

Charity registration number 700121

Company registration number 02120194 (England and Wales)

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

WIRRELDERLY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M J Duckworth Mrs S Jenkin Mr S S Kirkby Mr M A Paddock Mrs B P Robinson Mr O Faluy Mr A B Cadwallader Mr L Stebbings (Chairman)	(Appointed 24 June 2021) (Appointed 29 July 2021) (Appointed 24 February 2022) (Appointed 26 May 2022)
Chief Executive Officer & Secretary	Ms R Zabeliauske	
Charity number	700121	
Company number	02120194	
Principal address	Elderholme Clatterbridge Road Bebington Wirral CH63 4JY	
Registered office	Elderholme Clatterbridge Road Bebington Wirral CH63 4JY	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	Barclays Bank plc	

WIRRELDERLY

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WIRRELDERLY

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

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the 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.

WIRRELDERLY

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

Achievements and performance

The 2021- 2022 financial year for the Charity was no less challenging than the previous one when the pandemic began. While many industries returned to operating normally, the care homes sector retained restrictions to keep the most vulnerable in the community protected. Additional controls of compliance and infection control remained in place initiated by multiple versions of constantly changing government guidance. We continued taking infection control measures seriously and made an investment of over £70,000 to refurbish the old, and install two new sluice rooms to equip each unit with one to improve infection control and staff working conditions in the Home. We also replaced a large area of flooring from carpets to high quality hard flooring which is much easier to maintain and looks more esthetical creating a safer more modern care home environment.

A lot of resources went into fulfilling staff Covid 19 testing and vaccination programme – staff members were required to complete Covid-19 tests from twice a week to every day. This meant many working hours were spent supporting the staff to follow testing guidance, registering tests, following up and recording results for compliance purposes. Our staff remained on full pay when they tested positive and had to self-isolate until their return to work. The Government provided Infection Control and Testing grants to support us with most of the expenses for the above.

We, as probably any other care home in the country, faced challenges and difficulties in staff retention and recruitment. Towards the end of pandemic, a lot of care staff were attracted to join other recovering industries such as hospitality and retail for better pay and easier working conditions. Also, the local NHS created more better paid jobs and opportunities for those who did not wish to have Covid 19 vaccination, which at the time was a mandatory requirement for care homes.

Brexit resulted in the reduction of the European workforce available in the market because many Europeans left before the pandemic and never returned, while any new labour force were restricted from entering the UK. Good candidates for care and nursing positions became so rare that it forced us to look into international recruitment and obtain Sponsorship Licences which we could use to recruit the best educated and experienced overseas candidates.

Once again it has been widely recognised that healthcare work is not paid adequately for the expected outcomes during the pandemic. As a result, the government provided a Workforce capacity fund grant to fund the staff incentives for additionally worked overtime during the winter period and to cover some costs of recruitment. It also enabled us to spend more on job vacancies advertising which attracted a lot of good quality candidates and helped us to hire new employees in a shorter period of time. The grants have been very much appreciated and, in conjunction with other staff bonuses paid by the Charity throughout the year, have kept staff morale up and contributed to their financial wellbeing. In order to attract and keep our staff we introduced, and are proud to call ourselves, a Real Living Wage payer from April 2022.

All care providers, including Wirrelderly, have been incurring a high rise in recruitment costs because many candidates are accessible only through the recruitment agencies who charge in the region of 8 – 15 % of annual wage as an introduction fee. This market condition inevitably increased our overheads with no additional benefit gained.

Long awaited fibre internet installation has been completed which was so necessary for our resident's communication with their families and entertainment during isolation.

The trustees have been kept informed regarding any Health and Safety concerns in the Home which have been addressed immediately by management always ensuring a safe environment for the residents and staff.

There have been some changes in management in key roles which has brought more efficiency, skills, and experience to the Home , increased the standard of care and improved compliance. All changes were led by the same strong Charity values and leadership from the Board of Trustees. With changing times, the changes in any organisation are also inevitable and the Charity is prepared to embrace them to advance to the future.

The Board and the senior management continue to monitor performance against a number of key performance indicators including occupancy levels, staff turnover, residents' dependency tool, staffing to revenue percentage and average fee per week.

WIRRELDERLY

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

Financial review

The charity registered the income for the year of £4,127,335 compared to £4,161,140 for the year to 31 March 2021 enabling the high standard of care and infrastructure investment to continue.

Because of Covid-19 imposed restrictions by the Government and local authorities, the average occupancy levels and main income remained reduced for another year compared to pre-pandemic. In addition to that the NHS terminated the Transfer to Assess contracts with the local providers in autumn which meant that referrals and funding for 16 bed vacancies ceased resulting in the Home having to find its own ways to fill those vacancies.

Expenses of the day to day running of the organisation kept increasing throughout the year due to post pandemic consequences meaning that we paid more, not only for recruitment but also for maintenance, contractual agreements and insurance. We also suffered temporary shortages in some supplies and experienced the limited availability of trades people due to high demand for their services.

