

Charity registration number 1146488 (England and Wales)

Company registration number 07125607

**HILLBROOK GRANGE RESIDENTIAL CARE HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**



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 Mrs V Egan Mrs E Wooding (Resigned 28 March 2025) Mr R Arnison (Appointed 13 June 2024)
Senior Management Team	Mrs Rosaleen Charles, Registered Manager Ms Kate Nicholson, Business Manager Ms Selina Taylor, Deputy Manager Ms Heather Unwin, Operations Manager Mr Conor Nellis, Kitchen Manager Mrs Pamela Jones, Receptionist
Charity number (England and Wales)	1146488
Company number	07125607
Registered office	Hillbrook Grange Ack Lane East Bramhall Stockport Cheshire SK7 2BY
Auditor	Xeinadin Audit Limited Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Co-operative Bank St Pauls House 10 Warwick Lane London Greater London EC4M 7BP
Investment advisors	Rathbones 3 Wellington Place Leeds LS1 4AP

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors, present their report and the financial statements of the charity for the year ended 31 March 2025.

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).

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 of 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 2025

Achievements and performance

Significant activities and achievements against objectives

Hillbrook has had another satisfactory operating year with high levels of occupation including good use of refurbished rooms in the Old House for respite care. These rooms are now being decommissioned ahead of the commencement of the building work referred to below. The management team has been stable with the exception of the change of deputy manager, an internal candidate being appointed. Work on team building and improving leadership skills of the management team using a behavioural consultant has been very successful. This work will now be extended to include other staff.

The financial position has been further stabilised with a slightly better than breakeven being achieved for the operating account. This is very much in line with our policy of managing cost carefully to enable us to offer care to the elderly at the lowest possible cost. Prices were increased of necessity to cover the increase in the living wage by some 10% which is a significant increase to our cost base. Unfortunately we have had to make a further substantial increase in April 25 to cover the large increase in costs due the budget outturn which further increased the living wage and NI contribution. The surprise lowering of the NI limit to £5000 affects all our staff and alone adds £100,000 to our cost base. We feel this contradicts the governments pronouncements on the importance of social care. We continue to work on compliance but remain frustrated that the long overdue inspection by the CQC has still not occurred. However we have been inspected by the local authority and achieved a high rating on all counts including an overall rating for the service of good. The level of activities for residents has increased markedly thanks to the new activities coordinator and assistants. In addition to in house activities including personal time spent with each resident, there has been a marked increase of visits for residents to a wide range of venues and different experiences. The dining experience has been further modified to meet the wishes of the residents. Our restaurant manager recently won a competition in a national trade food magazine.

Following the approval by the planning authority of the project to demolish the old house and replace it with a wing containing ensuite bedrooms and amenity areas we have undertaken detailed design and pricing. It became apparent that, due to inflation, our original plan exceeded our budget so considerable redesign has been undertaken which has resulted in a design containing 14 ensuite rooms and lounge areas. As construction work has to be carefully integrated with the operation of the home, a turn key project was impossible to scope due to the need for constant modifications to the working plans to avoid impact on residents. We have therefore agreed as a board to have an open book process with the preferred contractor, all their costs being approved by an independent quantity surveyor who we have appointed. The site is fully prepared and the main construction work about to start. The management team are excited by the prospects the new facilities will provide and are focused to ensuring our residents have top quality care and an enjoyable living experience while construction work proceeds.

Financial review

Going concern

As detailed in the report above 2024/25 has been a year when the operation has been further stabilised. The income has increased by £151,874 during the year. The surplus from operating activities of £169,742 before investment movements is an improvement compared to the operating surplus of £145,242 before investment movements in 2023/24.

The total funds held by the Charity at 31st March 2025 were £6,915,387 of which £3,345,792 was designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 2025, the net book value of fixed assets amounted to £3,104,158. Movements in fixed assets are shown in note 13 to the financial statements.

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 of fourteen ensuite rooms, 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.

Full planning approval for the demolition of the "Old House" was obtained in May 2024 with construction work approved by the Board in May 2025.

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.

Mr B Bissell

Mrs P A Leck

Miss J W Westbrook

Mr J McGahan

Mrs S Preece

Mrs V Egan

Mrs E Wooding (Resigned 28 March 2025)

Mr R Arnison

(Appointed 13 June 2024)

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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

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.

