

HOYLAKE COTTAGE

England & Wales · Charity number 515591

Details

Other names	THE HOYLAKE COTTAGE HOSPITAL TRUST LIMITED, HOYLAKE COTTAGE
Status	Registered
Legal form	Charitable company
Company number	01844549
Registered	1984-10-18
Register	View on the Charity Commission register

Contact

Address	Hoylake Cottage 35 Birkenhead Road Hoylake Wirral
Phone	01516323381
Email	sheywood@hoylakecottage.org.uk
Website	www.hoylakecottage.org.uk

Activities

Objects: (1) THE RELIEF CARE AND ASSISTANCE OF PERSONS IRRESPECTIVE OF COLOUR, RACE OR CREED SUFFERING FROM ANY FORM OF SICKNESS OR INCAPACITY; (2) THE ADVANCEMENT OF EDUCATION; (3) PROVISION OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION FOR THE BENEFIT OF THE COMMUNITY; AND IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING WITH THE OBJECT OF IMPROVING THE CONDITION OF LIFE OF THE INHABITANTS OF THE AREA FORMERLY COMPRISED IN THE HOYLAKE URBAN DISTRICT AND THE SURROUNDING NEIGHBOURHOOD.

Activities: A registered nursing home providing long-term nursing care, including for those suffering from dementia and short-term respite care for older persons, with a Day Centre providing services to older persons suffering from dementia.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** FORMER URBAN DISTRICT OF HOYLAKE
- Cheshire West & Chester
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,244,816	£4,795,481	£4,593,104	162
2024-03-31	£4,718,575	£4,547,273	£4,143,769	156
2023-03-31	£4,288,699	£4,155,111	£3,972,465	156
2022-03-31	£3,297,989	£3,705,296	£3,838,877	137
2021-03-31	£3,458,277	£3,708,568	£4,241,777	157

Trustees

Name	Role	Appointed
James Southworth	Chair	
Albert Mitchell		
Dr Peter Ronald David Humphrey		2024-10-29
Gareth Cooper		2022-06-21
Hilary Catherine Peel		2024-10-29
Lesley Anne Mary Heseltine		2019-08-27
Michael David Sutton		2016-11-23
Richard Norman Holmes		2016-08-18
Russell Stanley Oakden		2013-07-17
Stephen Heywood		2016-04-06

HOYLAKE COTTAGE

England & Wales - Charity number 515591

Accounts

Charity registration number 515591 (England and Wales)

Company registration number 01844549

HOYLAKE COTTAGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Cooper Mr S Heywood Mr A Mitchell Mr J Southworth Mr R Oakden Mr R Holmes Mr M Sutton Mrs A Heseltine Dr P Humphrey Miss H Peel	(Appointed 29 October 2024) (Appointed 29 October 2024)
Secretary	Mr S Heywood	
Charity number (England and Wales)	515591	
Company number	01844549	
Registered office	Southworth House 35 Birkenhead Road Hoylake Wirral Merseyside CH47 5AQ	
Auditor	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	
Bankers	National Westminster	
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool Merseyside L2 3YL Hill Dickinson 1 St Paul's Square Liverpool Merseyside L3 9SJ	

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 85% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which currently 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 25 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited offers domiciliary care services to approximately 80 local residents, providing some 500 hours of care each week, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and to maintain competitive salary levels for our staff.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising activities and generous donations from supporters and the local community:

- for some time the Trust has provided day care services for those suffering from dementia at fees that do not cover the cost of their provision
- the premises used for the day centre have been extensively refurbished
- in the recent past a sensory garden was created for residents of the nursing home to enjoy.

Public benefit

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

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Significant activities and achievements against objectives

High occupancy at the nursing home continued throughout the year but with a reduction in NHS funded residents and an increase in residents funding themselves which delivered an 8% increase in total fees over the previous year. Staff recruitment continued to be difficult leading to substantial reliance on agency staff at much increased cost. Salary expenses increased by some 9% as a result of that and providing a comparable pay increase to the National Living Wage increase for the year.

Controllable overheads were managed well during the year, but loan interest increased substantially following the re-arrangement of the loans at the end of the previous financial year at a higher margin over bank base rate.

We were very fortunate in benefiting from 3 legacies during the year amounting to some £239,000. The funds have been used to replace cash reserves lost during the pandemic and to embark on gradual replacement of windows throughout the building which, after 18 years, were worn out and to replace a section of roof that had been leaking periodically.

The Sandhills Day Centre struggled to increase occupancy which remained fairly low and therefore it had a small negative contribution to the overall business.

The year end surplus after depreciating the properties was £449,000, the best result for many years and very welcome after the substantial deficits incurred during the pandemic, which had led to a large increase in the Trust's bank loan facility and much higher interest charges. Brookfield Homecare had a deficit of £1,628 in the year.

FINANCIAL REVIEW

Hoylake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Brookfield Homecare had a more difficult year, being constrained by staff recruitment problems which limited care services we could provide despite office staff support. There was a small deficit at the year end but accumulated reserves were more than sufficient to absorb that.

Fundraising and other non-charitable activity income

Donations were lower than the previous year but legacies of £239,000 more than compensated for that.

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £4,572,853 an increase of £461,804 which included the surplus on activities as well as Unrestricted Funds at Brookfield Homecare of £86,624.

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

Restricted funds shown in the Balance Sheet were £20,251 and represented donations for specific purposes which were unspent at the year end. These funds will be used for their intended purpose as soon as it is appropriate to do so.

At the balance sheet date, free reserves were £672,635 and free cash reserves were £572,196 which the Trustees consider acceptable.

Funding sources

The strong cash generation from the nursing home and the legacies and donations adequately funded the business activities and funded improvements to the nursing home building as well as restoring cash reserves which had been depleted over the last 5 years.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2025

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The investment portfolio was realised to fund the business during the pandemic. Cash generated from normal charitable activities and donations is needed to fund ongoing working capital requirements so further longer term investment is unlikely at present.

Principal risks and uncertainties

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower overall occupancy. This risk has been mitigated to some extent by increased demand for services from the NHS emanating from their need to move people with long term illness and disability to care homes, however that trend may not continue.
- an increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands from service commissioners.
- annual increases above inflation in National Minimum Wage and the more recent introduction of National Living Wage whilst much needed, have been implemented without acceptance of the full impact that it has had on the care industry and has not led to a realistic increase in state-funded fees for nursing care, a situation that has persisted for some years and shows no sign of any improvement in the future due to lack of local government funding.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business has provided an opportunity to offset periods of lower occupancy in the nursing home with growth in income from domiciliary care which is, currently, where investment in the care sector is being encouraged, although funding of these services is clearly under pressure locally and fee increases are barely sufficient to cover the increases imposed on businesses from National Living Wage and more recently, National Insurance.

Plans for future periods

Post balance sheet events & plans for future periods

Occupancy at the nursing home has been significantly higher up to the half year stage, again driven by increased demand from self-funded residents which has been beneficial for fee income. However, staff expenses also rose by some 7.5% following the substantial increases in National Living Wage (to which most of staff salaries are linked) and National Insurance, imposed by Government. We have also incurred higher agency staff expenses as recruitment fell short of needs. Nevertheless, the surplus was higher than the equivalent period in the previous year and we have expectation that there will be a surplus at the 2026 year end.

Very sadly, Liz Burrell, finance manager and a member of the management team, died earlier in the year after a long illness. Throughout that, she continued to work and support her colleagues and our residents as she always had during 17 years at Hoylake Cottage. She will be greatly missed by everyone.

Hoylake Cottage held their 40th Anniversary on 31st August 2024 to celebrate 40 years since "Hoylake Cottage" became independent from the NHS. It was a beautiful sunny day and all staff both current and retired were invited to celebrate the achievements of the past 40 years with residents and their families. Long service awards were presented to staff, some of whom have worked for Hoylake Cottage for over 20 years and recognition given to one of our long-standing friends and patron, who has consistently supported Hoylake Cottage financially over the years. Entertainment, music, food and drinks, awards and presentations on one of the warmest days of the year ensured a very enjoyable day was had by all who attended.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 10 Trustees and normally meets in alternate months. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM.

Management

Day-to-day operational management is under the control of the management team comprising the Finance Manager, the Business Manager and the Care Manager who are responsible to the Board. They attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the management team, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr G Cooper	
Dr R Stokell	(Resigned 15 September 2024)
Mr S Heywood	
Mr A Mitchell	
Mr J Southworth	
Mr R Oakden	
Mr R Holmes	
Mr M Sutton	
Mrs A Heseltine	
Dr P Humphrey	(Appointed 29 October 2024)
Miss H Peel	(Appointed 29 October 2024)

Remuneration policy

Pay policy for key management personnel

The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in their capacity as a director in the year.

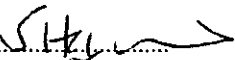
HOYLAKE COTTAGE

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

Disclosure of information to auditor

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

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

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Mr S Heywood
Trustee

Date: 17.12.2025

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Hoylake Cottage 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2025 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of 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 group and charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 group and 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

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 group through discussions with trustees and other management, and from our knowledge and experience of charity 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 group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team 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.

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

- making enquiries of management team 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 the 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 and relevant regulators.

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.

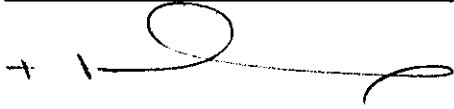
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

HOYLAKE COTTAGE

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



Helen Furlong FCCA (Senior Statutory Auditor)

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

Accountants

46 Hamilton Square

Birkenhead

Wirral

Merseyside

CH41 5AR

Date: 17.12.25

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	3	270,400	2,317	272,717	34,178	2,468	36,646
Charitable activities	4	4,909,069	-	4,909,069	4,633,148	-	4,633,148
Other trading activities		491	-	491	-	-	-
Investments	5	51,231	-	51,231	45,632	-	45,632
Other income		11,308	-	11,308	3,149	-	3,149
Total income		5,242,499	2,317	5,244,816	4,716,107	2,468	4,718,575
Expenditure on:							
Raising funds	6	15,002	-	15,002	10,126	-	10,126
Charitable activities	7	4,778,162	2,317	4,780,479	4,533,217	1,858	4,535,075
Other expenditure		-	-	-	2,072	-	2,072
Total expenditure		4,793,164	2,317	4,795,481	4,545,415	1,858	4,547,273
Net income		449,335	-	449,335	170,692	610	171,302
Transfers between funds		12,469	(12,469)	-	-	-	-
Net movement in funds		461,804	(12,469)	449,335	170,692	610	171,302
Reconciliation of funds:							
Fund balances at 1 April 2024		4,111,049	32,720	4,143,769	3,940,357	32,110	3,972,467
Fund balances at 31 March 2025		4,572,853	20,251	4,593,104	4,111,049	32,720	4,143,769

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


HOYLAKE COTTAGE

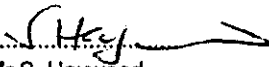
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	13		5,099,674		5,021,162
Current assets					
Debtors	16	364,603		299,597	
Cash at bank and in hand		592,447		315,864	
		<u>957,050</u>		<u>615,461</u>	
Creditors: amounts falling due within one year	19	<u>(290,277)</u>		<u>(291,964)</u>	
Net current assets			<u>666,773</u>		<u>323,497</u>
Total assets less current liabilities			<u>5,766,447</u>		<u>5,344,659</u>
Creditors: amounts falling due after more than one year	21		<u>(1,173,343)</u>		<u>(1,200,890)</u>
Net assets			<u><u>4,593,104</u></u>		<u><u>4,143,769</u></u>
The funds of the charity					
Restricted income funds	22		20,251		32,720
Unrestricted funds	23		4,572,853		4,111,049
			<u>4,593,104</u>		<u>4,143,769</u>

