

Charity registration number 1146488

Company registration number 07125607 (England and Wales)

**HILLBROOK GRANGE RESIDENTIAL CARE HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

HILLBROOK GRANGE RESIDENTIAL CARE HOME

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HILLBROOK GRANGE RESIDENTIAL CARE HOME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr B Bissell Mrs P A Leck Miss J W Westbrook Mr J McGahan Mrs S Preece Dr L Taylor Mrs V Egan Mrs E M Wooding
Senior Management Team	Mrs Rosaleen Charles, Registered Manager Ms Kate Nicholson, Business Manager Mr Thomas Linnane, Deputy Manager Ms Heather Unwin, Operations Manager Mr Conor Nellis, Kitchen Manager Mrs Pamela Jones, Receptionist
Charity number	1146488
Company number	07125607
Registered office	Hillbrook Grange Ack Lane East Bramhall Stockport Cheshire UK SK7 2BY
Auditor	Xeinadin Audit Limited Riverside House, Kings Reach Business Park Yew Street Stockport Cheshire United Kingdom SK4 2HD
Bankers	Co-operative Bank St Pauls House 10 Warwick Lane London EC4M 7BP
Investment advisors	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors, present their report and the financial statements of the charity for the year ended 31 March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and their professional advisers on page 1 of the financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 Trustees

Mr Robert Bruce Bissell (Chairman)

Mrs Patricia A Leck

Miss June W Westbrook

Mr John McGahan (Treasurer)

Mrs Susan Preece (Company Secretary)

Dr Lesley Taylor

Mrs Elizabeth M Wooding

Mrs Valerie Egan

Structure, governance and management

Governing document

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 14th October 2011. The charity is run by its Board, which consists of four Principal Officers and no more than 14 other members, with power to co-opt as necessary no more than two extra members and to fill vacancies at any time prior to election at the next Annual General Meeting.

The period of membership of those filling such vacancies shall be the outstanding period of the member replaced. The four Principal Officers are Chairman, Vice Chairman, Secretary and Treasurer.

Recruitment and appointment of trustees

The Board shall be elected for three years, and one-third of the Board shall retire each year in rotation. Retiring members shall be eligible for re-election by the remaining Board members at the AGM each year. Following election at the AGM, the full Board shall appoint from their number the four Principal Officers who shall hold office for one year but on retirement, shall be eligible for re-election for a maximum of four years. The Board may also appoint such other officers as they deem appropriate.

Induction and training

The charity does not possess a formal policy for the training and induction of trustees.

Organisational structure

The Board is responsible for the overall running of Hillbrook Grange Residential Care Home. The Board is required to meet at least six times per annum, including the Annual General Meeting.

Day to day operational control is vested with the Home's Registered Manager who is supervised by the Chairman and the Vice Chairman.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

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

FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

The Constitution defines the objects of the Charity as:

- a) to promote and assist the general good of elderly people principally, but not exclusively, in the district of Bramhall and Woodford who are in need, by providing specially designed or adapted accommodation or housing and services or facilities calculated to meet the needs of such persons;
- b) to assist statutory authorities and other voluntary organisations engaged in providing facilities for physical improvement and furthering health; or in pursuing any objects which now are or subsequently may be deemed by law to be charitable;
- c) to provide and manage the residential care home known as "Hillbrook Grange" in Ack Lane, Bramhall or together with any other facilities for the elderly as may be deemed by the directors to be necessary to attain the objects of the charity;
- d) to promote and advance all such purposes as are recognised from time to time by the laws of England and Wales to be charitable. The Board considers that the objects are met by the principal activity, which is the provision of residential accommodation for the elderly.