Influenced by the above, the Charity applied for and received a Bounce Back Loan to mitigate against any potential future difficulties. To ensure adequate revenue to cover increased expenditure, the residents tariffs have been reviewed regularly and, as a consequence, had to be increased twice in the last financial year. As a non-profit making charity fee levels are kept as low as possible commensurate with financial viability.

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.

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. On 31 March 2022 undesignated general reserves were £675,700 (2021: £713,159) 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.

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:

- Continuing Covid-19 or other viral infections imposed threats to our residents and staff
- Compliance with the requirements of the Care Quality Commission, the local authority and the NHS
- Ability to recruit and retain suitable staff with sufficient knowledge, expertise and experience
- Difficult insurance market
- Insufficient funding from the local authority
- Significantly increased costs of running the service
- War in Ukraine potentially causing shortages of food and raising fuel costs
- Continuing shortages in supplies and limited contractors availability
- Competition with other care homes providing similar services

WIRRELDERLY

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

Plans for the future

To ensure continuous improvement of facilities the Home provides to the service users, one of the most essential work required is to complete the final stage of refurbishment.

The main short term goal is to recover occupancy to pre-pandemic levels what will aid to accumulate surplus for the last phase of refurbishment planned and enable further ongoing improvement of premises and facilities such as upgrading the gardens for residents benefits and enjoyment.

However 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 M J Duckworth	
Mr M Ayers	(Resigned 27 May 2022)
Mrs S Jenkin	
Mr S S Kirkby	
Mr M A Paddock	
Mrs B P Robinson	(Appointed 24 June 2021)
Mr O Faluyl	(Appointed 29 July 2021)
Mr B Rourke	(Retired 27 May 2021)
Mrs R Lloyd	(Retired 27 May 2021)
Ms J Evans	(Resigned 26 August 2021)
Mr A B Cadwallader	(Appointed 24 February 2022)
Mr L Stebbings (Chairman)	(Appointed 26 May 2022)

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.

A new Resolution was signed in March 2022 establishing a paid chairman's position in the organisation, authorising remuneration in recognition of a high level of knowledge, skills and experience to lead the Board. From May 2022, Mr Lawson Stebbings has been appointed by the Board as a Chairman with a small reimbursement for his services.

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

Mrs S Jenkin
Mr S S Kirby
Mrs B P Robinson

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.

WIRRELDERLY

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

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 L Stebbings (Chairman)

Trustee

Dated: 27 October 2022

WIRRELDERLY

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2022

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 MEMBERS OF WIRRELDERLY

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 MEMBERS OF WIRRELDERLY

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.

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.

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

WIRRELDERLY

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

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 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.



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

27 October 2022

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 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	173,209	240,098
Incoming resources from charitable activities	4	3,954,101	3,920,847
Investments	5	25	195
		<hr/>	<hr/>
Total income		4,127,335	4,161,140
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	6	4,031,438	4,099,782
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		95,897	61,358
Fund balances at 1 April 2021		2,620,569	2,559,211
		<hr/>	<hr/>
Fund balances at 31 March 2022		2,716,466	2,620,569
		<hr/>	<hr/>

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 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		2,644,077		2,596,287
Current assets					
Stocks	11	3,928		3,928	
Debtors	12	391,396		391,883	
Cash at bank and in hand		537,763		526,837	
		<u>933,087</u>		<u>922,648</u>	
Creditors: amounts falling due within one year	14	<u>(359,848)</u>		<u>(284,572)</u>	
Net current assets			573,239		638,076
Total assets less current liabilities			3,217,316		3,234,363
Creditors: amounts falling due after more than one year	15		<u>(500,850)</u>		<u>(613,794)</u>
Net assets			<u>2,716,466</u>		<u>2,620,569</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	1,902,766		1,763,410	
General unrestricted funds		675,700		713,159	
Revaluation reserve		138,000		144,000	
		<u>2,716,466</u>		<u>2,620,569</u>	
			<u>2,716,466</u>		<u>2,620,569</u>

The financial statements were approved by the Trustees on 27 October 2022

Lawson Stebbings

Mr L Stebbings (Chairman)
Trustee

Company registration number 02120194

WIRRELDERLY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		251,702		142,149
Investing activities					
Purchase of tangible fixed assets		(155,235)		(32,891)	
Investment income received		25		195	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(155,210)		(32,696)
Financing activities					
Proceeds from new bank loans		-		50,000	
Repayment of bank loans		(85,566)		(38,716)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(85,566)		11,284
Net increase in cash and cash equivalents			10,926		120,737
Cash and cash equivalents at beginning of year			526,837		406,100
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			537,763		526,837
			<u> </u>		<u> </u>

WIRRELDERLY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

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 the statement of financial activities.

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 2022

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 2022

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.

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.

WIRRELDERLY

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

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

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	4,586	2,994
COVID-19 Funding	168,623	237,104
	<u>173,209</u>	<u>240,098</u>

Included within COVID-19 Funding is an amount of £33,196 (2021: £90,340) received under the Coronavirus Job Retention Scheme.