The financial statements were approved by the trustees on 17.12.2025


.....
Mr G Cooper
Trustee


.....
Mr S Heywood
Trustee

Company registration number 01844549 (England and Wales)

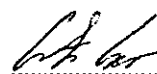
HOYLAKE COTTAGE

CHARITY BALANCE SHEET

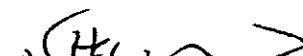
AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	14	5,099,674		5,020,848	
Investments	15		2		2
			<u>5,099,676</u>		<u>5,020,850</u>
Current assets					
Debtors	17	330,855		242,856	
Cash at bank and in hand		487,217		237,391	
		<u>818,072</u>		<u>480,247</u>	
Creditors: amounts falling due within one year	20	(237,925)		(244,240)	
Net current assets			<u>580,147</u>		<u>236,007</u>
Total assets less current liabilities			<u>5,679,823</u>		<u>5,256,857</u>
Creditors: amounts falling due after more than one year	21	(1,173,343)		(1,200,890)	
Net assets			<u>4,506,480</u>		<u>4,055,967</u>
The funds of the charity					
Restricted income funds	22	20,251		32,720	
Unrestricted funds	24	4,486,229		4,023,247	
		<u>4,506,480</u>		<u>4,055,967</u>	

The financial statements were approved by the trustees on 17.12.2025



Mr G Cooper
Trustee



Mr S Heywood
Trustee

Company registration number 01844549 (England and Wales)

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	29		458,233		199,544
Investing activities					
Purchase of tangible fixed assets		(207,488)		(51,594)	
Proceeds from disposal of tangible fixed assets		-		1,000	
Investment income received		51,231		45,632	
		<u>51,231</u>		<u>45,632</u>	
Net cash used in investing activities			(156,257)		(4,962)
Financing activities					
Repayment of bank loans		(25,393)		(99,431)	
		<u>(25,393)</u>		<u>(99,431)</u>	
Net cash used in financing activities			(25,393)		(99,431)
Net increase in cash and cash equivalents			276,583		95,151
Cash and cash equivalents at beginning of year			315,864		220,713
			<u>315,864</u>		<u>220,713</u>
Cash and cash equivalents at end of year			592,447		315,864
			<u><u>592,447</u></u>		<u><u>315,864</u></u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

1.5 Expenditure

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	10%/20%/25%/33.33% on cost
Computers	33.33%/20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Taxation

The charity is exempt from corporation tax on its activities.

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.13 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2025. The results of the subsidiary are consolidated for the period from the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	31,434	2,317	33,751	34,178	2,468	36,646
Legacies	238,966	-	238,966	-	-	-
	<u>270,400</u>	<u>2,317</u>	<u>272,717</u>	<u>34,178</u>	<u>2,468</u>	<u>36,646</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Nursing Unit		
Services within charitable activities	4,201,541	3,898,593
Day dementia care		
Services within charitable activities	158,274	161,793
Domiciliary care		
Services within charitable activities	549,254	572,762
	<u>4,909,069</u>	<u>4,633,148</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	47,490	44,175
Interest receivable	3,741	1,457
	<u>51,231</u>	<u>45,632</u>

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	237	216
Apartment expenses	14,765	9,910
Total costs	<u>15,002</u>	<u>10,126</u>

HOYLAKE COTTAGE

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

7 Expenditure on charitable activities	Nursing unit		Day dementia care		Domiciliary care		Total		Nursing unit		Day dementia care		Domiciliary care		Total	
	2025	£	2025	£	2025	£	2025	£	2024	£	2024	£	2024	£	2024	£
Direct costs																
Staff costs	2,927,414		135,420		368,850		3,431,684		2,697,340		139,502		386,932		3,223,774	
Depreciation and impairment	101,815		26,847		314		128,976		88,534		30,486		783		119,803	
Rates & water	8,835		-		-		8,835		11,330		-		-		11,330	
Insurance	55,429		-		4,123		59,552		50,119		-		4,469		54,588	
Light & Heat	115,804		-		-		115,804		109,379		-		-		109,379	
Phone	12,658		-		888		13,546		11,172		-		840		12,012	
Advertising, printing, postage & stationery	11,619		-		1,734		13,353		10,776		-		2,730		13,506	
General expenses	47,764		28,568		8,932		85,264		40,706		12,972		7,688		61,366	
Medical supplies	31,317		-		467		31,784		24,755		-		32		24,787	
Catering	139,209		-		-		139,209		157,359		-		-		157,359	
Cleaning & laundry	95,807		-		-		95,807		95,101		-		-		95,101	
Recruitment & other staff costs	11,434		-		3,740		15,174		35,769		-		3,278		39,047	
Domestic & non medical supplies	8,832		-		-		8,832		9,347		-		-		9,347	
Enter ac916 in database	-		470		-		470		-		7,176		-		7,176	
Repairs & maintenance	130,457		-		8,994		139,451		112,955		-		7,905		120,860	
Entertainment	6,274		-		-		6,274		5,299		-		-		5,299	
	<u>3,704,668</u>		<u>191,305</u>		<u>398,042</u>		<u>4,294,015</u>		<u>3,459,941</u>		<u>190,136</u>		<u>414,657</u>		<u>4,064,734</u>	
Share of support and governance costs (see note 8)																
Support	284,851		31,650		129,555		446,056		266,484		29,609		122,536		418,629	
Governance	27,696		3,077		9,635		40,408		40,681		4,520		6,511		51,712	
	<u>4,017,215</u>		<u>226,032</u>		<u>537,232</u>		<u>4,780,479</u>		<u>3,767,106</u>		<u>224,265</u>		<u>543,704</u>		<u>4,535,075</u>	

HOYLAKE COTTAGE

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

7 Expenditure on charitable activities	(Continued)					
Analysis by fund						
Unrestricted funds	4,016,768	224,162	537,232	4,778,162	3,766,344	223,169
Restricted funds	447	1,870	-	2,317	762	1,096
	<u>4,017,215</u>	<u>226,032</u>	<u>537,232</u>	<u>4,780,479</u>	<u>3,767,106</u>	<u>224,265</u>
					<u>543,704</u>	<u>4,535,075</u>
					<u>543,704</u>	<u>4,533,217</u>
					<u>-</u>	<u>1,858</u>

HOYLAKE COTTAGE

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

8 Support costs allocated to activities

	Nursing unit 2025 £	Total 2024 £
Staff costs	332,882	310,812
Admin expenses	1,467	766
Professional fees	3,100	2,800
Bank charges	7,468	18,217
Bank interest	101,139	85,585
Governance	40,408	52,162
	<u>486,464</u>	<u>470,342</u>
	2025	2024
	£	£
Governance costs comprise:		
Audit fees	13,500	10,396
Accountancy	5,750	8,900
Legal and professional	8,124	21,567
Trustee indemnity insurance	11,466	11,286
General expenses	1,568	13
	<u>40,408</u>	<u>52,162</u>

Governance costs includes amounts payable to the auditors of £ 13,500 (2024 - £10,396) for audit fees.

9 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Administrative	10	9
Nursing	100	97
Ancillary	27	25
Domiciliary	25	25
	<u>162</u>	<u>156</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Employees (Continued)

Employment costs	2025 £	2024 £
Wages and salaries	3,439,666	3,249,758
Social security costs	267,450	233,487
Other pension costs	57,450	51,341
	<u>3,764,566</u>	<u>3,534,586</u>

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separate from those of the group.

The key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £ 197,060 (2024:£222,614).

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

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Brookfield Carehome Limited

A summary of the results of the subsidiary is shown below:

	2025 £	2024 £
Turnover	549,254	574,434
Expenditure	(550,882)	(557,254)
	<u>(1,628)</u>	<u>17,180</u>
Aggregate assets and liabilities		
Fixed assets	-	314
Current assets	141,251	136,021
Current liabilities	(54,625)	(48,081)
	<u>86,626</u>	<u>88,254</u>
	<u>86,626</u>	<u>88,254</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Tangible fixed assets - Group

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2024	7,269,665	685,905	5,976	7,961,546
Additions	56,256	151,232	-	207,488
	<u>7,325,921</u>	<u>837,137</u>	<u>5,976</u>	<u>8,169,034</u>
At 31 March 2025	7,325,921	837,137	5,976	8,169,034
Depreciation and impairment				
At 1 April 2024	2,380,157	554,565	5,662	2,940,384
Depreciation charged in the year	76,838	51,824	314	128,976
	<u>2,456,995</u>	<u>606,389</u>	<u>5,976</u>	<u>3,069,360</u>
At 31 March 2025	2,456,995	606,389	5,976	3,069,360
Carrying amount				
At 31 March 2025	<u>4,868,926</u>	<u>230,748</u>	<u>-</u>	<u>5,099,674</u>
At 31 March 2024	<u>4,889,508</u>	<u>131,340</u>	<u>314</u>	<u>5,021,162</u>

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

14 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2024	7,269,665	674,025	7,943,590
Additions	56,256	151,232	207,488
	<u>7,325,921</u>	<u>825,257</u>	<u>8,151,178</u>
At 31 March 2025	7,325,921	825,257	8,151,178
Depreciation and impairment			
At 1 April 2024	2,380,157	542,685	2,922,842
Depreciation charged in the year	76,838	51,824	128,976
	<u>2,456,995</u>	<u>594,509</u>	<u>3,051,504</u>
At 31 March 2025	2,456,995	594,509	3,051,504
Carrying amount			
At 31 March 2025	<u>4,868,926</u>	<u>230,748</u>	<u>5,099,674</u>
At 31 March 2024	<u>4,889,509</u>	<u>131,339</u>	<u>5,020,848</u>

HOYLAKE COTTAGE

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

15 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 14.

16 Debtors - Group

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	258,550	263,065
Other debtors	800	780
Prepayments and accrued income	105,253	35,752
	<u>364,603</u>	<u>299,597</u>

17 Debtors - Charity

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	229,374	208,942
Other debtors	500	480
Prepayments and accrued income	100,981	33,434
	<u>330,855</u>	<u>242,856</u>

18 Loans and overdrafts - Group & Charity

	2025	2024
	£	£
Bank loans	<u>1,199,456</u>	<u>1,224,849</u>
Payable within one year	26,113	23,959
Payable after one year	<u>1,173,343</u>	<u>1,200,890</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>1,043,195</u>	<u>1,081,481</u>

HOYLAKE COTTAGE

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

18 Loans and overdrafts - Group & Charity

(Continued)

A legal mortgage is held by National Westminster Bank on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

At the end of the financial year National Westminster Bank agreed to amalgamate the 2 loans repayable over 20 years by monthly instalments including interest accrued at a rate of 3.5% above base rate secured on the Trust's land and buildings.