Public benefit

In planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on the income from fees and charges to cover its operating costs. In setting the level of fees, the trustees give due consideration to the need to ensure that the residential accommodation of Hillbrook Grange is accessible to elderly people principally though not exclusively in the district of Bramhall and Woodford.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

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

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

The good start in restoring a high quality of care at Hillbrook Grange in 2022 was continued and stabilised in the year to end March 2023. Under the direction of the registered manager considerable recruitment and replacement of staff continued such that at the time of writing an almost full complement of staff has been achieved despite the nationwide problem of recruiting care staff. This has a number of benefits especially improving the quality of care through full training of all staff in the culture and practices we believe are important. The much lower dependency on agency staff has an important financial benefit.

At management level there is a small stable competent team with clearly defined roles. Of particular note is that the quality team of senior carers has much improved with consequent benefit to the operation of the home. The level of complaints from residents and families, an issue of the previous year, has almost fallen to zero and been replaced by many compliments. Relationships are positive which contributes to the friendly atmosphere that has been created.

The old house which we wish to replace in the near future has, as a temporary measure, had the first floor modified to create five rooms and communal facilities which will be used for respite care. Because of access constraints the rooms are only suitable for more mobile residents. Income from this project will give a short term boost to finances.

The CQC carried out inspections twice in the year, the second at our request as we felt discrepancies in the administration of medicines, specifically paracetamol, had been wrongly assessed. However the second inspection in January 23 found continuing issues and maintained the 'requires improvement' rating. The inspection of pharmacy practice was incredibly detailed and the faults found in our view minor. At a follow up conference call with senior CQC staff it was admitted that most homes would fail such an intense inspection. A re-inspection is awaited.

The financial performance of the home has improved from the previous year but is still running at a loss. To respond to the inflationary pressures on staff costs, energy and food, room charges were increased by 10% from November with a further increase to take effect in April 23. With these increases, it is estimated that the impact of inflation will be reduced and break-even possible provided we maintain a high level of occupancy. The balance sheet remains healthy thanks to the income from the sale of land.

Construction of the development by McCarthy and Stone of apartments for the elderly has continued without any significant impact on Hillbrook Grange. Access road surfaces have been improved. The balance of the sales price £1.396m was due when the first apartment was occupied and this was received just after our financial year close. We have started work with an architect on the design of the facilities to replace the Old House. In addition to a significant number of new rooms, communal areas in the existing building will be improved. Submission of a planning application is planned for summer 23.

Hillbrook Grange has resumed its role in providing affordable care for the residents of Bramhall and beyond. With experienced management and staff providing an excellent quality of care, we can look forward to expansion of our facilities to play an increased role in the care sector.

The land sale was completed in June 21 and construction by McCarthy and Stone (McC&S) commenced in the autumn. This has been achieved without significant disruption to the home. Relationships are good with McC&S and the construction staff. The agreed sale price will be paid in 2 instalments. The first of £2-1m has substantially improved the liquidity of our balance sheet. The second will follow of the first sale of one of the 40 apartments for senior living. It is planned to use the sale proceeds to replace the Old House with a purpose built unit to expand our offer to the community.

Hillbrook Grange has been through a turbulent and difficult period but I am confident for the future with a new team in place supported with an enthusiastic board of trustees. There is still much planned by the team to further improve the care experience and there are challenges to face not the least being the soaring cost of energy. These will be overcome with the same commitment and dedication displayed in the past year.

Investment review

During the year under review the portfolio produced a yield of 3.89% (2022:1.04%).

HILLBROOK GRANGE RESIDENTIAL CARE HOME

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

FOR THE YEAR ENDED 31 MARCH 2023

Some 4 per cent of the portfolio comprises low risk investment in fixed interest bonds. 80 percent of the portfolio comprises cash invested in money market instruments. The balance comprises medium risk investment in ethical concerns based predominantly in UK, Europe and North America; with more limited exposure to companies in the Far East, the emerging economies, property and AIM.

Financial review

As detailed in the report above 2022/23 has been a year when the operation has been further stabilised and the losses which occurred in 2021/22 reduced. The income has increased by some £200,000 despite the ending of substantial government grants during the pandemic. The loss from operating activities was reduced to £159,483 from £273,411(2021/22) before investment movements and sale of land benefits. As mentioned above, the sale of land in 2021/22 has provided much needed support during the last 3 years to ensure that the Home remains a going concern.

