847	3,727,263
Investments	5	195	724
Other income	6	-	687
<b>Total income</b>		<u>4,161,140</u>	<u>3,755,765</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	<u>4,099,782</u>	<u>3,517,906</u>
<b>Net income for the year/ Net movement in funds</b>		61,358	237,859
Fund balances at 1 April 2020		<u>2,559,211</u>	<u>2,321,352</u>
<b>Fund balances at 31 March 2021</b>		<u><u>2,620,569</u></u>	<u><u>2,559,211</u></u>

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

# WIRRELDERLY

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		2,596,287		2,659,323
<b>Current assets</b>					
Stocks	12	3,928		3,928	
Debtors	13	391,883		432,209	
Cash at bank and in hand		526,837		406,100	
		<u>922,648</u>		<u>842,237</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(284,572)</u>		<u>(335,673)</u>	
Net current assets			638,076		506,564
<b>Total assets less current liabilities</b>			<u>3,234,363</u>		<u>3,165,887</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(613,794)		(606,676)
<b>Net assets</b>			<u>2,620,569</u>		<u>2,559,211</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	17	1,763,410		1,832,293	
General unrestricted funds		713,159		576,918	
Revaluation reserve		144,000		150,000	
		<u>2,620,569</u>		<u>2,559,211</u>	
			<u>2,620,569</u>		<u>2,559,211</u>

The financial statements were approved by the Trustees on 30 September 2021



Mr M Ayers (Chair)  
Trustee

Company Registration No. 02120194

# WIRRELDERLY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

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		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		142,149		249,700
<b>Investing activities</b>					
Purchase of tangible fixed assets		(32,891)		(199,800)	
Proceeds on disposal of tangible fixed assets		-		1,250	
Investment income received		195		724	
		<hr/>		<hr/>	
<b>Net cash used in investing activities</b>			(32,696)		(197,826)
<b>Financing activities</b>					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(38,716)		(71,304)	
		<hr/>		<hr/>	
<b>Net cash generated from/(used in) financing activities</b>			11,284		(71,304)
			<hr/>		<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>			120,737		(19,430)
Cash and cash equivalents at beginning of year			406,100		425,530
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of year</b>			526,837		406,100
			<hr/> <hr/>		<hr/> <hr/>

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

Wirrelderly is a private company limited by guarantee incorporated in England and Wales. The registered office is Elderholme, Clatterbridge Road, Bebington, Wirral, CH63 4JY. The principal activities of the charity are disclosed in the Trustees Report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and 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) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

#### 1.2 Going concern

As part of assessing the potential impact of the ongoing COVID 19 virus situation the trustees have prepared revised financial forecasts for the charitable company. These forecasts indicate that the charitable company will continue to operate in surplus, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The revised forecasts also demonstrate that existing banking facilities will remain adequate and that all associated banking covenants will be satisfactorily met. The trustees have also considered the impact of potential operational challenges posed by COVID 19, including but not restricted to, an assessment of the costs and ability to deliver services. The trustees have concluded that any operational pressures caused directly by the COVID 19 situation are unlikely to have a material impact on the charitable company. On this basis the trustees consider it appropriate to prepare these financial statements on a going concern basis.

#### 1.3 Charitable funds

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

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

#### 1.4 Incoming resources

Income is recognised when the charitable company 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 charitable company 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 charitable company 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.

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Resources expended are accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure is stated inclusive of VAT as the charitable company is not VAT registered.

Charitable expenditure comprises direct expenditure in the furtherance of the charitable company's objectives.

Governance costs are the costs associated with the governance arrangements of the charitable company which relate to the general running of the charitable company as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charitable company's activities, those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

Support costs all relate to the charitable activity which is the provision of care for the highly dependent, frail and elderly of Wirral.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost 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:

Land and buildings	2% straight line
Plant and machinery	between 10% and 33.3% straight line, 15% reducing balance
Fixtures, fittings & equipment	33.3% reducing balance
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 net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company 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).

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Kitchen and cleaning stock is stated at cost less 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 charitable company 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 charitable company's balance sheet when the charitable company 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.

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***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 charitable company'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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

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

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.13 Taxation

Wirrelderly is a registered charity and is thus exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to charitable objects. No tax charges have arisen in the charitable company.

### 2 Critical accounting estimates and judgements

In the application of the charitable company'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

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	£	£
Donations and gifts	2,994	27,091
COVID-19 Funding	237,104	-
	<u>240,098</u>	<u>27,091</u>

Included within COVID-19 Funding is an amount of £90,340 (2020: £Nil) received under the Coronavirus Job Retention Scheme.

### 4 Incoming resources from charitable activities

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	£	£
Residents' fees	3,920,847	3,727,263
	<u>3,920,847</u>	<u>3,727,263</u>

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	195	724

### 6 Other income

	Total	Unrestricted funds
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	-	687

### 7 Charitable activities

	2021	2020
	£	£
Staff costs	3,469,338	2,886,643
Depreciation and impairment	95,927	89,183
Medical supplies and services	131,192	100,667
Catering	83,889	89,232
Laundry	48,084	51,359
Premises	157,506	173,162
Finance charges	12,835	18,551
Sundry expenses	20,236	32,026
Equipment hire	15,375	13,542
	<u>4,034,382</u>	<u>3,454,365</u>
Share of support costs (see note 8)	58,530	56,671
Share of governance costs (see note 8)	6,870	6,870
	<u>4,099,782</u>	<u>3,517,906</u>

Support costs are all attributable to the charitable company's one activity.

