

Charity registration number 700121

Company registration number 02120194 (England and Wales)

**WIRRELDERLY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# WIRRELDERLY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr A B Cadwallader Mr M J Duckworth Dr O Faluyi Mrs S Jenkin Mr S S Kirkby Mr M A Paddock Mrs B P Robinson Mr L Stebbings (Chairman)	(Appointed 26 May 2022)
<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 2023

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

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 2022 – 2023 financial year started with some operational restrictions enforced on the charity by public health guidelines due to ongoing Covid-19 risks however, towards the end of the year, they eased off and allowed the home to fully open to visitors and go back to supporting the residents to enjoy their lives to the full again.

Following the pandemic, many lessons have been learned and infection control management remained a priority for the charity. Demand for keeping the environment clean, accessible and homely increased even more and therefore, the Charity continued to invest in replacing carpets to high quality hard flooring and decorating throughout the Home wherever possible.

The trustees have been kept informed regarding any Health and Safety concerns in the Home which have been addressed immediately by management to ensure safe environment to residents, visitors and staff at all times.

As with every other care provider in the country, the home experienced major difficulties in staff recruitment and retention however with extraordinary efforts managed to remain safely staffed at all times and even reduced agency usage significantly compared to previous years. The trustees believe that the competitive pay rates and good working conditions gave the home an advantage and attracted a lot of good quality candidates. The Charity increased the variety of training offered to staff to ensure that a good balance of online, hands on practical trainings and workshops enable everyone to learn in different ways and build up confidence, skills and knowledge to deal with any situation that may occur in our care environment.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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The Charity acknowledges that people dedicating their working lives to healthcare should be more appreciated and recognised by adequate pay for such a wide range of skills requiring roles working in such a busy, complex and dynamic environment and continue reviewing pay rates on regular basis. As a result, Charity offers higher than Real Living Wage rates to all staff for their astounding efforts and to aid coping with cost of living crisis. However the Charity remains restricted how much the pay can be increase by the level of revenue received from the public funding authorities for care provided to the service users. High inflation drove up the costs of operating the Home significantly including the highest energy rates we have ever been charged, food and consumables costs going up by about 20%, increased contractors and other fees. This has not however been recognised in the majority of our residents funding received from the authorities and therefore the Charity had to delay some projects and further improvements until this changes.

There were no government grants offered for any operational difficulties in this financial year such as compensation for ongoing low occupancy due to Covid restrictions or for supporting staff financially while they were required to stay off work isolating after testing positive with Covid.

After a lot of changes in operation and market conditions following the pandemic, the main focus this year was set on improving occupancy levels and achieving full compliance with the regulators. With the new management team settled in, there was a lot of progress made in all areas and the Home is looking forward to a CQC visit now to be reinspected and recognised for all improvements and positive changes made in the Home since the last inspection.

We have thoroughly reviewed our IT systems and replaced most of our devices and currently are looking into upgrading our medicines administration process and care management system to achieve better communication, documentation and records keeping. We believe this would also help to achieve more efficiency, reduce the chance of discrepancies and enable better monitoring of the daily running of the Home.

The Charity continues to strive to provide the best available specialised suitable equipment and seating to the residents where possible to enable them to enjoy all daily living activities and be mobile, safe and comfortable at all times. A highly skilled and experienced physiotherapist joined our nursing team and is available to provide advice and support to our residents where required to ensure the best practices are followed. The minibus is utilised for day trips and activities when possible. The Home has a substantial varied activities programme and makes the environment very stimulating and suitable to all ages, tastes and abilities.

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.

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 have been held monthly. The trustees are fully informed in writing and orally of all aspects of the Charity's operation by the Chief Executive.

### **Financial review**

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The charity registered the income for the year of £3,954,820 compared to £4,127,335 for the year to 31 March 2022. As a non-profit making charity fee levels are kept as low as possible commensurate with financial viability.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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### Reserves policy

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 2023 undesignated general reserves were £690,102 (2022: £675,700) 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.

### Risk policy

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:

- Inadequate funding from the local authorities for the high level of care required significantly increased costs of staffing and running the service
- Challenge to generate sufficient surplus to achieve all required improvements and enable investments the Charity desires for the benefit of the residents and staff
- Keeping up with always changing compliance requirements of the Care Quality Commission, the local authority and the NHS
- Ability to recruit and retain suitable and competent staff with sufficient knowledge, expertise and experience
- Tough insurance and financial markets for care homes
- Possible future reoccurring infections imposed threats to our residents and staff and restrictions to operate during 'close downs'
- Ongoing raising utilities, food, fuel and other supplies and services costs
- Ongoing supply chain issues delaying the suppliers and contractors lead times and inflating costs of supplies and services further
- Competition with other care homes providing similar services

### Plans for the future

The main short term goal is to recover and maintain room occupancy to pre-pandemic levels which will aid to accumulate revenue to enable not only daily operation but also ongoing improvement of premises and facilities such as upgrading the gardens for residents benefits and enjoyment and investing in more specialised equipment to enable residents to be more comfortable and aid achieving their daily goals. We wish to continue to invest in good quality staff training to ensure that our workforce is well prepared to cope with any situation and difficulty they may encounter in care environment.