Induction and training

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

Auditor

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

Disclosure of information to auditor

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

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

Date:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS 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 2025 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 2025 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 MEMBERS 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 MEMBERS 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Leitch-Devlin, Senior Statutory Auditor

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

Chartered Accountants

Riverside House Kings Reach Business Park

Yew Street

Stockport

SK4 2HD

Date:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	2	700	-	700	1,825	-	1,825
Charitable activities	3	1,918,393	-	1,918,393	1,780,147	-	1,780,147
Investments	4	168,070	-	168,070	155,915	-	155,915
Other income	5	2,719	-	2,719	121	-	121
Total income		<u>2,089,882</u>	<u>-</u>	<u>2,089,882</u>	<u>1,938,008</u>	<u>-</u>	<u>1,938,008</u>
Expenditure on:							
Raising funds	6	3,432	-	3,432	3,770	-	3,770
Charitable activities	7	1,916,708	-	1,916,708	1,788,996	-	1,788,996
Total expenditure		<u>1,920,140</u>	<u>-</u>	<u>1,920,140</u>	<u>1,792,766</u>	<u>-</u>	<u>1,792,766</u>
Net gains/(losses) on investments		<u>14,628</u>	<u>-</u>	<u>14,628</u>	<u>17,213</u>	<u>-</u>	<u>17,213</u>
Net income		<u>184,370</u>	<u>-</u>	<u>184,370</u>	<u>162,455</u>	<u>-</u>	<u>162,455</u>
Transfers between funds		<u>154,208</u>	<u>(154,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	8	<u>338,578</u>	<u>(154,208)</u>	<u>184,370</u>	<u>162,455</u>	<u>-</u>	<u>162,455</u>
Reconciliation of funds:							
Fund balances at 1 April 2024	19	<u>3,231,017</u>	<u>3,500,000</u>	<u>6,731,017</u>	<u>3,068,562</u>	<u>3,500,000</u>	<u>6,568,562</u>
Fund balances at 31 March 2025		<u>3,569,595</u>	<u>3,345,792</u>	<u>6,915,387</u>	<u>3,231,017</u>	<u>3,500,000</u>	<u>6,731,017</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	13		3,104,158		3,007,504
Investments	14		3,753,524		3,632,264
			<u>6,857,682</u>		<u>6,639,768</u>
Current assets					
Stocks	15	150		150	
Debtors	16	175,643		143,930	
Cash at bank and in hand		97,526		103,856	
			<u>273,319</u>		<u>247,936</u>
Creditors: amounts falling due within one year	17		<u>(215,614)</u>		<u>(156,687)</u>
Net current assets			<u>57,705</u>		<u>91,249</u>
Total assets less current liabilities			<u><u>6,915,387</u></u>		<u><u>6,731,017</u></u>
The funds of the charity					
Unrestricted funds - general	20	19	3,569,595		3,231,017
Unrestricted funds - designated	20	19	3,345,792		3,500,000
			<u><u>6,915,387</u></u>		<u><u>6,731,017</u></u>

The financial statements were approved by the trustees on

.....
Mr B Bissell
Trustee

.....
Mrs P A Leck
Trustee

Company registration number 07125607 (England and Wales)

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	24		103,795		1,417,815
Investing activities					
Purchase of tangible fixed assets		(171,563)		(114,733)	
Purchase of investments		(212,306)		(1,456,189)	
Proceeds from disposal of investments		105,674		83,699	
Investment income received		168,070		155,915	
Net cash used in investing activities			(110,125)		(1,331,308)
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(6,330)		86,507
Cash and cash equivalents at beginning of year			103,856		17,349
Cash and cash equivalents at end of year			97,526		103,856

The notes on pages 13 to 24 form part of these financial statements.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 Charitable funds

1.4 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.

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 2025

1 Accounting policies

(Continued)

1.5 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.

1.6 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

Assets in the course of construction are not depreciated.

1.7 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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 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).

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 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.

1.11 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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

1.13 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.

1.14 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 and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Legacies	700	1,825

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Residential care		
Residential care	1,918,393	1,780,147

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income from fixed asset investments	168,070	155,915

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	2,719	121

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	3,432	3,770

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Expenditure on charitable activities

	Charitable Expenditure 2025 £	Charitable Expenditure 2024 £
Direct costs		
Staff costs	1,419,000	1,310,039
Depreciation and impairment	74,909	76,832
Purchases	83,022	80,342
Staff training	18,800	9,546
Rent and rates	41,207	19,383
Electricity	25,212	31,347
Gas	21,530	41,692
Repairs and maintenance	94,552	86,178
Advertising	19,065	4,454
Bank charges	1,799	1,949
Sundry expenses	-	705
Travel expenses	2,642	414
Bad debts written off	80	498
	<u>1,801,818</u>	<u>1,663,379</u>
Share of support and governance costs (see note 9)		
Support	85,644	96,676
Governance	29,246	28,941
	<u>1,916,708</u>	<u>1,788,996</u>
Analysis by fund		
Unrestricted funds - general	<u>1,916,708</u>	<u>1,788,996</u>