19 Creditors: amounts falling due within one year - Group

	Notes	2025 £	2024 £
Bank loans	18	26,113	23,959
Other taxation and social security		56,312	54,315
Trade creditors		66,008	56,303
Other creditors		62,109	53,291
Accruals and deferred income		79,735	104,096
		<u>290,277</u>	<u>291,964</u>

20 Creditors: amounts falling due within one year - Charity

	Notes	2025 £	2024 £
Bank loans	18	26,113	23,959
Other taxation and social security		49,376	47,201
Trade creditors		65,778	56,303
Amounts owed to fellow group undertakings		2,273	807
Other creditors		24,439	18,174
Accruals and deferred income		69,946	97,796
		<u>237,925</u>	<u>244,240</u>

21 Creditors: amounts falling due after more than one year Group & Charity

	Notes	2025 £	2024 £
Bank loans	18	<u>1,173,343</u>	<u>1,200,890</u>

HOYLAKE COTTAGE

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

22 Restricted funds - Group & Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Nursing Unit Fund	7,469	-	-	(7,469)	-
Sandhills Fund	25,251	-	-	(5,000)	20,251
Entertainment Fund	-	447	(447)	-	-
Sandhills Events Fund	-	1,870	(1,870)	-	-
	<u>32,720</u>	<u>2,317</u>	<u>(2,317)</u>	<u>(12,469)</u>	<u>20,251</u>
Previous year:					
	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Nursing Unit Fund	6,859	659	(49)	-	7,469
Sandhills Fund	25,251	-	-	-	25,251
Entertaining Fund	-	714	(714)	-	-
Sandhills Events Fund	-	1,095	(1,095)	-	-
	<u>32,110</u>	<u>2,468</u>	<u>(1,858)</u>	<u>-</u>	<u>32,720</u>

The Sandhills Fund represents donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently with attendance at the day centre substantially below former levels, priority has been given to supporting the main business, the nursing home until full recovery has been achieved. When that point is reached a decision will be taken on what further investment in the day centre is appropriate.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

HOYLAKE COTTAGE

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

23 Unrestricted funds - Group

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated fund	1,547	-	-	-	1,547
General funds	4,109,502	5,242,499	(4,793,164)	12,469	4,571,306
	<u>4,111,049</u>	<u>5,242,499</u>	<u>(4,793,164)</u>	<u>12,469</u>	<u>4,572,853</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Designate funds	1,547	-	-	-	1,547
General funds	3,938,810	4,716,107	(4,545,415)	-	4,109,502
	<u>3,940,357</u>	<u>4,716,107</u>	<u>(4,545,415)</u>	<u>-</u>	<u>4,111,049</u>

24 Unrestricted funds - Charity

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated fund	1,547	-	-	-	1,547
General funds	4,021,700	4,706,445	(4,255,932)	12,469	4,484,682
	<u>4,023,247</u>	<u>4,706,445</u>	<u>(4,255,932)</u>	<u>12,469</u>	<u>4,486,229</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Designate funds	1,547	-	-	-	1,547
General funds	3,867,738	4,155,672	(4,001,710)	-	4,021,700
	<u>3,869,285</u>	<u>4,155,672</u>	<u>(4,001,710)</u>	<u>-</u>	<u>4,023,247</u>

HOYLAKE COTTAGE

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

25 Analysis of net assets between funds - Group

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	5,099,674	-	5,099,674
Current assets/(liabilities)	646,522	20,251	666,773
Long term liabilities	(1,173,343)	-	(1,173,343)
	<u>4,572,853</u>	<u>20,251</u>	<u>4,593,104</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	5,021,162	-	5,021,162
Current assets/(liabilities)	290,777	32,720	323,497
Long term liabilities	(1,200,890)	-	(1,200,890)
	<u>4,111,049</u>	<u>32,720</u>	<u>4,143,769</u>

26 Analysis of net assets between funds - Charity

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	5,099,674	-	5,099,674
Investments	2	-	2
Current assets/(liabilities)	559,896	20,251	580,147
Long term liabilities	(1,173,343)	-	(1,173,343)
	<u>4,486,229</u>	<u>20,251</u>	<u>4,506,480</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

26 Analysis of net assets between funds - Charity

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	5,020,848	-	5,020,848
Investments	2	-	2
Current assets/(liabilities)	203,287	32,720	236,007
Long term liabilities	(1,200,890)	-	(1,200,890)
	<u>4,023,247</u>	<u>32,720</u>	<u>4,055,967</u>

27 Related party transactions

Hoylake Cottage Care Manager is the daughter of trustee Michael Sutton, who was not involved in the process of her appointment. Her salary is paid at Hoylake Cottage standard pay rates.

During the year Hoylake Cottage received rent of £13,200 (2024: £nil) from its subsidiary Brookfield Homecare Limited for the use of office space. Both charities are a related party by virtue of Hoylake Cottages (parent) control of Brookfield Homecare Limited (subsidiary). The transaction was conducted on normal commercial terms. No balances were outstanding at the year end (2024: £nil).

28 Operating lease commitments

Lessee

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

	2025 £	2024 £
Within one year	9,768	9,058
Between two and five years	36,168	11,160
	<u>45,936</u>	<u>20,218</u>

HOYLAKE COTTAGE

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

29	Cash generated from operations	2025	2024	
		£	£	
	Surplus for the year	449,335	171,302	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(51,231)	(45,632)	
	(Gain)/loss on disposal of tangible fixed assets	-	2,072	
	Depreciation and impairment of tangible fixed assets	128,976	119,803	
	Movements in working capital:			
	(Increase) in debtors	(65,006)	(56,047)	
	(Decrease)/increase in creditors	(3,841)	8,044	
	Cash generated from operations	458,233	199,542	
		<u> </u>	<u> </u>	
30	Analysis of changes in net (debt)/funds			
		At 1 April 2024	Cash flowsAt 31 March 2025	
		£	£	
	Cash at bank and in hand	315,864	276,583	592,447
	Loans falling due within one year	(23,959)	(2,154)	(26,113)
	Loans falling due after more than one year	(1,200,890)	27,547	(1,173,343)
		<u> </u>	<u> </u>	<u> </u>
		<u>(908,985)</u>	<u>301,976</u>	<u>(607,009)</u>

HOYLAKE COTTAGE

England & Wales - Charity number 515591

Accounts

Charity registration number 515591

Company registration number 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Heseltine Mr S Heywood Mr R Holmes Mr A Mitchell Mr R Oakden Mr J Southworth Mr M Sutton Mr G Cooper
Secretary	Mr S Heywood
Charity number	515591
Company number	01844549
Registered office	Southworth House 35 Birkenhead Road Hoylake Wirral Merseyside CH47 5AQ
Auditor	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR
Bankers	National Westminster 10 Banks Road West Kirby Wirral Merseyside CH48 4LG Royal Bank of Scotland 1 Exchange Flags Liverpool L2 3XN
Solicitors	Hill Dickinson 1 St Paul's Square Liverpool Merseyside L3 9SJ

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their report and consolidated financial statements for the year ended 31 March 2024.

The consolidated 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 Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

OBJECTIVES AND ACTIVITIES

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 85% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which currently 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 25 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited offers domiciliary care services to approximately 80 local residents, providing some 500 hours of care each week, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and to maintain competitive salary levels for our staff.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising activities and generous donations from supporters and the local community:

- for some time the Trust has provided day care services for those suffering from dementia at fees that do not cover the cost of their provision
- the premises used for the day centre have been extensively refurbished
- in the recent past a sensory garden was created for residents of the nursing home to enjoy.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

Occupancy at the nursing home remained high during the year, influenced by a substantial increase in NHS funded residents to assist in relieving pressure on local hospitals. Fees were 12% higher due to both higher occupancy and higher fees offered by the NHS and local government and after an increase in fees charged to self-funded residents, the latter numbers being a little lower than in previous years.

Staff recruitment remained challenging against local competition despite increases in staff remuneration – local evidence suggested that was affecting all healthcare businesses.

Overheads increased fairly substantially, especially food 11%, insurance 10% and bank interest charges by 50%, the latter due to the much increased base lending rate.

Attendance at the Day Centre was slightly lower than last year although fees were a little higher after an increase in charges and as a result, operating expenses were barely covered by income received.

A surplus of income over expenditure of £172,000 was achieved, of which Brookfield Homecare contributed £17,000.

FINANCIAL REVIEW

Hoyleake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Brookfield Homecare had a very satisfactory year due mainly to a substantial increase in referrals and thus fees, from Social Services who are now our main client. Staff pay levels were increased, as required by Social Services to comply with their contract, but despite that increase, staff recruitment remained very difficult impeding our ability to meet increasing demand for services. Our staff worked extremely hard in an endeavour to meet the demand but our ability to fully achieve that and grow the business is limited by staff availability.

Fundraising and other non-charitable activity income

Donations were higher than the previous year but we did not benefit from legacies and grants which amounted to some £64,000 last year.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2024

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £4,111,049 an increase of £170,693 which included the surplus on activities as well as Unrestricted Funds at Brookfield Homecare of £88,252.

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

Restricted funds shown in the Balance Sheet were £32,720 and represented donations for specific purposes which were unspent at the year end. These funds will be used for their intended purpose as soon as it is appropriate to do so.

At the balance sheet date, free reserves were £314,736 and free cash reserves were £283,144 which the Trustees consider acceptable.

Funding sources

The Trust's working capital requirements during the year were adequately funded from cash generated from business activities supported by the 2 long term loans from Royal Bank of Scotland. The new nursing home loan, originally repayable over 20 years from 2008 has been substantially reduced and repayments on the Coronavirus Business Interruption Loan which was required to fund the deficits incurred during the pandemic, started in June 2022 over a 5-year term.

At the end of the financial year our bankers agreed to amalgamate both the loans and extend the repayment period to the original 20 years to reduce the repayments as the Coronavirus Business Interruption Loan, repayable over 5 years, was placing a strain on cashflow during our recovery from the effects of the pandemic.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The investment portfolio was realised to fund the business during the pandemic. Cash generated from normal charitable activities and donations is needed to fund ongoing working capital requirements so further longer term investment is unlikely at present.

Principal risks and uncertainties

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower overall occupancy. This has been especially true over the last 3 years. This risk has been mitigated to some extent by increased demand for services from the NHS emanating from their need to move people with long term illness and disability to care homes.
- an increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- annual increases above inflation in National Minimum Wage and the more recent introduction of National Living Wage whilst much needed, have been implemented without acceptance of the full impact that has had on the care industry and has not led to a realistic increase in state-funded fees for nursing care .
- budget constraint within local & central government affecting ability to fund nursing care places.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business has provided an opportunity to offset periods of lower occupancy in the nursing home with growth in income from domiciliary care which is, currently, where investment in the care sector is being encouraged.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2024

Post balance sheet events & plans for future periods

Occupancy at the nursing home further increased during the first half of the year mainly driven by increased demand from self-funded residents although the NHS continued to place substantial numbers of residents with us. Staff salaries increased substantially following the increase in minimum wage to which staff pay is linked directly or indirectly. We also had high agency staff charges due to continued recruitment difficulty.

The Trust has continued to generate useful monthly surpluses and the trustees expect that to continue for the remainder of the year. We have also been informed that the Trust will benefit from some legacies, although timing of receipt is uncertain at present and may not arise before this year end.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 8 Trustees and normally meets monthly. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM.

Management

Day-to-day operational management is under the control of the management team comprising the Finance Manager, the Business Manager and the Care Manager who are responsible to the Board. They attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the management team, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Heseltine

Mr S Heywood

Mr R Holmes

Mr A Mitchell

Mr R Oakden

Mr J Southworth

Mr M Sutton

Mr P Wilcox

(Resigned 17 April 2023)

Mr G Cooper

Dr. R Stokell

(Appointed 26 July 2023 and resigned 15 September 2024)

Pay policy for key management personnel

The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in his capacity as a director in the 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.

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


.....
Mr S Heywood

Trustee

Dated: 10th December 2024

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Hoylake Cottage 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2024 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of 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 group and charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 group and 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.

HOYLAKE COTTAGE

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

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 group through discussions with trustees and other management, and from our knowledge and experience of charity 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 group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team 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.

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

- making enquiries of management team 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 the 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 and relevant regulators.

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.