The new telephones system to be installed early autumn will be tailored to aid us to become more responsive and efficient in communication. We would like to further digitalise our systems and invest in achieving the best data protection and cyber security.

All projects above depends on the Charity's recovery from the pandemic and its financial performance.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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### 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 operates 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 Ayers	(Resigned 27 May 2022)
Mr A B Cadwallader	
Mr M J Duckworth	
Dr O Faluyi	
Mrs S Jenkin	
Mr S S Kirkby	
Mr M A Paddock	
Mrs B P Robinson	
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:

Mr M Duckworth  
Dr O Faluyi  
Mr M 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.

# WIRRELDERLY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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### Disclosure of information to auditor

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

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

*Lawson Stebbings*

**Mr L Stebbings (Chairman)**

Trustee

Dated: 26 October 2023

# **WIRRELDERLY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

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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 MEMBERS OF WIRRELDERLY

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### Opinion

We have audited the financial statements of Wirrelderly (the 'charitable company') for the year ended 31 March 2023 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 2023 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

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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 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

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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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the 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

26 October 2023

**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 2023**

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		Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b><u>Income from:</u></b>			
Donations and legacies	<b>3</b>	44,206	173,209
Incoming resources from charitable activities	<b>4</b>	3,910,064	3,954,101
Investments	<b>5</b>	550	25
		<hr/>	<hr/>
<b>Total income</b>		3,954,820	4,127,335
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	<b>6</b>	3,852,016	4,031,438
		<hr/>	<hr/>
<b>Total expenditure</b>		3,852,016	4,031,438
		<hr/>	<hr/>
<b>Net income for the year/ Net movement in funds</b>		102,804	95,897
Fund balances at 1 April 2022		2,716,466	2,620,569
		<hr/>	<hr/>
<b>Fund balances at 31 March 2023</b>		2,819,270	2,716,466
		<hr/> <hr/>	<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 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		2,613,874		2,644,077
<b>Current assets</b>					
Stocks	12	3,928		3,928	
Debtors	13	429,370		391,396	
Cash at bank and in hand		505,762		537,763	
		<u>939,060</u>		<u>933,087</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(315,585)</u>		<u>(359,848)</u>	
Net current assets			<u>623,475</u>		<u>573,239</u>
<b>Total assets less current liabilities</b>			<u>3,237,349</u>		<u>3,217,316</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(418,079)</u>		<u>(500,850)</u>
<b>Net assets</b>			<u><u>2,819,270</u></u>		<u><u>2,716,466</u></u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	17	1,997,168		1,902,766	
General unrestricted funds		690,102		675,700	
Revaluation reserve		<u>132,000</u>		<u>138,000</u>	
			<u>2,819,270</u>		<u>2,716,466</u>
			<u><u>2,819,270</u></u>		<u><u>2,716,466</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 October 2023

*Lawson Stebbings*

Mr L Stebbings (Chairman)  
Trustee

Company registration number 02120194

# WIRRELDERLY

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

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		142,163		251,702
<b>Investing activities</b>					
Purchase of tangible fixed assets		(91,942)		(155,235)	
Investment income received		550		25	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(91,392)		(155,210)
<b>Financing activities</b>					
Repayment of bank loans		(82,772)		(85,566)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			(82,772)		(85,566)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(32,001)		10,926
Cash and cash equivalents at beginning of year			537,763		526,837
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			505,762		537,763
			<u>          </u>		<u>          </u>

# WIRRELDERLY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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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

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

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

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 2023

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### 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 2023

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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 2023

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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.

#### **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 2023

### 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
	2023 £	2022 £
Donations and gifts	4,873	4,586
Legacies receivable	39,333	-
COVID-19 Funding	-	168,623
	<u>44,206</u>	<u>173,209</u>

Included within COVID-19 Funding is an amount of £nil (2022: £33,196) received under the Coronavirus Job Retention Scheme.

### 4 Incoming resources from charitable activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Residents' fees	<u>3,910,064</u>	<u>3,954,101</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	<u>550</u>	<u>25</u>

# WIRRELDERLY

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

### 6 Charitable activities

	2023 £	2022 £
Staff costs	3,044,016	3,303,107
Depreciation and impairment	122,145	107,445
Medical supplies and services	94,723	138,096
Catering	106,239	89,776
Laundry	54,827	43,579
Premises	229,490	185,405
Finance charges	21,529	12,053
Sundry expenses	30,911	28,405
Equipment hire	22,498	21,746
	<u>3,726,378</u>	<u>3,929,612</u>
Share of support costs (see note 7)	115,488	90,972
Share of governance costs (see note 7)	10,150	10,854
	<u>3,852,016</u>	<u>4,031,438</u>

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

### 7 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Computer costs	24,507	-	24,507	16,127	16,127
Telephone	2,435	-	2,435	2,229	2,229
Travel expenses	7,352	-	7,352	3,913	3,913
Legal fees	3,390	-	3,390	8,916	8,916
Professional fees	47,821	-	47,821	40,584	40,584
Printing, postage and stationery	16,933	-	16,933	10,897	10,897
Training	13,050	-	13,050	8,306	8,306
Audit fees	-	10,150	10,150	-	10,854
	<u>115,488</u>	<u>10,150</u>	<u>125,638</u>	<u>90,972</u>	<u>101,826</u>

# WIRRELDERLY

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

### 8 Trustees

As permitted by the charity's Articles of Association, one of the trustees, Mr Lawson Stebbings, received remuneration of £15,000 during the year for his role as Chair in recognition of his high level of knowledge, skills and experience to lead the Board.