8 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,100	8,100
Depreciation of owned tangible fixed assets	<u>74,909</u>	<u>76,832</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Staff costs	-	5,306	5,306	-	5,001	5,001
Establishment costs	20,567	-	20,567	18,793	-	18,793
Office expenses	2,357	-	2,357	2,553	-	2,553
Printing, postage and stationery	1,538	-	1,538	7,456	-	7,456
Subscriptions	8,761	-	8,761	8,758	-	8,758
Cleaning	22,338	-	22,338	23,970	-	23,970
Legal and professional costs	30,083	15,840	45,923	35,146	15,840	50,986
Audit fees	-	8,100	8,100	-	8,100	8,100
	<u>85,644</u>	<u>29,246</u>	<u>114,890</u>	<u>96,676</u>	<u>28,941</u>	<u>125,617</u>
Analysed between Charitable activities	<u>85,644</u>	<u>29,246</u>	<u>114,890</u>	<u>96,676</u>	<u>28,941</u>	<u>125,617</u>

10 Trustees

During the year the charity made the following transactions with trustees:
Mrs Valerie Egan £6,000 (2024 : £6,000) in respect of nominated individual services and not for the work undertaken in her role as a trustee.

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	<u>67</u>	<u>67</u>
Employment costs	2025 £	2024 £
Wages and salaries	1,309,545	1,216,828
Social security costs	88,206	74,915
Other pension costs	26,555	23,297
Other staff costs	42	42
	<u>1,424,348</u>	<u>1,315,082</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Employees

(Continued)

Wages and salaries above includes agency costs of £175,785 (2024 : £159,613)

The total employee benefits of the key management personnel of the charity were £240,794 (2024 : £208,734).

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

12 Taxation

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

13 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Furniture and equipment £	Total £
Cost				
At 1 April 2024	3,350,998	56,991	505,413	3,913,402
Additions	-	154,208	17,355	171,563
At 31 March 2025	3,350,998	211,199	522,768	4,084,965
Depreciation and impairment				
At 1 April 2024	564,237	-	341,661	905,898
Depreciation charged in the year	42,568	-	32,341	74,909
At 31 March 2025	606,805	-	374,002	980,807
Carrying amount				
At 31 March 2025	2,744,193	211,199	148,766	3,104,158
At 31 March 2024	2,786,761	56,991	163,752	3,007,504

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2024	3,632,264
Additions	212,306
Valuation changes	(20,193)
Disposals	(70,853)
	<hr/>
At 31 March 2025	3,753,524
	<hr/>
Carrying amount	
At 31 March 2025	3,753,524
	<hr/> <hr/>
At 31 March 2024	3,632,264
	<hr/> <hr/>

	2025 £	2024 £
Investments at fair value comprise:		
Equities	422,694	446,279
Money market instruments	3,307,564	3,175,000
Cash held within the investment portfolio	23,266	10,985
	<hr/>	<hr/>
	3,753,524	3,632,264
	<hr/> <hr/>	<hr/> <hr/>

15 Stocks

	2025 £	2024 £
Finished goods and goods for resale	150	150
	<hr/> <hr/>	<hr/> <hr/>

16 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	53,120	74,142
Other debtors	4	301
Prepayments and accrued income	122,519	69,487
	<hr/>	<hr/>
	175,643	143,930
	<hr/> <hr/>	<hr/> <hr/>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	16,070	17,148
Trade creditors	115,762	86,595
Other creditors	10,946	5,082
Accruals and deferred income	72,836	47,862
	<u>215,614</u>	<u>156,687</u>

18 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>26,555</u>	<u>23,297</u>

19 Analysis of net assets between funds

	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	3,104,158	-	3,104,158
Investments	445,960	3,307,564	3,753,524
Current assets/(liabilities)	19,477	38,228	57,705
	<u>3,569,595</u>	<u>3,345,792</u>	<u>6,915,387</u>

	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	3,007,504	-	3,007,504
Investments	457,264	3,175,000	3,632,264
Current assets/(liabilities)	(233,751)	325,000	91,249
	<u>3,231,017</u>	<u>3,500,000</u>	<u>6,731,017</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Unrestricted funds

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

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2025 £
General	3,231,017	2,089,882	(1,920,140)	154,208	14,628	3,569,595
Designated	3,500,000			(154,208)		3,345,792
	<u>6,731,017</u>	<u>2,089,882</u>	<u>(1,920,140)</u>	<u>-</u>	<u>14,628</u>	<u>6,915,387</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
General	3,068,562	1,938,008	(1,792,766)		17,213	3,231,017
Designated	3,500,000	-	-		-	3,500,000
	<u>6,568,562</u>	<u>1,938,008</u>	<u>(1,792,766)</u>	<u>-</u>	<u>17,213</u>	<u>6,731,017</u>

These funds have been designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home.

Designated funds relate to the income generated from the sale of land owned by Hillbrook Grange Residential Care Home less initial costs incurred in respect of the redevelopment of the 'Old House'.

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025 £	2024 £
Acquisition of property, plant and equipment	<u>24,000</u>	<u>81,600</u>

22 Events after the reporting date

In May 2025, the Charity agreed to commit £3,150,000 of contracted capital expenditure in respect of the new build project to erect a two story extension in order to provide an additional 14 bedrooms.