HOYLAKE COTTAGE

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

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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

Statutory Auditor

..16..12..24

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Income and endowments from:</u>							
Donations and legacies	3	34,178	2,468	36,646	91,183	1,004	92,187
Charitable activities	4	4,633,148	-	4,633,148	4,146,050	-	4,146,050
Investments	5	45,632	-	45,632	41,877	-	41,877
Other income		3,149	-	3,149	8,585	-	8,585
Total income		4,716,107	2,468	4,718,575	4,287,695	1,004	4,288,699
<u>Expenditure on:</u>							
Raising funds	6	10,126	-	10,126	15,538	-	15,538
Charitable activities	7	4,533,217	1,858	4,535,075	4,136,049	3,524	4,139,573
Other	9	2,072	-	2,072	-	-	-
Total resources expended		4,545,415	1,858	4,547,273	4,151,587	3,524	4,155,111
Gross transfers between funds		-	-	-	25,877	(25,877)	-
Net income for the year/ Net movement in funds		170,692	610	171,302	161,985	(28,397)	133,588
Fund balances at April 2023	1	3,940,357	32,110	3,972,467	3,778,371	60,506	3,838,877
Fund balances at March 2024	31	4,111,049	32,720	4,143,769	3,940,356	32,109	3,972,465

The statement of financial activities includes all gains and losses recognised in the year.

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.

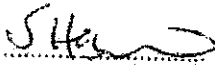
HOYLAKE COTTAGE

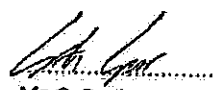
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		5,021,162		5,092,444
Current assets					
Debtors	17	299,597		243,550	
Cash at bank and in hand		315,864		226,883	
		<u>615,461</u>		<u>470,433</u>	
Creditors: amounts falling due within one year	20	<u>(291,964)</u>		<u>(468,263)</u>	
Net current assets			323,497		2,170
Total assets less current liabilities			<u>5,344,659</u>		<u>5,094,614</u>
Creditors: amounts falling due after more than one year	22		<u>(1,200,890)</u>		<u>(1,122,148)</u>
Net assets			<u><u>4,143,769</u></u>		<u><u>3,972,466</u></u>
Income funds					
Restricted funds	23		32,720		32,109
Unrestricted funds	25		4,111,049		3,940,356
			<u>4,143,769</u>		<u>3,972,465</u>

The financial statements were approved by the Trustees on 10th December 2024


 Mr S Haywood
 Trustee


 Mr G Cooper
 Trustee

Company Registration No. 01844549

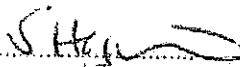
HOYLAKE COTTAGE

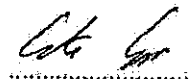
CHARITY BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	15		5,020,848		5,091,348
Investments	16		2		2
			<u>5,020,850</u>		<u>5,091,350</u>
Current assets					
Debtors	18	242,856		181,608	
Cash at bank and in hand		237,391		168,795	
		<u>480,247</u>		<u>350,403</u>	
Creditors: amounts falling due within one year	21	<u>(244,240)</u>		<u>(418,210)</u>	
Net current assets/(liabilities)			<u>236,007</u>		<u>(67,807)</u>
Total assets less current liabilities			<u>5,256,857</u>		<u>5,023,543</u>
Creditors: amounts falling due after more than one year	22		<u>(1,200,890)</u>		<u>(1,122,148)</u>
Net assets			<u>4,055,967</u>		<u>3,901,395</u>
Income funds					
Restricted funds	24		32,720		32,110
Unrestricted funds	26		4,023,247		3,869,285
			<u>4,055,967</u>		<u>3,901,395</u>

The financial statements were approved by the Trustees on 10th December 2024


Mr S Heywood
Trustee


Mr G Cooper
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	32		199,544		252,701
Investing activities					
Purchase of tangible fixed assets		(51,594)		(91,365)	
Proceeds on disposal of tangible fixed assets		1,000		-	
Investment income		45,632		41,877	
Net cash used in investing activities			(4,962)		(49,488)
Financing activities					
Repayment of bank loans		(99,431)		(205,245)	
Net cash used in financing activities			(99,431)		(205,245)
Net (decrease)/increase in cash and cash equivalents			95,151		(2,032)
Cash and cash equivalents at beginning of year			220,713		222,745
Cash and cash equivalents at end of year			315,864		220,713
Relating to:					
Cash at bank and in hand			315,864		226,883
Bank overdrafts included in creditors payable within one year			-		(6,170)
			315,864		220,713

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

With the end of the Coronavirus pandemic and Government-imposed restrictions on our operations, occupancy levels increased to very close to our long-term average. A satisfactory surplus was achieved in the year end and that trend continued into the 2023-24 year. Therefore, at the time of approving the financial statements the trustees have a reasonable expectation that the group and charity have sufficient resources to continue in operational existence for the foreseeable future on the expectation that there will be no repetition of the forced closures of the nursing home and day centre due to pandemics.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

1.5 Resources expended

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	10%/20%/25%/33.33% on cost
Computers	33.33%/20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 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.

1.11 Retirement benefits

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

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.13 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2024. The results of the subsidiary are consolidated for the period from the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Donations and gifts	34,178	2,468	36,646	26,791	1,004	27,795
Legacies receivable	-	-	-	51,292	-	51,292
Government grants	-	-	-	13,100	-	13,100
	<u>34,178</u>	<u>2,468</u>	<u>36,646</u>	<u>91,183</u>	<u>1,004</u>	<u>92,187</u>

HOYLAKE COTTAGE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

4 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total	Nursing	Day dementia care	Domiciliary care	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
Services within charitable activities	3,898,593	161,793	572,762	4,633,148	3,465,488	157,627	522,935	4,146,050

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	44,175	41,394
Income from listed investments	-	133
Interest receivable	1,457	350
	<u>45,632</u>	<u>41,877</u>

6 Fundraising expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Fundraising and publicity</u>		
Other fundraising costs	216	216
Apartment expenses	9,910	15,322
	<u>10,126</u>	<u>15,538</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total 2024	Nursing	Day dementia care	Domiciliary care	Total 2024	Nursing	Day dementia care	Domiciliary care	Total 2023
	2024	2024	2024	£	2023	2023	2023	£	2023	2023	2023	£
Staff costs	2,697,340	139,502	386,932	3,223,774	2,462,350	141,277	358,377	2,962,004	2,462,350	141,277	358,377	2,962,004
Depreciation and impairment	88,534	30,486	783	119,803	91,300	31,249	4,029	126,578	91,300	31,249	4,029	126,578
Rates & water	11,330	-	-	11,330	10,657	-	-	10,657	10,657	-	-	10,657
Insurance	50,119	-	4,469	54,588	46,784	-	4,027	50,811	46,784	-	4,027	50,811
Light & heat	109,379	-	-	109,379	104,832	-	-	104,832	104,832	-	-	104,832
Phone	11,172	-	840	12,012	10,126	-	850	10,976	10,126	-	850	10,976
Advertising, printing, postage & stationery	10,776	-	2,730	13,506	11,760	-	4,506	16,266	11,760	-	4,506	16,266
General expenses	40,706	12,972	7,688	61,366	21,646	8,652	5,634	35,932	21,646	8,652	5,634	35,932
Medical supplies	24,755	-	32	24,787	20,453	-	34	20,487	20,453	-	34	20,487
Catering	157,359	-	-	157,359	141,873	-	-	141,873	141,873	-	-	141,873
Cleaning & laundry	95,101	-	-	95,101	100,265	-	-	100,265	100,265	-	-	100,265
Recruitment & other staff costs	35,769	-	3,278	39,047	29,281	-	3,702	32,983	29,281	-	3,702	32,983
Domestic & non medical supplies	9,347	-	-	9,347	10,784	-	-	10,784	10,784	-	-	10,784
Transport	-	7,176	-	7,176	-	11,105	-	11,105	-	11,105	-	11,105
Repairs & maintenance	112,955	-	7,905	120,860	107,683	-	9,023	116,706	107,683	-	9,023	116,706
Entertainment	5,299	-	-	5,299	2,574	-	-	2,574	2,574	-	-	2,574
	<u>3,459,941</u>	<u>190,136</u>	<u>414,657</u>	<u>4,064,734</u>	<u>3,172,368</u>	<u>192,283</u>	<u>390,182</u>	<u>3,754,833</u>	<u>3,172,368</u>	<u>192,283</u>	<u>390,182</u>	<u>3,754,833</u>
Share of support costs (see note 8)	266,484	29,609	122,536	418,629	212,691	23,632	117,514	353,837	212,691	23,632	117,514	353,837
Share of governance costs (see note 8)	40,681	4,520	6,511	51,712	22,413	2,490	6,000	30,903	22,413	2,490	6,000	30,903
	<u>3,767,106</u>	<u>224,265</u>	<u>543,704</u>	<u>4,535,075</u>	<u>3,407,472</u>	<u>218,405</u>	<u>513,696</u>	<u>4,139,573</u>	<u>3,407,472</u>	<u>218,405</u>	<u>513,696</u>	<u>4,139,573</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Charitable activities	(Continued)															
	Nursing		Day dementia care		Domiciliary care		Total 2024		Nursing		Day dementia care		Domiciliary care		Total 2023	
	2024	£	2024	£	2024	£	£	2023	£	2023	£	2023	£	2023	£	£
Analysis by fund																
Unrestricted funds	3,766,344		223,169		543,704		4,533,217		3,405,949		216,410		513,690		4,136,049	
Restricted funds	762		1,096		-		1,858		1,523		1,995		6		3,524	
	<u>3,767,106</u>		<u>224,265</u>		<u>543,704</u>		<u>4,535,075</u>		<u>3,407,472</u>		<u>218,405</u>		<u>513,696</u>		<u>4,139,573</u>	

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs

	Support costs	Governance costs	2024 Support costs		Governance costs	2023
	£	£	£	£	£	£
Staff costs	310,812	-	310,812	284,221	-	284,221
Admin expenses	766	-	766	774	-	774
Professional fees	2,800	-	2,800	4,350	-	4,350
Bank charges	18,217	-	18,217	3,402	-	3,402
Interest payable & similar charges	85,585	-	85,585	61,090	-	61,090
Audit fees	-	10,396	10,396	-	8,975	8,975
Non audit fees	-	8,900	8,900	-	5,775	5,775
Legal and professional	-	21,567	21,567	-	4,284	4,284
Trustee indemnity insurance	-	11,286	11,286	-	10,080	10,080
Sundries	-	13	13	-	1,789	1,789
	<u>418,180</u>	<u>52,162</u>	<u>470,342</u>	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>
Analysed between Charitable activities	<u>418,629</u>	<u>51,712</u>	<u>470,341</u>	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>

Governance costs includes amounts payable to the auditors of £10,396 (2023:£8,975) for audit fees.

9 Other

	Unrestricted funds	Total
	2024	£ 2023
Net loss on disposal of tangible fixed assets	<u>2,072</u>	<u>-</u>

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Administrative	9	9
Nursing	97	97
Ancillary	25	25
Domiciliary	25	25
Total	<u>156</u>	<u>156</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Employees	(Continued)	
Employment costs	2024	2023
	£	£
Wages and salaries	3,249,758	2,984,530
Social security costs	233,487	213,719
Other pension costs	51,341	47,976
	<u>3,534,586</u>	<u>3,246,225</u>

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separate from those of the group.

The key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £222,614 (2023:£207,919).