Reserves policy

Following the sale of the land the Board consider that the present level of funding remains adequate to support the continuation of the Charity's activities now in operation for the medium term, and its financial position remains satisfactory.

The Home has operated at occupancy levels of 90% with vacancies usually being filled within weeks.

The Board are of the opinion that a reasonable level of free reserves would be a sum sufficient to fund six months' expenses estimated to be in the order of £500,000. The Trustees are satisfied that the Home is a going concern.

At 31st March 2023, the net book value of fixed assets amounted to £2,969,603. Movements in fixed assets are shown in note 14 to the financial statements.

At 31st March 2023, funds carried forward amounted to £6,568,562, of which all related to unrestricted funds. £3,500,000 of unrestricted funds has been designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home. The remaining £3,068,562 relates to general unrestricted funds. There were no restricted funds carried forward at 31st March 2023.

Investment policy

The charity will not knowingly invest in securities that do not accord with its principles. If investments that are considered inappropriate are received as legacies, they are sold as soon as practicable and the proceeds are re-invested.

Plans for future periods

Redevelopment of Old House

Using the proceeds of the land sale amounting to £3.5 million we are planning the demolition of the "Old House" – a Victorian property which is not fit for purpose - and the construction in its place additional rooms, the number of which is yet to be determined as well as allowing for the transfer of a sum to augment the Charity's reserves. The sale of the land to McCarthy & Stone which was completed at the end of June 2021 places Hillbrook in a strong financial position.

Risk statement

The major risks to which the charity is exposed have been identified and reviewed by the trustees; and systems and procedures have been established to manage those risks.

Auditor

Xeinadin Audit Limited have been re-appointed as auditor for the ensuing year.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

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

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.

Small company provisions

The report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

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



Mr B Bissell
Trustee



Mrs P A Leck
Trustee

17 October 2023

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

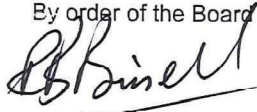
Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

By order of the Board of Trustees



Mr B Bissell
Trustee

17 October 2023



Mrs P A Leck
Trustee

HILLBROOK GRANGE RESIDENTIAL CARE HOME

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HILLBROOK GRANGE RESIDENTIAL CARE HOME

Opinion

We have audited the financial statements of Hillbrook Grange Residential Care Home (the 'charity') 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

in auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HILLBROOK GRANGE RESIDENTIAL CARE HOME

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HILLBROOK GRANGE RESIDENTIAL CARE HOME

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including CQC, and the charity's legal advisors.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (ACA) (Senior Statutory Auditor)

for and on behalf of Xeinadin Audit Limited

Chartered Accountants

Statutory Auditor

Riverside House, Kings Reach Business Park

Yew Street

Stockport

Cheshire

United Kingdom

SK4 2HD

31st October 2023

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds	Unrestricted funds designated	Total	Total
	Notes	2023 £	2023 £	2023 £	2022 £
<u>Income and endowments from:</u>					
Income from donations, legacies and grants	2	730	-	730	86,818
Charitable activities	3	1,490,131	-	1,490,131	1,241,549
Investment income	4	48,935	-	48,935	15,935
Other income	5	23	-	23	50
Total income		1,539,819	-	1,539,819	1,344,352
<u>Expenditure on:</u>					
Raising funds	6	3,935	-	3,935	3,439
Charitable activities	7	1,695,367	-	1,695,367	1,617,720
Total expenditure		1,699,302	-	1,699,302	1,621,159
Net profit/(loss) on disposal of land		1,396,700		1,396,700	1,738,600
Net gains/(losses) on investments		(30,861)	-	(30,861)	36,291
Net incoming resources before transfers		1,206,356	-	1,206,356	1,498,084
Gross transfers between funds		(3,500,000)	3,500,000	-	-
Net movement in funds		(2,293,644)	3,500,000	1,206,356	1,498,084
Fund balances at 1 April 2022		5,362,206	-	5,362,206	3,864,122
Fund balances at 31 March 2023		3,068,562	3,500,000	6,568,562	5,362,206

All income and expenditure derive from continuing activities.