23 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Related party transactions

(Continued)

Rotary Club of Bramhall and Woodford Charities Trust Fund

Susan Preece is a trustee of Rotary Club of Bramhall and Woodford Charities Trust Fund. During the year Hillbrook Grange Residential Care Home received £700 (2024: £1,725) of donations from Rotary Club of Bramhall and Woodford Charities Trust Fund.

24 Cash generated from operations

2025

2024

£

£

Surplus for the year

184,370

162,455

Adjustments for:

Investment income recognised in statement of financial activities

(168,070)

(155,915)

Fair value gains and losses on investments

(14,628)

(17,213)

Depreciation and impairment of tangible fixed assets

74,909

76,832

Movements in working capital:

(Increase)/decrease in debtors

(31,713)

1,350,006

Increase in creditors

58,927

1,650

Cash generated from operations

103,795

1,417,815

Charity registration number 1146488 (England and Wales)

Company registration number 07125607

**HILLBROOK GRANGE RESIDENTIAL CARE HOME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**



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 Mrs V Egan Mrs E Wooding (Resigned 28 March 2025) Mr R Arnison (Appointed 13 June 2024)
Senior Management Team	Mrs Rosaleen Charles, Registered Manager Ms Kate Nicholson, Business Manager Ms Selina Taylor, Deputy Manager Ms Heather Unwin, Operations Manager Mr Conor Nellis, Kitchen Manager Mrs Pamela Jones, Receptionist
Charity number (England and Wales)	1146488
Company number	07125607
Registered office	Hillbrook Grange Ack Lane East Bramhall Stockport Cheshire SK7 2BY
Auditor	Xeinadin Audit Limited Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Co-operative Bank St Pauls House 10 Warwick Lane London Greater London EC4M 7BP
Investment advisors	Rathbones 3 Wellington Place Leeds LS1 4AP

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors, present their report and the financial statements of the charity for the year ended 31 March 2025.

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).

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 of 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 2025

Achievements and performance

Significant activities and achievements against objectives

Hillbrook has had another satisfactory operating year with high levels of occupation including good use of refurbished rooms in the Old House for respite care. These rooms are now being decommissioned ahead of the commencement of the building work referred to below. The management team has been stable with the exception of the change of deputy manager, an internal candidate being appointed. Work on team building and improving leadership skills of the management team using a behavioural consultant has been very successful. This work will now be extended to include other staff.

The financial position has been further stabilised with a slightly better than breakeven being achieved for the operating account. This is very much in line with our policy of managing cost carefully to enable us to offer care to the elderly at the lowest possible cost. Prices were increased of necessity to cover the increase in the living wage by some 10% which is a significant increase to our cost base. Unfortunately we have had to make a further substantial increase in April 25 to cover the large increase in costs due the budget outturn which further increased the living wage and NI contribution. The surprise lowering of the NI limit to £5000 affects all our staff and alone adds £100,000 to our cost base. We feel this contradicts the governments pronouncements on the importance of social care. We continue to work on compliance but remain frustrated that the long overdue inspection by the CQC has still not occurred. However we have been inspected by the local authority and achieved a high rating on all counts including an overall rating for the service of good. The level of activities for residents has increased markedly thanks to the new activities coordinator and assistants. In addition to in house activities including personal time spent with each resident, there has been a marked increase of visits for residents to a wide range of venues and different experiences. The dining experience has been further modified to meet the wishes of the residents. Our restaurant manager recently won a competition in a national trade food magazine.

Following the approval by the planning authority of the project to demolish the old house and replace it with a wing containing ensuite bedrooms and amenity areas we have undertaken detailed design and pricing. It became apparent that, due to inflation, our original plan exceeded our budget so considerable redesign has been undertaken which has resulted in a design containing 14 ensuite rooms and lounge areas. As construction work has to be carefully integrated with the operation of the home, a turn key project was impossible to scope due to the need for constant modifications to the working plans to avoid impact on residents. We have therefore agreed as a board to have an open book process with the preferred contractor, all their costs being approved by an independent quantity surveyor who we have appointed. The site is fully prepared and the main construction work about to start. The management team are excited by the prospects the new facilities will provide and are focused to ensuring our residents have top quality care and an enjoyable living experience while construction work proceeds.

Financial review

Going concern

As detailed in the report above 2024/25 has been a year when the operation has been further stabilised. The income has increased by £151,874 during the year. The surplus from operating activities of £169,742 before investment movements is an improvement compared to the operating surplus of £145,242 before investment movements in 2023/24.

The total funds held by the Charity at 31st March 2025 were £6,915,387 of which £3,345,792 was designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 2025, the net book value of fixed assets amounted to £3,104,158. Movements in fixed assets are shown in note 13 to the financial statements.

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 of fourteen ensuite rooms, 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.

Full planning approval for the demolition of the "Old House" was obtained in May 2024 with construction work approved by the Board in May 2025.

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.