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

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Trustees

There were no trustees' remuneration or expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

13 Brookfield Homecare Limited

A summary of the results of the subsidiary is shown below:

	2024	2023
	£	£
Turnover	574,434	531,796
Expenditure	(557,254)	(513,697)
	<u>17,180</u>	<u>18,099</u>
 Aggregate assets and liabilities		
Fixed assets	314	1,096
Current assets	136,021	122,889
Current liabilities	(48,081)	(52,911)
	<u>88,254</u>	<u>71,074</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Tangible fixed assets - Group

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2023	7,269,665	674,836	5,976	61,500	8,011,977
Additions	-	51,594	-	-	51,594
Disposals	-	(40,525)	-	(61,500)	(102,025)
At 31 March 2024	7,269,665	685,905	5,976	-	7,961,546
Depreciation and impairment					
At 1 April 2023	2,302,506	554,002	4,989	58,037	2,919,534
Depreciation charged in the year	77,651	41,088	673	391	119,803
Eliminated in respect of disposals	-	(40,525)	-	(58,428)	(98,953)
At 31 March 2024	2,380,157	554,565	5,662	-	2,940,384
Carrying amount					
At 31 March 2024	4,889,508	131,340	314	-	5,021,162
At 31 March 2023	4,967,160	110,065	1,025	3,464	5,092,444

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

15 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	7,269,665	662,956	61,500	7,994,121
Additions	-	51,593	-	51,593
Disposals	-	(40,524)	(61,500)	(102,024)
At 31 March 2024	7,269,665	674,025	-	7,943,690
Depreciation and impairment				
At 1 April 2023	2,302,505	542,232	58,036	2,902,773
Depreciation charged in the year	77,651	40,978	391	119,020
Eliminated in respect of disposals	-	(40,524)	(58,427)	(98,951)
At 31 March 2024	2,380,156	542,686	-	2,922,842
Carrying amount				
At 31 March 2024	4,889,509	131,339	-	5,020,848
At 31 March 2023	4,967,160	120,724	3,465	5,091,348

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 14.

17 Debtors - Group

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	263,065	207,492
Other debtors	780	-
Prepayments and accrued income	35,752	36,058
	<u>299,597</u>	<u>243,550</u>

18 Debtors - Charity

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	208,942	150,388
Amounts owed by subsidiary undertakings	-	2,856
Other debtors	480	-
Prepayments and accrued income	33,434	28,364
	<u>242,856</u>	<u>181,608</u>

19 Loans and overdrafts - Group & charity

	2024	2023
	£	£
Bank overdrafts	-	6,170
Bank loans	1,224,849	1,324,280
	<u>1,224,849</u>	<u>1,330,450</u>
Payable within one year	23,959	208,302
Payable after one year	1,200,890	1,122,148

Amounts included above which fall due after five years:

Payable by instalments	<u>1,081,481</u>	<u>396,278</u>
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A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Loans and overdrafts - Group & charity

(Continued)

At the end of the financial year Royal Bank of Scotland agreed to amalgamate the 2 loans repayable over 20 years by monthly instalments including interest accrued at a rate of 3.5% above base rate secured on the Trust's land and buildings.

20 Creditors: amounts falling due within one year - Group

	Notes	2024 £	2023 £
Bank loans and overdrafts	19	23,959	208,302
Other taxation and social security		54,315	42,908
Trade creditors		56,303	95,825
Other creditors		53,291	54,643
Accruals and deferred income		104,096	66,585
		<u>291,964</u>	<u>468,263</u>

21 Creditors: amounts falling due within one year - Charity

	Notes	2024 £	2023 £
Bank loans and overdrafts	19	23,959	208,302
Other taxation and social security		47,201	35,359
Trade creditors		56,303	95,766
Amounts owed to fellow group undertakings		807	-
Other creditors		18,174	18,246
Accruals and deferred income		97,796	60,537
		<u>244,240</u>	<u>418,210</u>

22 Creditors: amounts falling due after more than one year Group & charity

	Notes	2024 £	2023 £
Bank loans	19	<u>1,200,890</u>	<u>1,122,148</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Restricted funds - Group

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	
Nursing Unit Fund	6,859	659	(49)	7,469
Sandhills Fund	25,251	-	-	25,251
Entertainment Fund	-	714	(714)	-
Sandhills Events Fund	-	1,095	(1,095)	-
	<u>32,110</u>	<u>2,468</u>	<u>(1,858)</u>	<u>32,720</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds			Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	
Nursing Unit Fund	10,717	-	(519)	6,858
Sandhills Fund	1,995	-	(1,995)	-
Entertainment Fund	-	1,004	(1,004)	-
Sandhills Events Fund	47,788	-	-	25,251
WBC Adult Social Care Infection Control Fund	6	-	(6)	-
	<u>60,506</u>	<u>1,004</u>	<u>(3,524)</u>	<u>32,109</u>

The Sandhills Fund represents donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently with attendance at the day centre substantially below former levels, priority has been given to supporting the main business, the nursing home until full recovery has been achieved. When that point is reached a decision will be taken on what further investment in the day centre is appropriate.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Restricted funds - Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	
Nursing Unit Fund	6,858	659	(48)	7,469
Sandhills Fund	25,251	-	-	25,251
Entertainment Fund	-	714	(714)	-
Sandhills Events Fund	-	1,095	(1,095)	-
	<u>32,109</u>	<u>2,468</u>	<u>(1,857)</u>	<u>32,720</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds			Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	
Nursing Unit Fund	10,717	-	(519)	6,858
Sandhills Fund	1,995	-	(1,995)	-
Entertainment Fund	-	1,004	(1,004)	-
Sandhills Events Fund	47,788	-	-	25,251
	<u>60,506</u>	<u>1,004</u>	<u>(3,524)</u>	<u>32,109</u>

The Sandhills Fund represents donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently with attendance at the day centre substantially below former levels, priority has been given to supporting the main business, the nursing home until full recovery has been achieved. When that point is reached a decision will be taken on what further investment in the day centre is appropriate.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

25 Unrestricted funds - Group

	Movement in funds					Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	
General unrestricted funds	3,938,810	4,716,106	(4,545,414)	-	-	4,109,502
Designated funds	1,547	-	-	-	-	1,547
	<u>3,940,357</u>	<u>4,716,106</u>	<u>(4,545,414)</u>	<u>-</u>	<u>-</u>	<u>4,111,049</u>

Comparative information in respect of the preceding year is as follows:

	Movement in funds					Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	
General unrestricted funds	3,778,371	4,286,148	(4,151,587)	25,877	-	3,938,809
Designated funds	-	1,547	-	-	-	1,547
	<u>3,778,371</u>	<u>4,287,695</u>	<u>(4,151,587)</u>	<u>25,877</u>	<u>-</u>	<u>3,940,356</u>

Designated funds will be used for upgrading furnishings in residents rooms.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

26 Unrestricted funds - Charity

	Movement in funds					Balance at 31 March 2024
	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
General unrestricted funds	3,867,738	4,155,672	(4,001,710)	-	-	4,021,700
Designated funds	1,547	-	-	-	-	1,547
	<u>3,869,285</u>	<u>4,155,672</u>	<u>4,001,710</u>	<u>-</u>	<u>-</u>	<u>4,023,247</u>

Comparative information in respect of the preceding year is as follows:

	Movement in funds					Balance at 31 March 2023
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
General unrestricted funds	3,725,403	3,754,353	(3,637,895)	25,877	-	3,867,738
Designated funds	-	1,547	-	-	-	1,547
	<u>3,725,403</u>	<u>3,755,900</u>	<u>(3,637,895)</u>	<u>25,877</u>	<u>-</u>	<u>3,869,285</u>

Designated funds will be used for upgrading furnishings in residents rooms.

27 Analysis of net assets between funds - Group

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Tangible assets	5,021,162	-	5,021,162	5,092,444	-	5,092,444
Current assets/(liabilities)	290,777	32,720	323,497	(29,940)	32,109	2,169
Long term liabilities	(1,200,890)	-	(1,200,890)	(1,122,148)	-	(1,122,148)
	<u>4,111,049</u>	<u>32,720</u>	<u>4,143,769</u>	<u>3,940,356</u>	<u>32,109</u>	<u>3,972,465</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

28 Analysis of net assets between funds - Charity

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2024 are represented by:						
Tangible assets	5,020,848	-	5,020,848	5,091,348	-	5,091,348
Investments	2	-	2	2	-	2
Current assets/(liabilities)	203,287	32,720	236,007	(99,917)	32,110	(67,807)
Long term liabilities	(1,200,890)	-	(1,200,890)	(1,122,148)	-	(1,122,148)
	<u>4,023,247</u>	<u>32,720</u>	<u>4,055,967</u>	<u>3,869,285</u>	<u>32,110</u>	<u>3,901,395</u>

29 Related party transactions

Hoylake Cottage Care Manager is the daughter of trustee Michael Sutton, who was not involved in the process of her appointment. Her salary is paid at Hoylake Cottage standard pay rates.

Father of trustee Richard Stokell was a resident of Hoylake Cottage for a short period of time during the year. Fees received amounted to £17,855.

30 Operating lease commitments

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

	2024 £	2023 £
Within one year	9,058	12,126
Between two and five years	11,160	18,926
	<u>20,218</u>	<u>31,052</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

31 Analysis of changes in net (debt)/funds

	At 1 April 2023	Cash flows At 31 March 2024	
	£	£	£
Cash at bank and in hand	226,883	88,981	315,864
Bank overdrafts	(6,170)	6,170	-
	<u>220,713</u>	<u>95,151</u>	<u>315,864</u>
Loans falling due within one year	(202,132)	178,173	(23,959)
Loans falling due after more than one year	(1,122,148)	(78,742)	(1,200,890)
	<u>(1,103,567)</u>	<u>194,582</u>	<u>(908,985)</u>

32 Cash generated from operations - Group

	2024	2023
	£	£
Surplus for the year	171,302	133,588
Adjustments for:		
Investment income recognised in statement of financial activities	(45,632)	(41,877)
Loss on disposal of tangible fixed assets	2,072	-
Depreciation and impairment of tangible fixed assets	119,803	126,578
Movements in working capital:		
(Increase)/decrease in debtors	(56,047)	6,903
Increase in creditors	8,046	27,509
Cash generated from operations	<u>199,544</u>	<u>252,701</u>

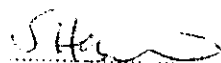
HOYLAKE COTTAGE

CONSOLIDATED BALANCE SHEET

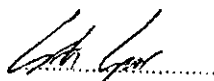
AS AT 31 MARCH 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	14		5,021,162		5,092,444
Current assets					
Debtors	17	299,597		243,550	
Cash at bank and in hand		315,864		226,883	
		615,461		470,433	
Creditors: amounts falling due within one year	20	(291,964)		(468,263)	
Net current assets			323,497		2,170
Total assets less current liabilities			5,344,659		5,094,614
Creditors: amounts falling due after more than one year	22		(1,200,890)		(1,122,148)
Net assets			4,143,769		3,972,466
Income funds					
Restricted funds	23		32,720		32,109
Unrestricted funds	25		4,111,049		3,940,356
			4,143,769		3,972,465

The financial statements were approved by the Trustees on 10th December 2024



Mr S Heywood
Trustee



Mr G Cooper
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

England & Wales - Charity number 515591

Accounts

Charity registration number 515591

Company registration number 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs A Heseltine
Mr S Heywood
Mr R Holmes
Mr A Mitchell
Mr R Oakden
Mr J Southworth
Mr M Sutton
Mr G Cooper

(Appointed 21 June 2022)

Sadly, Peter Wilcox, who had served as a trustee for 15 years and was Vice Chairman for 10 years, died earlier this year. His sound advice and his calm and measured way of resolving any contentious and difficult matters will be greatly missed by the trustees and management of Hoylake Cottage.