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Computer costs	11,025	-	11,025	9,053	-	9,053
Telephone	2,581	-	2,581	2,490	-	2,490
Travel expenses	3,311	-	3,311	4,635	-	4,635
Legal fees	12,508	-	12,508	13,852	-	13,852
Professional fees	13,116	-	13,116	5,715	-	5,715
Printing, postage and stationery	14,180	-	14,180	12,586	-	12,586
Training	1,809	-	1,809	8,340	-	8,340
Audit fees	-	6,870	6,870	-	6,870	6,870
	<u>58,530</u>	<u>6,870</u>	<u>65,400</u>	<u>56,671</u>	<u>6,870</u>	<u>63,541</u>

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, none of them were reimbursed for travelling expenses (2020- nil).

### 10 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Nursing	110	91
Catering & domestic	24	29
Administrative	8	6
Total	<u>142</u>	<u>126</u>

### Employment costs

	2021	2020
	£	£
Wages and salaries	3,236,704	2,701,206
Social security costs	191,503	149,930
Other pension costs	41,131	35,507
	<u>3,469,338</u>	<u>2,886,643</u>

Employment costs include £685,888 (2020: £677,136) in respect of payments made to agency staff.

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

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2020	3,249,307	669,752	62,038	25,645	4,006,742
Additions	10,921	19,015	2,955	-	32,891
At 31 March 2021	3,260,228	688,767	64,993	25,645	4,039,633
<b>Depreciation and impairment</b>					
At 1 April 2020	751,370	545,786	43,850	6,413	1,347,419
Depreciation charged in the year	63,688	20,011	7,420	4,808	95,927
At 31 March 2021	815,058	565,797	51,270	11,221	1,443,346
<b>Carrying amount</b>					
At 31 March 2021	2,445,170	122,970	13,723	14,424	2,596,287
At 31 March 2020	2,497,937	123,966	18,188	19,232	2,659,323

Freehold land and buildings have been pledged to secure borrowings of the charitable company.

The property was valued on an open market basis by Fletcher Ramos & Co, Wirral, a firm of independent surveyors in 1995. Previously the company had taken advantage of the exemption in FRS 15 not to revalue the property. As permitted by FRS 102 the company will continue to adopt this policy with the revalued amount being treated as deemed historic cost on transition.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,297,447 (2020 - £2,344,214). The £6,000 reduction in the revaluation reserve represents the difference between the annual depreciation charge on cost and the charge on the revalued amount of the land & buildings.

Included in land and buildings is land at cost of £68,589 (2020: £68,589) which is not depreciated.

### 12 Stocks

	2021 £	2020 £
Raw materials and consumables	3,928	3,928

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 13 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	356,379	402,347
Other debtors	-	200
Prepayments and accrued income	35,504	29,662
	<u>391,883</u>	<u>432,209</u>

### 14 Loans and overdrafts

	2021	2020
	£	£
Bank loans	<u>688,877</u>	<u>677,593</u>
Payable within one year	75,083	70,917
Payable after one year	<u>613,794</u>	<u>606,676</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>284,297</u>	<u>289,883</u>

The bank loans are secured by fixed charges over the premises, known as Elderholme, Clatterbridge Road, Bebington, Wirral.

The charity has three loan balances due to Barclays Bank Plc.

A long term loan balance of £428,790 (2020: £450,557) matures on 4/2/2030. Repayments on this loan are made on a quarterly basis. Interest on the loan is charged at a rate of 1.37% over base.

A loan facility of £300,000 to assist with the funding for the cost of refurbishments. At the period end a balance of £210,087 (2020: £227,036) was due on this loan. Interest on the loan is charged at 2.6% over base. Repayments are made on a monthly basis with the final repayment due by September 2026.

A Bounce Back Loan £50,000 received in October 2020. No repayment of capital is required during the first 12 months of the loan. Repayments will be made in 60 monthly instalments starting 13 months after the drawdown. Interest on the loan is to be charged at 2.5% per annum, fixed for the duration of the loan. During the first 12 months, the UK Government will pay interest due under this loan.

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

	Notes	2021 £	2020 £
Bank loans	14	75,083	70,917
Other taxation and social security		55,152	46,338
Trade creditors		40,918	142,199
Other creditors		11,983	10,667
Accruals and deferred income		101,436	65,552
		<u>284,572</u>	<u>335,673</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	<u>613,794</u>	<u>606,676</u>

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Tangible fixed asset fund	1,644,372	187,921	1,832,293	(68,883)	1,763,410
	<u>1,644,372</u>	<u>187,921</u>	<u>1,832,293</u>	<u>(68,883)</u>	<u>1,763,410</u>

In order to accurately show the reserves tied up in fixed assets held by the charity, a designated tangible fixed asset fund has been created. The fund, in addition to the revaluation reserve, reflects the net book value of the tangible fixed assets used operationally by the charity net of loans secured on them.

### 18 Financial commitments, guarantees and contingent liabilities

There is a contingent liability of £300,000 in the event of a disposal of the property or its change of use.

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	52,617	49,449

### 20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	18,978	11,000
Between two and five years	2,372	2,767
	<u>21,350</u>	<u>13,767</u>

### 21 Cash generated from operations

	2021 £	2020 £
Surplus for the year	61,358	237,859
Adjustments for:		
Investment income recognised in statement of financial activities	(195)	(724)
Gain on disposal of tangible fixed assets	-	(687)
Depreciation and impairment of tangible fixed assets	95,927	89,183
Movements in working capital:		
Decrease/(increase) in debtors	40,326	(202,088)
(Decrease)/increase in creditors	(55,267)	126,157
<b>Cash generated from operations</b>	<u>142,149</u>	<u>249,700</u>

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 22 Analysis of changes in net (debt)/funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	406,100	120,737	526,837
Loans falling due within one year	(70,917)	(4,166)	(75,083)
Loans falling due after more than one year	(606,676)	(7,118)	(613,794)
	<u>(271,493)</u>	<u>109,453</u>	<u>(162,040)</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>