Mr B Bissell

Mrs P A Leck

Miss J W Westbrook

Mr J McGahan

Mrs S Preece

Mrs V Egan

Mrs E Wooding (Resigned 28 March 2025)

Mr R Arnison

(Appointed 13 June 2024)

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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

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.

Induction and training

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

Auditor

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

Disclosure of information to auditor

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

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

Date:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS 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 2025 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 2025 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 MEMBERS 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 MEMBERS 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Leitch-Devlin, Senior Statutory Auditor

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

Chartered Accountants

Riverside House Kings Reach Business Park

Yew Street

Stockport

SK4 2HD

Date:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Total 2024 £
Notes							
Income and endowments from:							
Donations and legacies	2	700	-	700	1,825	-	1,825
Charitable activities	3	1,918,393	-	1,918,393	1,780,147	-	1,780,147
Investments	4	168,070	-	168,070	155,915	-	155,915
Other income	5	2,719	-	2,719	121	-	121
Total income		2,089,882	-	2,089,882	1,938,008	-	1,938,008
Expenditure on:							
Raising funds	6	3,432	-	3,432	3,770	-	3,770
Charitable activities	7	1,916,708	-	1,916,708	1,788,996	-	1,788,996
Total expenditure		1,920,140	-	1,920,140	1,792,766	-	1,792,766
Net gains/(losses) on investments		14,628	-	14,628	17,213	-	17,213
Net income		184,370	-	184,370	162,455	-	162,455
Transfers between funds		154,208	(154,208)	-	-	-	-
Net movement in funds	8	338,578	(154,208)	184,370	162,455	-	162,455
Reconciliation of funds:							
Fund balances at 1 April 2024	19	3,231,017	3,500,000	6,731,017	3,068,562	3,500,000	6,568,562
Fund balances at 31 March 2025		3,569,595	3,345,792	6,915,387	3,231,017	3,500,000	6,731,017

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

HILLBROOK GRANGE RESIDENTIAL CARE HOME

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	13		3,104,158		3,007,504
Investments	14		3,753,524		3,632,264
			<u>6,857,682</u>		<u>6,639,768</u>
Current assets					
Stocks	15	150		150	
Debtors	16	175,643		143,930	
Cash at bank and in hand		97,526		103,856	
			<u>273,319</u>	<u>247,936</u>	
Creditors: amounts falling due within one year	17	(215,614)		(156,687)	
Net current assets			<u>57,705</u>		<u>91,249</u>
Total assets less current liabilities			<u>6,915,387</u>		<u>6,731,017</u>
The funds of the charity					
Unrestricted funds - general	20	19	3,569,595		3,231,017
Unrestricted funds - designated	20	19	3,345,792		3,500,000
			<u>6,915,387</u>		<u>6,731,017</u>

The financial statements were approved by the trustees on

.....
Mr B Bissell
Trustee

.....
Mrs P A Leck
Trustee

Company registration number 07125607 (England and Wales)

HILLBROOK GRANGE RESIDENTIAL CARE HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	24		103,795		1,417,815
Investing activities					
Purchase of tangible fixed assets		(171,563)		(114,733)	
Purchase of investments		(212,306)		(1,456,189)	
Proceeds from disposal of investments		105,674		83,699	
Investment income received		168,070		155,915	
Net cash used in investing activities			(110,125)		(1,331,308)
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(6,330)		86,507
Cash and cash equivalents at beginning of year			103,856		17,349
Cash and cash equivalents at end of year			97,526		103,856

The notes on pages 13 to 24 form part of these financial statements.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 Charitable funds

1.4 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.

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 2025

1 Accounting policies

(Continued)

1.5 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.

1.6 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

Assets in the course of construction are not depreciated.

1.7 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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 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).

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 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.

1.11 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.

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

1.13 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.

1.14 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 and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Legacies	700	1,825

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Residential care		
Residential care	1,918,393	1,780,147

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income from fixed asset investments	168,070	155,915

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	2,719	121

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	3,432	3,770

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Expenditure on charitable activities

	Charitable Expenditure 2025 £	Charitable Expenditure 2024 £
Direct costs		
Staff costs	1,419,000	1,310,039
Depreciation and impairment	74,909	76,832
Purchases	83,022	80,342
Staff training	18,800	9,546
Rent and rates	41,207	19,383
Electricity	25,212	31,347
Gas	21,530	41,692
Repairs and maintenance	94,552	86,178
Advertising	19,065	4,454
Bank charges	1,799	1,949
Sundry expenses	-	705
Travel expenses	2,642	414
Bad debts written off	80	498
	<u>1,801,818</u>	<u>1,663,379</u>
Share of support and governance costs (see note 9)		
Support	85,644	96,676
Governance	29,246	28,941
	<u>1,916,708</u>	<u>1,788,996</u>
Analysis by fund		
Unrestricted funds - general	<u>1,916,708</u>	<u>1,788,996</u>