Secretary

Mr S Heywood

Charity number

515591

Company number

01844549

Registered office

Southworth House
35 Birkenhead Road
Hoylake
Wirral
Merseyside
CH47 5AQ

Auditor

Xeinadin Audit Limited
2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

Bankers

National Westminster
10 Banks Road
West Kirby
Wirral
Merseyside
CH48 4LG

Royal Bank of Scotland
1 Exchange Flags
Liverpool
L2 3XN

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Hill Dickinson
1 St Paul's Square
Liverpool
Merseyside
L3 9SJ

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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

The consolidated 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 Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

OBJECTIVES AND ACTIVITIES

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 80% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which currently 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 25 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited offers domiciliary care services to approximately 80 local residents, providing some 500 hours of care each week, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and to maintain competitive salary levels for our staff.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising activities and generous donations from supporters and the local community:

- for some time the Trust has provided day care services for those suffering from dementia at fees that do not cover the cost of their provision
- the premises used for the day centre have been extensively refurbished
- in the recent past a sensory garden was created for residents of the nursing home to enjoy.

It has been the trustees' intention to commence the next phase of development of the Dementia Village in the day centre but that was delayed by the Coronavirus pandemic. Since fully re-opening the day centre attendances were substantially lower than earlier years and have fallen again during 2023. The effect of the pandemic on both the day centre and more particularly the nursing home means that funding the dementia village must be re-considered against the more important imperative of funding and maintaining the nursing home, the main part of the Trust's business.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENTS AND PERFORMANCE

Occupancy at the nursing home increased to close to the long-term average at 93% despite periodic short-term closures due to Covid infection, for which grant funding ceased in March 2022. Fortunately, fee rates for residents placed by the NHS to relieve backlogs in hospital were increased substantially and with some other increases, total fee income was 40% higher at the year end.

Unfortunately, recruitment of staff, especially of qualified nurses, remained difficult and substantial use of agency staff was needed at additional cost. Food prices increased by more than 30%, insurance by 15% and interest on loans was much higher as the bank base rate increased. Additionally, the hot water and central heating boilers had to be replaced as well as other internal repair work, much of which had been delayed during the pandemic. To improve internal systems the trust invested in care management and medication management software which has proved very successful in reducing staff time and improving efficiency.

Attendances at the day centre, although higher than the previous year were below the long-term average and income again failed to cover operating expenses.

The year yielded a very welcome return to surplus at £133,000 after depreciating the land and buildings value by £77,000. The value of the land and buildings substantially exceeds the balance sheet value of £5 million. Brookfield Homecare contributed £18,000 of the surplus.

Our staff have had another difficult and demanding year as we recovered from the pandemic effects on our business compounded by shortage of staff, the latter being both a local and national issue despite significant increases in pay. We are very grateful to all of our staff and volunteers who have cared for our residents and supported their relatives during another challenging year.

FINANCIAL REVIEW

Hoylake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Fees increased during the year, partly assisted by Wirral Council supporting much needed higher staff pay rates by increasing their hourly fees. Overheads were well contained and a surplus, similar to the previous year at £18,000, was achieved. The business has considerable potential to grow but, as in previous years has been restricted by inability to recruit sufficient staff. That is certainly a local problem across the healthcare sector generally and the higher pay rates on offer have not made any substantial impact on it.

Fundraising and other non-charitable activity income

Donations were higher at some £28,000 and we were very fortunate to benefit from a legacy of £51,000, which helped to fund replacement of the boilers. Rental income from the 6 flats increased by 5% but expenses were slightly higher giving a net contribution similar to the previous year at £26,000.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £3,940,356, an increase of £161,985 which included the surplus on activities and transfers from restricted funds, the latter with formal agreement from the respective donors, as well as Unrestricted Funds at Brookfield Homecare of £71,074.

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

Restricted funds shown in the Balance Sheet were £32,109 and represented donations for specific purposes which were unspent at the year end. These funds will be used for their intended purpose as soon as it is appropriate to do so.

At the balance sheet date, free reserves were £194,773 and free cash reserves were £178,362 which the Trustees consider acceptable.

Funding sources

The Trust's working capital requirements during the year were adequately funded from cash generated from business activities supported by the 2 long term loans from Royal Bank of Scotland. The new nursing home loan, originally repayable over 20 years from 2008 has been substantially reduced and repayments on the Coronavirus Business Interruption Loan which was required to fund the deficits incurred during the pandemic, started in June 2022 over a 5-year term.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The investment portfolio was realised to fund the business during the pandemic. Cash generated from normal charitable activities and donations is needed to fund ongoing working capital requirements so further longer term investment is unlikely at present.

Principal risks and uncertainties

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower overall occupancy. This has been especially true over the last 3 years.
- an increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- annual increases above inflation in National Minimum Wage and the more recent introduction of National Living Wage whilst much needed, have been implemented without acceptance of the full impact that has had on the care industry and has not led to a realistic increase in state-funded fees for nursing care .
- budget constraint within local & central government affecting ability to fund nursing care places.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business has provided an opportunity to offset periods of lower occupancy in the nursing home with growth in income from domiciliary care which is, currently, where investment in the care sector is being encouraged.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

Post balance sheet events & plans for future periods

In the first half of the year occupancy has improved to near normal levels and there has been a welcome increase in fees payable by the NHS which has led to an increase in direct placements of residents in the nursing home. Staff expenses have increased by 6% mainly due to the need to make extensive use of agency staff because recruitment of permanent staff has been so difficult despite higher levels of pay being offered.

As expected with inflation having increased, food cost has increased by some 20% and the rising bank base rate has led to much higher interest charges.

Nevertheless, the trust was comfortably in surplus after the first 6 months and the trustees are satisfied that there will be a surplus at the year end, although there are a number of uncertainties that may prove challenging to manage. Liquid resources available to the trust are deemed to be sufficient for needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 9 Trustees and normally meets monthly. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM.

Management

Day-to-day operational management is under the control of the management team comprising the Finance Manager, the Business Manager and the Care Manager who are responsible to the Board. They attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the management team, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Heseltine

Mr S Heywood

Mr R Holmes

Mr A Mitchell

Mr R Oakden

Mr J Southworth

Mr M Sutton

Mr P Wilcox

Mr WA Twemlow

Mr G Cooper

(Resigned 17 April 2023)

(Resigned 15 September 2022)

(Appointed 21 June 2022)

Pay policy for key management personnel

The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in his capacity as a director in the 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.

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



Mr S Heywood

Trustee

Dated: 4.12.2023

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Hoylake Cottage 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2023 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of 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 group and charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 group and 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

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 group through discussions with trustees and other management, and from our knowledge and experience of charity 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 group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team 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.

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

- making enquiries of management team 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 the 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 and relevant regulators.

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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

7.12.23

Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Donations and legacies	3	91,183	1,004	92,187	36,903	148,724	185,627
Charitable activities	4	4,146,050	-	4,146,050	3,051,005	-	3,051,005
Other trading activities	5	-	-	-	13,624	-	13,624
Investments	6	41,877	-	41,877	41,829	-	41,829
Other income		8,585	-	8,585	5,904	-	5,904
Total income		4,287,695	1,004	4,288,699	3,149,265	148,724	3,297,989
Expenditure on:							
Raising funds	7	15,538	-	15,538	15,254	-	15,254
Charitable activities	8	4,136,049	3,524	4,139,573	3,538,339	151,703	3,690,042
Total resources expended		4,151,587	3,524	4,155,111	3,553,593	151,703	3,705,296
Net gains/(losses) on investments	11	-	-	-	4,407	-	4,407
Net incoming/(outgoing) resources before transfers		136,108	(2,520)	133,588	(399,921)	(2,979)	(402,900)
Gross transfers between funds		25,877	(25,877)	-	1,120	(1,120)	-
Net income/(expenditure) for the year/ Net movement in funds		161,985	(28,397)	133,588	(398,801)	(4,099)	(402,900)
Fund balances at 1 April 2022		3,778,371	60,506	3,838,877	4,177,172	64,605	4,241,777
Fund balances at 31 March 2023		3,940,356	32,109	3,972,465	3,778,371	60,506	3,838,877

The statement of financial activities includes all gains and losses recognised in the year.

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.

HOYLAKE COTTAGE

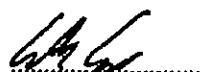
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		5,092,444		5,127,857
Current assets					
Debtors	18	243,650		250,453	
Cash at bank and in hand		226,882		222,745	
		<u>470,432</u>		<u>473,198</u>	
Creditors: amounts falling due within one year	21	(468,263)		(454,133)	
Net current assets			<u>2,169</u>		<u>19,065</u>
Total assets less current liabilities			<u>5,094,613</u>		<u>5,146,722</u>
Creditors: amounts falling due after more than one year	23		(1,122,148)		(1,307,845)
Net assets			<u><u>3,972,465</u></u>		<u><u>3,838,877</u></u>
Income funds					
Restricted funds	24		32,109		60,508
Unrestricted funds	26		3,940,356		3,778,371
			<u><u>3,972,465</u></u>		<u><u>3,838,877</u></u>

The financial statements were approved by the Trustees on 4.11.2023


Mr S Heywood
Trustee


Mr G Cooper
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	16		5,091,348		5,122,531
Investments	17		2		2
			<u>5,091,350</u>		<u>5,122,533</u>
Current assets					
Debtors	19	181,608		227,757	
Cash at bank and in hand		168,795		148,973	
		<u>350,403</u>		<u>376,730</u>	
Creditors: amounts falling due within one year	22	<u>(418,210)</u>		<u>(405,515)</u>	
Net current liabilities			<u>(67,807)</u>		<u>(28,785)</u>
Total assets less current liabilities			<u>5,023,543</u>		<u>5,093,748</u>
Creditors: amounts falling due after more than one year	23		<u>(1,122,148)</u>		<u>(1,307,845)</u>
Net assets			<u><u>3,901,395</u></u>		<u><u>3,785,903</u></u>
Income funds					
Restricted funds	25		32,110		60,500
Unrestricted funds	27		3,869,285		3,725,403
			<u>3,901,395</u>		<u>3,785,903</u>

The financial statements were approved by the Trustees on 4.12.2023


 Mr S Heywood
 Trustee


 Mr G Cooper
 Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

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

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	33		252,701		(444,846)
Investing activities					
Purchase of tangible fixed assets		(91,365)		(25,879)	
Purchase of investments				(9,634)	
Proceeds on disposal of investments				(175,115)	
Investment income		41,877		41,829	
Net cash used in investing activities			(49,488)		(181,431)
Financing activities					
Repayment of bank loans		(205,245)		255,866	
Net cash (used in)/generated from financing activities			(205,245)		255,866
Net (decrease)/increase in cash and cash equivalents			(2,032)		(7,549)
Cash and cash equivalents at beginning of year			222,745		230,294
Cash and cash equivalents at end of year			220,713		222,745
Relating to:					
Cash at bank and in hand			226,883		222,745
Bank overdrafts included in creditors payable within one year			(6,170)		-
			220,713		222,745

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

With the end of the Coronavirus pandemic and Government-imposed restrictions on our operations, occupancy levels increased to very close to our long-term average. A satisfactory surplus was achieved in the year end and that trend continued into the 2023-24 year. Therefore, at the time of approving the financial statements the trustees have a reasonable expectation that the group and charity have sufficient resources to continue in operational existence for the foreseeable future on the expectation that there will be no repetition of the forced closures of the nursing home and day centre due to pandemics.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

1.5 Resources expended

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	20%/25%/33.33% on cost & 15% reducing balance
Computers	33.33%/20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 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.