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
<u>Income and endowments from:</u>				
Income from donations, legacies and grants	2	9,929	76,889	86,818
Charitable activities	3	1,241,549	-	1,241,549
Investment income	4	15,935	-	15,935
Other income	5	50	-	50
Total income		1,267,463	76,889	1,344,352
<u>Expenditure on:</u>				
Raising funds	6	3,439	-	3,439
Charitable activities	7	1,524,677	93,043	1,617,720
Total expenditure		1,528,116	93,043	1,621,159
Net profit/(loss) on disposal of land		1,738,600		1,738,600
Net gains/(losses) on investments		36,291	-	36,291
Net incoming resources before transfers		1,514,238	(16,154)	1,498,084
Net movement in funds		1,514,238	(16,154)	1,498,084
Fund balances at 1 April 2021		3,847,968	16,154	3,864,122
Fund balances at 31 March 2022		5,362,206	-	5,362,206

HILLBROOK GRANGE RESIDENTIAL CARE HOME

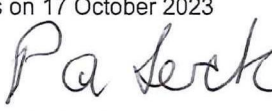
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	2,969,603		3,010,634	
Investments	15	2,242,561		2,363,335	
		5,212,164		5,373,969	
Current assets					
Stocks	16	150		150	
Debtors	17	1,493,935		37,135	
Cash at bank and in hand		17,349		41,010	
		1,511,434		78,295	
Creditors: amounts falling due within one year	18	(155,036)		(90,058)	
Net current assets/(liabilities)		1,356,398		(11,763)	
Total assets less current liabilities		6,568,562		5,362,206	
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds	21	3,068,562		5,362,206	
Designated unrestricted funds		3,500,000		-	
		6,568,562		5,362,206	
Total funds		6,568,562		5,362,206	

The financial statements were approved by the Trustees on 17 October 2023


Mr E Bissell
Trustee


Mrs P A Leck
Trustee

Company registration number 07125607

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	24	(1,523,862)		(273,411)	
Investing activities					
Purchase of tangible fixed assets		(40,393)		(8,202)	
Proceeds on disposal of tangible fixed assets		-		2,033,000	
Proceeds on disposal of investment property		1,396,700		-	
Purchase of other investments		-		(1,977,060)	
Proceeds on disposal of other investments		94,959		228,430	
Investment income received		48,935		15,935	
Net cash generated from investing activities		1,500,201		292,103	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(23,661)		18,692	
Cash and cash equivalents at beginning of year		41,010		22,348	
Cash and cash equivalents at end of year		17,349		41,010	

The notes on pages 15 to 26 form part of these financial statements.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Hillbrook Grange Residential Care Home is a private company limited by guarantee incorporated in England and Wales. Each of trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The registered office is Hillbrook Grange, Ack Lane East, Bramhall, Stockport, Cheshire, SK7 2BY, UK.

1.1 Accounting convention

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Hillbrook Grange Residential Care Home meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by charity.

The Board consider that the present level of funding remains adequate to support the continuation of the Charity's activities now in operation for the medium term, and its financial position remains satisfactory.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Expenditure

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. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

1.5 Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Furniture and equipment	10 - 33% reducing balance
Property - Structure	1 - 3 % straight line
Property - Fixed Equipment	5 - 10% straight line

1.6 Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

1.7 Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Employee benefits

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

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Retirement benefits

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

1.13 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

1.14 Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from donations, legacies and grants

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2023	2022	2022	2022
	£	£	£	£
Legacies receivable	730	9,929	-	9,929
Government grants	-	-	76,889	76,889
	<u>730</u>	<u>9,929</u>	<u>76,889</u>	<u>86,818</u>

Government grants are those arising from the COVID pandemic.