8 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,100	8,100
Depreciation of owned tangible fixed assets	<u>74,909</u>	<u>76,832</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Staff costs	-	5,306	5,306	-	5,001	5,001
Establishment costs	20,567	-	20,567	18,793	-	18,793
Office expenses	2,357	-	2,357	2,553	-	2,553
Printing, postage and stationery	1,538	-	1,538	7,456	-	7,456
Subscriptions	8,761	-	8,761	8,758	-	8,758
Cleaning	22,338	-	22,338	23,970	-	23,970
Legal and professional costs	30,083	15,840	45,923	35,146	15,840	50,986
Audit fees	-	8,100	8,100	-	8,100	8,100
	<u>85,644</u>	<u>29,246</u>	<u>114,890</u>	<u>96,676</u>	<u>28,941</u>	<u>125,617</u>
Analysed between Charitable activities	<u>85,644</u>	<u>29,246</u>	<u>114,890</u>	<u>96,676</u>	<u>28,941</u>	<u>125,617</u>

10 Trustees

During the year the charity made the following transactions with trustees:
Mrs Valerie Egan £6,000 (2024 : £6,000) in respect of nominated individual services and not for the work undertaken in her role as a trustee.

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	<u>67</u>	<u>67</u>
Employment costs	2025 £	2024 £
Wages and salaries	1,309,545	1,216,828
Social security costs	88,206	74,915
Other pension costs	26,555	23,297
Other staff costs	42	42
	<u>1,424,348</u>	<u>1,315,082</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Employees

(Continued)

Wages and salaries above includes agency costs of £175,785 (2024 : £159,613)

The total employee benefits of the key management personnel of the charity were £240,794 (2024 : £208,734).

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

12 Taxation

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

13 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Furniture and equipment £	Total £
Cost				
At 1 April 2024	3,350,998	56,991	505,413	3,913,402
Additions	-	154,208	17,355	171,563
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	3,350,998	211,199	522,768	4,084,965
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 April 2024	564,237	-	341,661	905,898
Depreciation charged in the year	42,568	-	32,341	74,909
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	606,805	-	374,002	980,807
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 March 2025	2,744,193	211,199	148,766	3,104,158
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	2,786,761	56,991	163,752	3,007,504
	<hr/>	<hr/>	<hr/>	<hr/>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2024	3,632,264
Additions	212,306
Valuation changes	(20,193)
Disposals	(70,853)
	<hr/>
At 31 March 2025	3,753,524
	<hr/>
Carrying amount	
At 31 March 2025	3,753,524
	<hr/> <hr/>
At 31 March 2024	3,632,264
	<hr/> <hr/>

	2025 £	2024 £
Investments at fair value comprise:		
Equities	422,694	446,279
Money market instruments	3,307,564	3,175,000
Cash held within the investment portfolio	23,266	10,985
	<hr/>	<hr/>
	3,753,524	3,632,264
	<hr/> <hr/>	<hr/> <hr/>

15 Stocks

	2025 £	2024 £
Finished goods and goods for resale	150	150
	<hr/> <hr/>	<hr/> <hr/>

16 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	53,120	74,142
Other debtors	4	301
Prepayments and accrued income	122,519	69,487
	<hr/>	<hr/>
	175,643	143,930
	<hr/> <hr/>	<hr/> <hr/>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	16,070	17,148
Trade creditors	115,762	86,595
Other creditors	10,946	5,082
Accruals and deferred income	72,836	47,862
	<u>215,614</u>	<u>156,687</u>

18 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>26,555</u>	<u>23,297</u>

19 Analysis of net assets between funds

	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	3,104,158	-	3,104,158
Investments	445,960	3,307,564	3,753,524
Current assets/(liabilities)	19,477	38,228	57,705
	<u>3,569,595</u>	<u>3,345,792</u>	<u>6,915,387</u>

	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	3,007,504	-	3,007,504
Investments	457,264	3,175,000	3,632,264
Current assets/(liabilities)	(233,751)	325,000	91,249
	<u>3,231,017</u>	<u>3,500,000</u>	<u>6,731,017</u>

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Unrestricted funds

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

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2025 £
General	3,231,017	2,089,882	(1,920,140)	154,208	14,628	3,569,595
Designated	3,500,000			(154,208)		3,345,792
	<u>6,731,017</u>	<u>2,089,882</u>	<u>(1,920,140)</u>	<u>-</u>	<u>14,628</u>	<u>6,915,387</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
General	3,068,562	1,938,008	(1,792,766)		17,213	3,231,017
Designated	3,500,000	-	-		-	3,500,000
	<u>6,568,562</u>	<u>1,938,008</u>	<u>(1,792,766)</u>	<u>-</u>	<u>17,213</u>	<u>6,731,017</u>

These funds have been designated in order to redevelop the 'Old House' at Hillbrook Grange Residential Care Home.

Designated funds relate to the income generated from the sale of land owned by Hillbrook Grange Residential Care Home less initial costs incurred in respect of the redevelopment of the 'Old House'.