1.11 Retirement benefits

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

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.13 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2023. The results of the subsidiary are consolidated for the period from the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	26,791	1,004	27,795	3,422	1,865	5,287
Legacies receivable	51,292	-	51,292	15,267	-	15,267
Government grants	13,100	-	13,100	18,214	146,859	165,073
	<u>91,183</u>	<u>1,004</u>	<u>92,187</u>	<u>36,903</u>	<u>148,724</u>	<u>185,627</u>

HOYLAKE COTTAGE

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

4 Charitable activities

	Nursing	Day dementia	Domiciliary	Total	Nursing	Day dementia	Domiciliary	Total
	care	care	care		care	care	care	
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
	3,465,488	157,627	522,935	4,146,050	2,406,582	141,289	503,134	3,051,005

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	-	13,624

6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	41,394	39,454
Income from listed investments	133	2,369
Interest receivable	350	6
	<u>41,877</u>	<u>41,829</u>

7 Fundraising expenditure

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs	216	180
Investec costs	-	937
Apartment expenses	15,322	14,137
	<u>15,538</u>	<u>15,254</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Nursing	Day dementia care	Domiciliary care	Total 2023	Nursing	Day dementia care	Domiciliary care	Total 2023	Nursing	Day dementia care	Domiciliary care	Total 2022
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	2,462,350	141,277	358,377	2,962,004	2,214,939	115,487	348,376	2,678,802				
Depreciation and impairment	91,300	31,249	4,029	126,578	83,365	31,634	4,693	119,692				
Rates & water	10,657	-	-	10,657	10,498	-	-	10,498				
Insurance	46,784	-	4,027	50,811	41,144	-	3,694	44,838				
Light & heat	104,832	-	-	104,832	70,251	-	-	70,251				
Phone	10,126	-	850	10,976	9,943	-	840	10,783				
Advertising, printing, postage & stationery	11,760	-	4,506	16,266	10,016	-	4,378	14,394				
General expenses	21,646	8,652	5,634	35,932	20,598	4,110	8,239	32,947				
Medical supplies	20,453	-	34	20,487	8,931	-	32	8,963				
Catering	141,873	-	-	141,873	103,178	-	-	103,178				
Cleaning & laundry	100,265	-	-	100,265	90,804	-	-	90,804				
Recruitment & other staff costs	29,281	-	3,702	32,983	35,685	-	2,858	38,543				
Domestic & non medical supplies	10,784	-	-	10,784	12,909	-	-	12,909				
Transport	-	11,105	-	11,105	-	11,419	-	11,419				
Repairs & maintenance	107,683	-	9,023	116,706	88,851	-	8,796	97,647				
Entertainment	2,574	-	-	2,574	7,207	-	-	7,207				
	<u>3,172,368</u>	<u>192,283</u>	<u>390,182</u>	<u>3,754,833</u>	<u>2,808,319</u>	<u>162,650</u>	<u>381,906</u>	<u>3,352,875</u>				
Share of support costs (see note 9)	212,691	23,632	117,514	353,837	189,909	21,101	102,563	313,573				
Share of governance costs (see note 9)	22,413	2,490	6,000	30,903	16,903	1,878	4,813	23,594				
	<u>3,407,472</u>	<u>218,405</u>	<u>513,696</u>	<u>4,139,573</u>	<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>				

HOYLAKE COTTAGE

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

8 Charitable activities		(Continued)															
		Nursing		Day dementia care		Domiciliary care		Total 2023		Nursing		Day dementia care		Domiciliary care		Total 2022	
		2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022	2022
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Analysis by fund																	
Unrestricted funds		3,405,949	216,410	513,690	4,136,049	2,887,690	183,579	467,070	3,538,339	1,523	1,995	6	3,524	127,441	2,050	22,212	151,703
Restricted funds		3,407,472	218,405	513,696	4,139,573	3,015,131	185,629	489,282	3,690,042								

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	284,221	-	284,221	275,124	275,124
Admin expenses	774	-	774	2,386	2,386
Professional fees	4,350	-	4,350	3,632	3,632
Bank charges	3,402	-	3,402	3,597	3,597
Interest payable & similar charges	61,090	-	61,090	28,834	28,834
Audit fees	-	8,975	8,975	-	8,520
Non audit fees	-	5,775	5,775	-	5,280
Legal and professional	-	4,284	4,284	-	13
Trustee indemnity insurance	-	10,080	10,080	-	7,968
Sundries	-	1,789	1,789	-	1,813
	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>	<u>313,573</u>	<u>337,167</u>
Analysed between					
Charitable activities	<u>353,837</u>	<u>30,903</u>	<u>384,740</u>	<u>313,573</u>	<u>337,167</u>

Governance costs includes payments to the auditors of £8,975 (2022: £8,520) for audit fees.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administrative	9	8
Nursing	97	81
Ancillary	25	23
Domiciliary	25	25
Total	<u>156</u>	<u>137</u>

HOYLAKE COTTAGE

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

10 Employees	(Continued)	
Employment costs	2023	2022
	£	£
Wages and salaries	2,984,530	2,725,381
Social security costs	213,719	186,153
Other pension costs	47,976	42,392
	<u>3,246,225</u>	<u>2,953,926</u>

The key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £207,919 (2022:£184,489).

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

11 Gains and losses on investments

	Unrestricted funds 2023	Unrestricted funds 2022
	£	£
Gains/(losses) arising on:		
Sale of investments	-	4,407
	<u>-</u>	<u>4,407</u>

12 Trustees

There were no trustees' remuneration or expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

HOYLAKE COTTAGE

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

14 Brookfield Homecare Limited

A summary of the results of the subsidiary is shown below:

	2023	2022
	£	£
Turnover	531,796	528,091
Expenditure	(513,697)	(509,282)
	<u>18,099</u>	<u>18,809</u>
Aggregate assets and liabilities		
Fixed assets	1,096	5,127
Current assets	122,889	118,632
Current liabilities	(52,911)	(70,784)
	<u>71,074</u>	<u>52,975</u>

15 Tangible fixed assets - Group

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2022	7,269,665	583,471	5,976	61,500	7,920,612
Additions	-	91,365	-	-	91,365
At 31 March 2023	<u>7,269,665</u>	<u>674,836</u>	<u>5,976</u>	<u>61,500</u>	<u>8,011,977</u>
Depreciation and impairment					
At 1 April 2022	2,224,854	507,323	3,896	56,882	2,792,955
Depreciation charged in the year	77,651	46,679	1,094	1,154	126,578
At 31 March 2023	<u>2,302,505</u>	<u>554,002</u>	<u>4,990</u>	<u>58,036</u>	<u>2,919,533</u>
Carrying amount					
At 31 March 2023	<u>4,967,160</u>	<u>120,834</u>	<u>986</u>	<u>3,464</u>	<u>5,092,444</u>
At 31 March 2022	<u>5,044,811</u>	<u>110,065</u>	<u>1,025</u>	<u>4,618</u>	<u>5,127,657</u>

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

HOYLAKE COTTAGE

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

16 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	7,269,665	571,591	61,500	7,902,756
Additions	-	91,365		91,365
At 31 March 2023	7,269,665	662,956	61,500	7,994,121
Depreciation and impairment				
At 1 April 2022	2,224,854	498,489	56,882	2,780,225
Depreciation charged in the year	77,651	43,743	1,154	122,548
At 31 March 2023	2,302,505	542,232	58,036	2,902,773
Carrying amount				
At 31 March 2023	4,967,160	120,724	3,464	5,091,348
At 31 March 2022	5,044,811	73,102	4,619	5,122,531

17 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 14.

18 Debtors - Group

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	207,492	186,971
Prepayments and accrued income	36,058	63,482
	243,550	250,453

19 Debtors - Charity

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	150,388	147,141
Amounts owed by subsidiary undertakings	2,856	22,166
Prepayments and accrued income	28,364	58,450
	181,608	227,757

HOYLAKE COTTAGE

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

20 Loans and overdrafts - Group & charity

	2023 £	2022 £
Bank overdrafts	6,170	-
Bank loans	1,324,280	1,529,525
	<u>1,330,450</u>	<u>1,529,525</u>
Payable within one year	208,302	221,680
Payable after one year	1,122,148	1,307,845
	<u>396,278</u>	<u>396,278</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>396,278</u>	<u>396,278</u>
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A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

The loans from Royal Bank of Scotland comprise:

- 20 year mortgage secured on the land and buildings repayable by monthly instalments and granted in October 2008 at 1.5% above Base rate.
- 6 year Coronavirus Business Interruption loan of £450,000 granted in April 2021 secured on the land and buildings and by Government guarantee of 80% of the capital outstanding, with interest and repayments deferred until May 2022 then repayable by monthly instalments at 2.62% above base rate.

21 Creditors: amounts falling due within one year - Group

	Notes	2023 £	2022 £
Bank loans and overdrafts	20	208,302	221,680
Other taxation and social security		42,908	44,288
Trade creditors		95,825	59,640
Other creditors		54,643	55,536
Accruals and deferred income		66,585	72,989
		<u>468,263</u>	<u>454,133</u>

HOYLAKE COTTAGE

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

22 Creditors: amounts falling due within one year - Charity

	Notes	2023 £	2022 £
Bank loans and overdrafts	20	208,302	221,680
Other taxation and social security		35,359	36,886
Trade creditors		95,766	59,370
Other creditors		18,246	21,432
Accruals and deferred income		60,537	66,147
		<u>418,210</u>	<u>405,515</u>

23 Creditors: amounts falling due after more than one year Group & charity

	Notes	2023 £	2022 £
Bank loans	20	<u>1,122,148</u>	<u>1,307,845</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Restricted funds - Group

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	10,717	-	(519)	(3,340)	6,858
Sandhills Fund	1,995	-	(1,995)	-	-
Entertainment Fund	-	1,004	(1,004)	-	-
Sandhills Events Fund	47,788	-	-	(22,537)	25,251
WBC Adult Social Care Infection Control Fund	6	-	(6)	-	-
	<u>60,506</u>	<u>1,004</u>	<u>(3,524)</u>	<u>(25,877)</u>	<u>32,109</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	385	(385)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	146,858	(146,852)	-	6
	<u>64,605</u>	<u>148,724</u>	<u>(151,703)</u>	<u>(1,120)</u>	<u>60,506</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

Transfers between funds

This includes specific donations received and utilised during the year. During the year, 2 donors agreed that the Trust may utilise funds which were given for a specific purpose for general purposes at the trustees' discretion.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Restricted funds - Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	10,717	-	(519)	(3,340)	6,858
Sandhills Fund	1,995	-	(1,995)	-	-
Entertainment Fund	-	1,005	(1,005)	-	-
Sandhills Events Fund	47,788	-	-	(22,537)	25,252
	<u>60,500</u>	<u>1,005</u>	<u>(3,519)</u>	<u>(25,877)</u>	<u>32,110</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	385	(385)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
	<u>64,605</u>	<u>148,724</u>	<u>(151,703)</u>	<u>(1,120)</u>	<u>60,500</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

Transfers between funds

This includes specific donations received and utilised during the year. During the year, 2 donors agreed that the Trust may utilise funds which were given for a specific purpose for general purposes at the trustees' discretion.

HOYLAKE COTTAGE

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

26 Unrestricted funds - Group

	Balance at 1 April 2022 £	Incoming resources £	Movement in funds		Gains and losses £	Balance at 31 March 2023 £
			Resources expended £	Transfers £		
General unrestricted funds	3,778,371	4,286,148	(4,151,587)	25,877	-	3,938,809
Designated funds	-	1,547	-	-	-	1,547
	<u>3,778,371</u>	<u>4,287,695</u>	<u>(4,151,587)</u>	<u>25,877</u>	<u>-</u>	<u>3,940,356</u>

Comparative information in respect of the preceding year is as follows:

	Balance at 1 April 2021 £	Incoming resources £	Movement in funds		Gains and losses £	Balance at 31 March 2022 £
			Resources expended £	Transfers £		
General unrestricted funds	4,177,172	3,149,265	(3,553,593)	1,120	4,407	3,778,371
	<u>4,177,172</u>	<u>3,149,265</u>	<u>(3,553,593)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,778,371</u>

Designated funds will be used for upgrading furnishings in residents rooms.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Unrestricted funds - Charity

	Balance at 1 April 2022	Incoming resources	Movement in funds			Balance at 31 March 2023
			Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
General unrestricted funds	3,725,403	3,754,353	(3,637,895)	25,877	-	3,867,738
Designated funds	-	1,547	-	-	-	1,547
	<u>3,725,403</u>	<u>3,755,900</u>	<u>3,637,895</u>	<u>25,877</u>	<u>-</u>	<u>3,869,285</u>

Comparative information in respect of the preceding year is as follows:

	Balance at 1 April 2021	Incoming resources	Movement in funds			Balance at 31 March 2022
			Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,143,008	2,663,393	(3,086,525)	1,120	4,407	3,725,403
	<u>4,143,008</u>	<u>2,663,393</u>	<u>(3,086,525)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,725,403</u>

Designated funds will be used for upgrading furnishings in residents rooms.