3 Charitable activities

	Charitable Income 2023	Charitable Income 2022
	£	£
Residential care	<u>1,490,131</u>	<u>1,241,549</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Investment income

Unrestricted funds	Unrestricted funds
--------------------	--------------------

2023	2022
£	£

Other income from fixed asset investments

48,935	15,935
<u>48,935</u>	<u>15,935</u>

5 Other income

Unrestricted funds	Unrestricted funds
--------------------	--------------------

2023	2022
£	£

Other income

23	50
<u>23</u>	<u>50</u>

6 Raising funds

Unrestricted funds	Unrestricted funds
--------------------	--------------------

2023	2022
£	£

Investment management;
Other portfolio management costs

3,935	3,439
<u>3,935</u>	<u>3,439</u>
<u>3,935</u>	<u>3,439</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Staff costs	1,146,982	1,057,792
Depreciation and impairment	81,425	87,971
Purchases	70,266	73,945
Staff training	6,176	4,840
Rent and rates	20,116	19,278
Electricity	37,253	22,589
Gas	58,157	25,386
Repairs and maintenance	106,751	78,499
Advertising	5,520	7,139
Bank charges	2,332	1,585
Travel expenses	395	305
	<u>1,535,373</u>	<u>1,379,329</u>
Share of support costs (see note 8)	129,674	211,504
Share of governance costs (see note 8)	30,320	26,887
	<u>1,695,367</u>	<u>1,617,720</u>
Analysis by fund		
Unrestricted funds	1,695,367	1,524,677
Restricted funds	-	93,043
	<u><u>1,695,367</u></u>	<u><u>1,617,720</u></u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8	Support costs						
		Support costs	Governance costs	2023	Support costs	Governance costs	2022
		£	£	£	£	£	£
	Staff costs	-	4,635	4,635	-	3,854	3,854
	Establishment cost	18,003	-	18,003	16,953	-	16,953
	Office expenses	660	-	660	4,755	-	4,755
	Printing, postage and stationery	9,265	-	9,265	5,844	-	5,844
	Subscriptions	8,374	-	8,374	8,812	-	8,812
	Cleaning	22,195	-	22,195	20,010	-	20,010
	Legal and professional costs	71,177	17,585	88,762	155,130	16,036	171,166
	Audit fees	-	8,100	8,100	-	6,997	6,997
		<u>129,674</u>	<u>30,320</u>	<u>159,994</u>	<u>211,504</u>	<u>26,887</u>	<u>238,391</u>
	Analysed between Charitable activities	<u>129,674</u>	<u>30,320</u>	<u>159,994</u>	<u>211,504</u>	<u>26,887</u>	<u>238,391</u>
9	Net movement in funds				2023		2022
					£		£
	Net movement in funds is stated after charging/(crediting)						
	Depreciation of owned tangible fixed assets				81,425		87,971
	Profit on disposal of land				(1,396,700)		(1,738,600)
					<u></u>		<u></u>
10	Auditor's remuneration						
	Fees payable to the charity's auditor and associates:				2023		2022
					£		£
	Audit of the charity's annual accounts				8,100		6,997
	Non-audit services						
	All other non-audit services				15,840		30,548
					<u></u>		<u></u>
11	Trustees						
	None of the trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £Nil travelling expenses (2022- £28 was reimbursed to one trustee).						
	During the year the charity made the following transactions with trustees:						
	Mrs Valerie Egan £6,000 (2022 : £2,500) in respect of nominated individual services and not for the work undertaken in her role as a trustee.						

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable activities	53	49
Employment costs	2023 £	2022 £
Wages and salaries	1,070,404	990,552
Social security costs	61,255	53,520
Pension costs	19,958	17,574
Other staff costs	42	42
	<u>1,151,659</u>	<u>1,061,688</u>

Wages and salaries above includes agency costs of £246,748 (2022 : £203,808)

The total employee benefits of the key management personnel of the charity were £191,829 (2022 : £140,075).