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025 £	2024 £
Acquisition of property, plant and equipment	<u>24,000</u>	<u>81,600</u>

22 Events after the reporting date

In May 2025, the Charity agreed to commit £3,150,000 of contracted capital expenditure in respect of the new build project to erect a two story extension in order to provide an additional 14 bedrooms.

23 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

HILLBROOK GRANGE RESIDENTIAL CARE HOME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Related party transactions

(Continued)

Rotary Club of Bramhall and Woodford Charities Trust Fund

Susan Preece is a trustee of Rotary Club of Bramhall and Woodford Charities Trust Fund. During the year Hillbrook Grange Residential Care Home received £700 (2024: £1,725) of donations from Rotary Club of Bramhall and Woodford Charities Trust Fund.

24 Cash generated from operations

2025

2024

£

£

Surplus for the year

184,370

162,455

Adjustments for:

Investment income recognised in statement of financial activities

(168,070)

(155,915)

Fair value gains and losses on investments

(14,628)

(17,213)

Depreciation and impairment of tangible fixed assets

74,909

76,832

Movements in working capital:

(Increase)/decrease in debtors

(31,713)

1,350,006

Increase in creditors

58,927

1,650

Cash generated from operations

103,795

1,417,815

24th September 2025



Hillbrook Grange Residential Care Home External Audit Findings Report For the year ended 31st March 2025

Simon Leitch-Devlin

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Status and approach

This report has been prepared for the board of trustees of Hillbrook Grange

Residential Care Home.

This report summarises the principle matters that have arisen from our audit of the accounts for the year ended 31st March 2025.

At the date of this report, subject to no significant post balance sheet events, we anticipate issuing a clean audit opinion.

This report has been prepared for the board of directors of Hillbrook Grange Residential Care Home for discussion at your meeting on 29th September 2025.

It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

Approach

Our audit procedures were carried out in accordance with International Standards on Auditing (UK and Ireland).

Our audit work was carried out at Hillbrook Grange Residential Care Home and our office in accordance with our audit plan and in response to the perceived audit risks, no reasons or significant issues were identified which required us to change our approach and no additional risks were identified.

We consider the approach adopted will provide the trustees with the required confidence that a thorough and robust financial statement audit has been carried out.

Materiality

The concept of materiality is fundamental to the preparation of the financial statements and to the audit process. We have set our materiality level at £50,000. For audit purposes £2,500 is deemed as merely trivial.

Acknowledgements

We would like to take the opportunity to express our thanks to Kate Nicholson for her assistance during the course of our audit.

Status and approach continued

Independence

In accordance with the requirements of Auditing Standards and to assist you in reviewing the nature and extent of audit and non-audit services provided by Xeinadin Audit and its associates, we are writing to set out relevant matters.

The firm provides audit services to the charity in accordance with the terms of our engagement letter. Xeinadin North (a network firm) provides assistance with the preparation of the statutory accounts, monthly bookkeeping and monthly payroll. All adjustments to the statutory accounts are discussed with Kate Nicholson for approval.

We wish to confirm to you that in our opinion the provision of such services by Xeinadin North Limited does not affect our independence as:

The additional services provided are of a routine compliance nature and the Board takes any decisions where judgement is required, and;

Segregation of duties is ensured by using separate teams for audit and non-audit work.

We confirm that, in our professional judgement, the firm and the audit engagement team are independent of Hillbrook Grange Residential Care Home and have complied with relevant ethical requirements concerning independence.

It is the responsibility of the trustees to prepare the accounts on a going concern basis (unless it is inappropriate to prepare them on this basis), additionally the trustees must ensure that the financial statements present a true and fair view and that management go through an appropriate process to arrive at the necessary estimates and judgements.

Legal and regulatory requirements

Our audit work complies with the following relevant legal and regulatory requirements:

- Financial Reporting Standards Applicable in the UK and Republic of Ireland (FRS102)
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102))
- the Charities Act 2011

Audit opinions and comments

Our anticipated audit opinion will be a clean audit opinion.

We have no comments to make concerning the qualitative aspects of the entity's accounting practices and financial reporting. Notwithstanding this, there are some weaknesses in internal controls which are outlined on pages 6 to 7.

We did not encounter any significant difficulties during the audit.

No misstatements were adjusted as a result of the audit process.

Unadjusted misstatements noted in the audit process are included in Appendix 1.

Adjustments affecting disclosure only are detailed in Appendix 2.

A draft of our proposed letter of representation is attached at Appendix 3. We draw your attention to paragraphs 10 and 12 concerning specific representations made to us during the course of our audit. In all other respects the letter is routine

Internal Controls

The purpose of an audit is to express an opinion on the financial statements

Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters being reported here are limited to those deficiencies that we have identified during the course of our audit and we have concluded are of sufficient importance to merit being reported to you in accordance with ISA 265.