4 Incoming resources from charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Residents' fees	3,954,101	3,920,847
	<u>3,954,101</u>	<u>3,920,847</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	25	195
	<u>25</u>	<u>195</u>

WIRRELDERLY

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

6 Charitable activities

	2022 £	2021 £
Staff costs	3,303,107	3,469,338
Depreciation and impairment	107,445	95,927
Medical supplies and services	138,096	131,192
Catering	89,776	83,889
Laundry	43,579	48,084
Premises	185,405	157,506
Finance charges	12,053	12,835
Sundry expenses	28,405	20,236
Equipment hire	21,746	15,375
	<u>3,929,612</u>	<u>4,034,382</u>
Share of support costs (see note 7)	90,972	58,530
Share of governance costs (see note 7)	10,854	6,870
	<u>4,031,438</u>	<u>4,099,782</u>

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

7 Support costs

	Support costs £	Governance costs £	2022		Governance costs £	2021 £
			Support costs £	£		
Computer costs	16,127	-	16,127	11,025	-	11,025
Telephone	2,229	-	2,229	2,581	-	2,581
Travel expenses	3,913	-	3,913	3,311	-	3,311
Legal fees	22,558	-	22,558	12,508	-	12,508
Professional fees	26,942	-	26,942	13,116	-	13,116
Printing, postage and stationery	10,897	-	10,897	14,180	-	14,180
Training	8,306	-	8,306	1,809	-	1,809
Audit fees	-	10,854	10,854	-	6,870	6,870
	<u>90,972</u>	<u>10,854</u>	<u>101,826</u>	<u>58,530</u>	<u>6,870</u>	<u>65,400</u>

8 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 (2021- nil).

WIRRELDERLY

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

9 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Nursing	107	110
Catering & domestic	27	24
Administrative	5	8
	<hr/>	<hr/>
Total	139	142
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2022	2021
	£	£
Wages and salaries	3,084,452	3,236,704
Social security costs	181,127	191,503
Other pension costs	37,528	41,131
	<hr/>	<hr/>
	3,303,107	3,469,338
	<hr/> <hr/>	<hr/> <hr/>

Employment costs include £663,501 (2021: £685,888) in respect of payments made to agency staff.

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

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

WIRRELDERLY

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

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2021	3,260,228	688,767	64,993	25,645	4,039,633
Additions	52,226	72,201	30,808	-	155,235
At 31 March 2022	3,312,454	760,968	95,801	25,645	4,194,868
Depreciation and impairment					
At 1 April 2021	815,058	565,797	51,270	11,221	1,443,346
Depreciation charged in the year	64,207	31,058	8,574	3,606	107,445
At 31 March 2022	879,265	596,855	59,844	14,827	1,550,791
Carrying amount					
At 31 March 2022	2,433,189	164,113	35,957	10,818	2,644,077
At 31 March 2021	2,445,170	122,970	13,723	14,424	2,596,287

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 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,295,189 (2021: £2,297,447). 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 (2021: £68,589) which is not depreciated.

11 Stocks

	2022	2021
	£	£
Raw materials and consumables	3,928	3,928

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	315,657	356,379
Prepayments and accrued income	75,739	35,504
	391,396	391,883

WIRRELDERLY

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

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	603,311	688,877
Payable within one year	102,461	75,083
Payable after one year	500,850	613,794
Amounts included above which fall due after five years:		
Payable by instalments	127,139	284,297

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 £383,703 (2021: £428,790) 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 £174,275 (2021: £210,087) 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 of £45,333 (2021: £50,000) received in October 2020. No repayment of capital was 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 paid interest due under this loan.

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	102,461	75,083
Other taxation and social security		56,492	55,152
Trade creditors		59,052	40,918
Other creditors		10,614	11,983
Accruals and deferred income		131,229	101,436
		359,848	284,572

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	500,850	613,794

WIRRELDERLY

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

16 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 2020 £	Transfers £	Balance at 1 April 2021 £	Transfers £	Balance at 31 March 2022 £
Tangible fixed asset fund	1,832,293	(68,883)	1,763,410	139,356	1,902,766
	<u>1,832,293</u>	<u>(68,883)</u>	<u>1,763,410</u>	<u>139,356</u>	<u>1,902,766</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.

17 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.

18 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:

	2022 £	2021 £
Within one year	23,859	18,978
Between two and five years	17,632	2,372
	<u>41,491</u>	<u>21,350</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>72,089</u>	<u>52,617</u>

WIRRELDERLY

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

20	Cash generated from operations		2022	2021
			£	£
	Surplus for the year		95,897	61,358
	Adjustments for:			
	Investment income recognised in statement of financial activities		(25)	(195)
	Depreciation and impairment of tangible fixed assets		107,445	95,927
	Movements in working capital:			
	Decrease in debtors		487	40,326
	Increase/(decrease) in creditors		47,898	(55,267)
	Cash generated from operations		251,702	142,149
21	Analysis of changes in net (debt)/funds			
		At 1 April 2021	Cash flows	At 31 March 2022
		£	£	£
	Cash at bank and in hand	526,837	10,926	537,763
	Loans falling due within one year	(75,083)	(27,378)	(102,461)
	Loans falling due after more than one year	(613,794)	112,944	(500,850)
		<u>(162,040)</u>	<u>96,492</u>	<u>(65,548)</u>