No trustees were reimbursed for expenses (2022- nil) during the year.

### 9 Employees

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Nursing	110	107
Catering & domestic	27	27
Administrative	5	5
	<hr/>	<hr/>
Total	142	139
	<hr/> <hr/>	<hr/> <hr/>

#### Employment costs

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,814,964	3,084,452
Social security costs	192,553	181,127
Other pension costs	36,499	37,528
	<hr/>	<hr/>
	3,044,016	3,303,107
	<hr/> <hr/>	<hr/> <hr/>

Included in the above salary costs are termination benefits of £20,000.

Employment costs include £376,088 (2022: £663,501) in respect of payments made to agency staff.

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	2	1
	<hr/>	<hr/>

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# WIRRELDERLY

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

### 11 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2022	3,312,454	760,968	95,801	25,645	4,194,868
Additions	26,285	8,499	57,158	-	91,942
At 31 March 2023	3,338,739	769,467	152,959	25,645	4,286,810
<b>Depreciation and impairment</b>					
At 1 April 2022	879,265	596,855	59,844	14,827	1,550,791
Depreciation charged in the year	65,143	33,593	20,704	2,705	122,145
At 31 March 2023	944,408	630,448	80,548	17,532	1,672,936
<b>Carrying amount</b>					
At 31 March 2023	2,394,331	139,019	72,411	8,113	2,613,874
At 31 March 2022	2,433,189	164,113	35,957	10,818	2,644,077

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 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,272,252 (2022: £2,295,189). 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 (2022: £68,589) which is not depreciated.

### 12 Stocks

	2023	2022
	£	£
Raw materials and consumables	3,928	3,928

### 13 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	333,185	315,657
Prepayments and accrued income	96,185	75,739
	429,370	391,396

# WIRRELDERLY

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

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

	Notes	2023 £	2022 £
Bank loans	16	102,460	102,461
Other taxation and social security		53,386	56,492
Trade creditors		58,152	59,052
Other creditors		10,188	10,614
Accruals and deferred income		91,399	131,229
		<u>315,585</u>	<u>359,848</u>

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

	Notes	2023 £	2022 £
Bank loans	16	418,079	500,850
		<u>418,079</u>	<u>500,850</u>

### 16 Loans and overdrafts

	2023 £	2022 £
Bank loans	520,539	603,311
	<u>520,539</u>	<u>603,311</u>
Payable within one year	102,460	102,461
Payable after one year	418,079	500,850
	<u>418,079</u>	<u>500,850</u>
Amounts included above which fall due after five years:		
Payable by instalments	88,271	127,139
	<u>88,271</u>	<u>127,139</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 £344,835 (2022: £383,703) 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 £139,871 (2022: £174,275) 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 £35,833 (2022: £45,333) 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.

# WIRRELDERLY

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

### 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 2021 £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Tangible fixed asset fund	1,763,410	139,356	1,902,766	94,402	1,997,168
	<u>1,763,410</u>	<u>139,356</u>	<u>1,902,766</u>	<u>94,402</u>	<u>1,997,168</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.

### 19 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:

	2023 £	2022 £
Within one year	25,491	23,859
Between two and five years	9,259	17,632
	<u>34,750</u>	<u>41,491</u>

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>85,359</u>	<u>72,089</u>

There were no other related party transactions in the year.

# WIRRELDERLY

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

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<b>21</b>	<b>Cash generated from operations</b>		<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	Surplus for the year		102,804	95,897
	Adjustments for:			
	Investment income recognised in statement of financial activities		(550)	(25)
	Depreciation and impairment of tangible fixed assets		122,145	107,445
	Movements in working capital:			
	(Increase)/decrease in debtors		(37,974)	487
	(Decrease)/increase in creditors		(44,262)	47,898
	<b>Cash generated from operations</b>		<b>142,163</b>	<b>251,702</b>
			<u><u>          </u></u>	<u><u>          </u></u>
<b>22</b>	<b>Analysis of changes in net (debt)/funds</b>			
		<b>At 1 April 2022</b>	<b>Cash flows</b>	<b>At 31 March 2023</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	537,763	(32,001)	505,762
	Loans falling due within one year	(102,461)	1	(102,460)
	Loans falling due after more than one year	(500,850)	82,771	(418,079)
		<u><u>(65,548)</u></u>	<u><u>50,771</u></u>	<u><u>(14,777)</u></u>