It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

In making our recommendations, we have considered the size of your company and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

The following weaknesses were identified, together with their consequences and suggested course of action. They have been categorised as follows



The business is subject to levels of fundamental risk where immediate action should be taken. The risk is so great that it could seriously damage the reputation of the business, increase the risk of fraud or cast doubt on the ability of the business to continue to be a going concern.



A weakness that presents a significant risk to the business, but would not be so serious as to be fundamental. Usually arises from a key control which would be expected to be in place, or a major control failure. Attention is to be given to resolving the position.



These are relatively minor issues. Where a procedure has not been complied with but the non-compliance has not exposed the business to a significant level of risk or financial loss. Usually housekeeping issues where desirable improvements to be made to improve or implement the internal controls.

Internal Controls

Status	Weakness	Consequence	Recommendations	Ref	Management Response
Merits attention	One Trustee resigned in March 2025, this was not filed with Companies House or the Charities Commission.	Not meeting the requirement to update Companies House and the Charities Commission with changes to the charity	Ensure that all changes in Trustees are filed promptly with Companies House and the Charities Commission	O4	The resignation of the trustee in March, should have been updated with companies' house and the charities commission within the timeframe that is required. Unfortunately, my knowledge of this resignation was that her mother had passed away, and I believed she was having time away, and may revoke her resignation, as an offer was made from the trustees to have time to think about her decision. I should have followed up on this sooner, and in future, will resign trustees as soon as I have knowledge of their resignation.
Merits attention	In November 2024 one employee's overtime hours were duplicated from September 2024	The charity has made an overtime payment where no additional work was undertaken.	Ensure that overtime in the monthly payroll submission sheet is checked to timesheet records before submission.	R300	The payroll overtime was a duplicate error from the payroll sheet. The manager checks and approves wages before they are submitted to pay roll, but at times human error is made and it had been missed by more than one person. In response to mitigating this risk in the future, we have a fresh clear document to start with each month, to stop this duplication happening further.

Findings relating to planned risk areas: Significant risks*

Risk and approach	Findings
Management override Review audit trail and journal entries posted within the period and maintain professional scepticism.	<ul style="list-style-type: none"> We have seen no evidence of management override.
Fraud in respect of revenue recognition Detailed testing of material income streams	<ul style="list-style-type: none"> No information has come to light which suggests instances of material fraud have occurred.
Regularity body compliance (CQC) Review the most recent CQC inspection	<ul style="list-style-type: none"> There has been no CQC inspection in the year, the latest being February 2023.
Investment valuation Verification of share values by reference to publicly available market data	<ul style="list-style-type: none"> Investment values are materially correct Identified immaterial difference between market price and price per investment brokers report – Appendix 1
Creditors completeness Reviewed post year end expense nominals and post year end invoices.	<ul style="list-style-type: none"> We identified immaterial post year-end expenditure relating to the year end 31 March 2025 – Appendix 1.
Capital commitments Review of post year end expenditure, minutes and contracts to identify any commitments in respect of the new build	<ul style="list-style-type: none"> We identified that a formal contract has been agreed in May 2025 for capital works, this has been disclosed as a post balance sheet event – Appendix 2

Independence and non-audit services

We have considered whether non-audit services might be perceived as a threat to our independence as the charity's auditor and have ensured that appropriate safeguards are put in place.

The below non-audit services are consistent with the Board's policy on the allotment of non-audit work to your auditors.

Ethical standards and ISA UK 260 require us to give you full and fair disclosure of matters relating to our independence. In this context:

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the FRC's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the FRC's Ethical Standards.

For the purposes of our audit we have made enquiries of all Xeinadin Audit teams and teams within the Xeinadin network providing services to The Hillbrook Grange Residential Care Home. The table summarises all non-audit services which were identified.

During the year the fees for non-audit services totalled £13,200 plus VAT.

Non-audit service provided	Service provided by	Threat	Safeguard
Statutory accounts production	Xeinadin North (Network firm)	Yes	Separate team
Monthly payroll	Xeinadin North (Network firm)	Yes	Separate team
Monthly bookkeeping	Xeinadin North (Network firm)	Yes	Separate team

Why choose Xeinaadin?



Supporting You

We know the importance of regular contact and our client care programme enables us to keep up to date with your challenges and offer an opportunity to share best practice.



Fixed Fee

All fees will be agreed and fixed up front. Any extra work will not be undertaken without your approval. We also offer a unique money back guarantee if you're ever unhappy with our service.



Strategic Hurdles

We will guide and support you through the legal, financial and regulatory responsibilities, which means you can concentrate on the strategic development of your practice.



Delivering Results

Our aim is to become part of your team. We'll get to know your practice inside out; this means we can be a true business partner that easily identifies problems and spots opportunities.



High Quality

Our clients' needs have been placed at the heart of our growth. As part of our commitment to help you, we will always share best practice with you.

Three small, yellow, rectangular confetti pieces arranged in a diagonal line.

Thank you!

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