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

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2022	3,348,968	409,308	3,758,276
Additions	-	40,393	40,393
At 31 March 2023	<u>3,348,968</u>	<u>449,701</u>	<u>3,798,669</u>
Depreciation and impairment			
At 1 April 2022	465,984	281,657	747,641
Depreciation charged in the year	51,456	29,969	81,425
At 31 March 2023	<u>517,440</u>	<u>311,626</u>	<u>829,066</u>
Carrying amount			
At 31 March 2023	<u>2,831,528</u>	<u>138,075</u>	<u>2,969,603</u>
At 31 March 2022	<u>2,882,984</u>	<u>127,650</u>	<u>3,010,634</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2022	2,356,316	7,019	2,363,335
Valuation changes	(25,815)	(4,081)	(29,896)
Disposals	(90,878)	-	(90,878)
At 31 March 2023	2,239,623	2,938	2,242,561
Carrying amount			
At 31 March 2023	2,239,623	2,938	2,242,561
At 31 March 2022	2,356,316	7,019	2,363,335

16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	150	150

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	57,625	12,253
Other debtors	1,396,700	222
Prepayments and accrued income	39,610	24,660
	1,493,935	37,135

Other debtors totalling £1,396,700 relates solely to the proceeds from the land sale which took place in June 2021. These proceeds were received in July 2023, following the sale and occupation of the first retirement property by McCarthy and Stone.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	64,126	67,946
Other taxation and social security	19,879	12,438
Other creditors	4,850	4,197
Accruals and deferred income	66,181	5,477
	<u>155,036</u>	<u>90,058</u>

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £19,958 (2022 - £17,574).

20 Restricted funds

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

	Movement in funds			Movement in funds		
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Balance at 31 March 2023 £
General	16,154	76,889	(93,043)	-	-	-
	<u>16,154</u>	<u>76,889</u>	<u>(93,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Restricted funds arose from the Stockport Metropolitan Borough Council grants received to support the additional costs arising from the coronavirus pandemic.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Unrestricted funds

The income funds of the charity include the following unrestricted funds:

	Balance at 1 April 2021	Movement in funds			Balance at 1 April 2022	Movement in funds			Transfers	Balance at 31 March 2023
		Incoming resources	Resources expended	Revaluations, gains and losses		Incoming resources	Resources expended	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£	£
General	3,847,968	3,006,063	(1,528,116)	-	36,291	2,936,519	(1,730,163)	(3,500,000)	3,068,562	
Designated	-	-	-	-	-	-	-	3,500,000	3,500,000	
	3,847,968	3,006,063	(1,528,116)	-	36,291	2,936,519	(1,730,163)	-	6,568,562	

Designated funds relate solely to the income generated from the sale of land owned by Hillbrook Grange Residential Care Home. These funds have been designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	2,969,603	-	2,969,603	3,010,634	-	3,010,634
Investments	2,242,561	-	2,242,561	2,363,335	-	2,363,335
Current assets/(liabilities)	1,356,398	-	1,356,398	(11,763)	-	(11,763)
	<u>6,568,562</u>	<u>-</u>	<u>6,568,562</u>	<u>5,362,206</u>	<u>-</u>	<u>5,362,206</u>

23 Events after the reporting date

In September 2023 Hillbrook Grange Residential Care Home entered into an agreement for architectural services totaling £115,200 payable over the next two years.

24 Cash generated from operations

	2023 £	2022 £
Surplus for the year	1,206,356	1,498,084
Adjustments for:		
Investment income recognised in statement of financial activities	(48,935)	(15,935)
Gain on disposal of investment property	(1,396,700)	(1,738,600)
Fair value gains and losses on investments	25,814	(37,555)
Depreciation and impairment of tangible fixed assets	81,425	87,971
Movements in working capital:		
(Increase) in debtors	(1,456,800)	(17,994)
Increase/(decrease) in creditors	64,978	(49,412)
Cash absorbed by operations	<u>(1,523,862)</u>	<u>(273,441)</u>

25 Analysis of changes in net funds

The charity had no debt during the year.