28 Analysis of net assets between funds - Group

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	5,092,444	-	5,092,444	5,127,657	-	5,127,657
Current assets/(liabilities)	(29,940)	32,109	2,169	(41,441)	60,506	19,065
Long term liabilities	(1,122,148)	-	(1,122,148)	(1,307,845)	-	(1,307,845)
	<u>3,940,356</u>	<u>32,109</u>	<u>3,972,465</u>	<u>3,778,371</u>	<u>60,506</u>	<u>3,838,877</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

29 Analysis of net assets between funds - Charity

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	5,091,348	-	5,091,348	5,122,531	-	5,122,531
Investments	2	-	2	2	-	2
Current assets/(liabilities)	(99,917)	32,110	(67,807)	(89,285)	60,500	(28,785)
Long term liabilities	(1,122,148)	-	(1,122,148)	(1,307,845)	-	(1,307,845)
	<u>3,869,285</u>	<u>32,110</u>	<u>3,901,395</u>	<u>3,725,403</u>	<u>60,500</u>	<u>3,785,903</u>

30 Related party transactions

Hoylake Cottage Care Manager is the daughter of trustee Michael Sutton, who was not involved in the process of her appointment. Her salary is paid at Hoylake Cottage standard pay rates.

31 Operating lease commitments

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

	2023	2022
	£	£
Within one year	12,126	9,025
Between two and five years	18,926	15,551
	<u>31,052</u>	<u>24,576</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

32 Analysis of changes in net (debt)/funds

	At 1 April 2022	Cash flowsAt 31 March 2023	
	£	£	£
Cash at bank and in hand	222,745	4,138	226,883
Bank overdrafts	-	(6,170)	(6,170)
	<u>222,745</u>	<u>(2,032)</u>	<u>220,713</u>
Loans falling due within one year	(221,680)	19,548	(202,132)
Loans falling due after more than one year	(1,307,845)	185,697	(1,122,148)
	<u>(1,306,780)</u>	<u>203,213</u>	<u>(1,103,567)</u>

33 Cash generated from operations - Group

	2023	2022
	£	£
Surplus/(deficit) for the year	133,588	(402,900)
Adjustments for:		
Investment income recognised in statement of financial activities	(41,877)	(41,829)
Gain on disposal of investments	-	(4,407)
Depreciation and impairment of tangible fixed assets	126,578	119,692
Movements in working capital:		
Decrease/(increase) in debtors	6,903	(150,939)
Increase in creditors	27,509	35,537
Cash generated from/(absorbed by) operations	<u>252,701</u>	<u>(444,846)</u>

HOYLAKE COTTAGE

England & Wales - Charity number 515591

Accounts

Charity registration number 515591

Company registration number 01844549 (England and Wales)

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

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Heseltine Mr S Heywood Mr R Holmes Mr A Mitchell Mr R Oakden Mr J Southworth Mr M Sutton Mr P Wilcox	Vice Chair Trustee: Brookfield Homecare Chair Trustee: Brookfield Homecare
Secretary	Mr S Heywood	
General manager	Miss G Beesley	
Charity number	515591	
Company number	01844549	
Registered office	Southworth House 35 Birkenhead Road Hoylake Wirral Merseyside CH47 5AQ	
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	
Bankers	National Westminster 10 Banks Road West Kirby Wirral Merseyside CH48 4LG Royal Bank of Scotland 1 Exchange Flags Liverpool L2 3XN	
Solicitors	Hill Dickinson 1 St Paul's Square Liverpool Merseyside L3 9SJ	

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

OBJECTIVES AND ACTIVITIES

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 80% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which currently 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 45 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited provides domiciliary care services to approximately 80 local residents, providing some 500 hours of care each week, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and to maintain competitive salary levels for our staff. It is unfortunate that fees offered by public sector healthcare service commissioners do not always match these increases in expenses.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising such as creating a sensory garden and the refurbishment of the former nursing home for use by the day centre which, whilst in demand within the community, does not attract sufficient financial support from local government service commissioners to fully fund the cost.

The next phase of development of the Dementia Village in the Day Centre was, unfortunately, delayed by the pandemic. Once the day centre was able to re-open, attendances have remained rather lower than in pre-pandemic years and, for the time being, further development is on hold.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

Continuation of the Coronavirus epidemic during 2021 again severely affected the Trust. Occupancy at the nursing home started the year at an historically low 37 residents. With repeated temporary closures due to infection amongst either residents or staff, the average occupancy during the year was only 75% compared to our long-term rate of 95%. Shortages of staff led to high fees to staffing agencies. Competition for healthcare staff, particularly from the NHS and a general shortage meant recruitment was rarely successful and thus, continuing dependence on high cost agency staff. As a result, the Trust incurred a deficit of £422,000 which included depreciation on the land and buildings of £77,000. The subsidiary, Brookfield Homecare, contributed a surplus of £19,000.

Inevitably, that meant deficits arising every month, although reducing in the early part of 2022. With the investment portfolio having been sold to provide cash to support the business in February 2021, it was necessary to request our bank for support in the form of a Coronavirus Business Interruption Loan of £450,000, which was granted. The terms of the loan were such that repayments were deferred for 1 year and no interest was charged for the first year.

With slowly increasing occupancy from the third quarter and a rising contribution from the Day Centre which fully re-opened in June and supported by Government grants, performance gradually improved. Whilst the grants helped, they funded expenditure which we would not otherwise have incurred such as substantial quantities of PPE and salary payments to staff self-isolating.

We owe a debt of gratitude to all of our staff for the way in which they have cared for our residents and supported their relatives in such difficult circumstances as we coped with all of the changes and requirements imposed upon us, which sometimes were demanding and confusing. Their dedication and support is very much appreciated by us all.

FINANCIAL REVIEW

Hoylake Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Although restrictions due to the Coronavirus pandemic continued during the year the effect on Brookfield Homecare was less than at Hoylake Cottage. The main problem was shortage of staff which meant that fewer services could be offered to clients although our office staff were able to provide support with client visits. Grants from Local Government covered additional expenses on PPE and cleaning materials and allowed us to pay staff full salary whilst self-isolating or after infection with Covid.

A surplus of £18,000 was achieved as well as a donation given to Hoylake Cottage to help manage their expenses.

Fundraising and other non-charitable activity income

Donations were much reduced at £5,287 but we were fortunate to benefit from legacies of £15,000. Investment income was much reduced and the remainder of the investment portfolio was sold in January 2022. Rental income from the 6 flats increased by 4% and expenses were slightly lower than the previous year giving a net contribution of £25,000.

HOYLAKE COTTAGE

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

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £3,778,371, a reduction of £398,801, which included Unrestricted Funds at Brookfield Homecare of £52,968.

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

Restricted funds shown in the Balance Sheet were £60,506 and represented donations for specific purposes which were unspent at the year end. These funds will be used for their intended purpose as soon as it is appropriate to do so.

At the balance sheet date, free reserves were £180,239 and free cash reserves were £162,239 which the Trustees consider acceptable.

Funding sources

The Coronavirus Business Interruption Loan and the Trust's cash reserves adequately funded daily working capital requirements during the year supplemented by receipts from the sale of the investment portfolio.

The new nursing home completed in 2008 was part-funded by a 20 year loan from Royal Bank of Scotland, secured on the Trust's land and buildings. The interest rate which was capped at a maximum rate of 6.89% until June 2018, has since reverted to a floating rate, which was considered acceptable in the previous low interest rate environment. As interest rates are now rising the Trust is in discussion with its bank about a fixed rate option for the loans.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The Board reviewed the Investment Policy during the year confirming the continuation of Investec Wealth & Investment Limited as investment manager, authorising 3 of the Trustees to issue instructions and confirming performance benchmarks and the review process. That authorisation is now at an end.

Principal risks and uncertainties

Due to the inability to hold formal Board Meetings during part of the year the risks were not reviewed but the risks listed below remain relevant.

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower occupancy.
- increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- the introduction of and annual increases above inflation in National Living Wage, apparently without acceptance of the impact that will have on the care industry and without a realistic increase in state-funded fees for nursing care.
- budget constraint within local & central government affecting ability to fund nursing care places.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business has provided an opportunity to offset periods of lower occupancy in the nursing home with growth in income from domiciliary care which is, currently, where investment in the care sector is being encouraged.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2022

Post balance sheet events & plans for future periods

In the first half of the 2022-23 year occupancy and fees for nursing care have increased to nearer normal levels. Staff expenses have risen considerably due to increases in staff salaries to compensate for rising inflation and to try to sustain recruitment and increasing competition for staff in the healthcare sector and a local shortage of staff has meant continued reliance on agency staff at higher cost.

Catering expenses and utility costs have risen substantially over the first 6 months and many other overheads are increasing in line with inflation.

Fees paid by the NHS and Wirral Council have increased and fees we charge to private sector residents have been increased.

It is expected that there will be a surplus at the year end but the extent of that cannot be forecast at present due to the number of unknown factors. Cash and liquid assets are judged to be sufficient to support the Hoylake Cottage business in this financial year.

In all the circumstances the Trustees are satisfied that the Company can continue to operate as a going concern for the next 12 months.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 9 Trustees and normally meets monthly. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM. It has not been possible to hold an AGMs since 2019 but it is the Trustees intention to resume holding an annual AGM as soon as it is judged feasible.

Management

Day-to-day operational management is under the control of the management team comprising the Finance Manager, the Business Manager and the Care Manager who are responsible to the Board. They attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the management team, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

HOYLAKE COTTAGE

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Boon (Retired 2 December 2021)
Mrs A Heseltine
Mr S Heywood
Mr R Holmes
Mr A Mitchell
Mr R Oakden
Mr J Southworth
Mr M Sutton
Mr P Wilcox

Sadiq, Tony Twemlow, who had served as a trustee for 12 years and was Chairman for 10 years, died on 15th September. His sound advice and his calm and measured way of resolving an contentious and difficult matters will be greatly missed by the trustees and management of Hoylake Cottage.

Pay policy for key management personnel

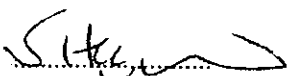
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in his capacity as a director in the 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.

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



Mr S Heywood

Trustee

Dated: 15th December 2022

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Hoylake Cottage 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; 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2022 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of 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 group and charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

HOYLAKE COTTAGE

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 group and 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOYLAKE COTTAGE

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 group through discussions with trustees and other management, and from our knowledge and experience of charity 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 group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team 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.

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

- making enquiries of management team 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 the 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 and relevant regulators.

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.

HOYLAKE COTTAGE

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

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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of XeinadIn Audit Limited

16.12.22

Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	36,903	148,724	185,627	25,997	172,467	198,464
Charitable activities	4	3,051,005	-	3,051,005	3,193,278	-	3,193,278
Other trading activities	5	13,624	-	13,624	14,175	-	14,175
Investments	6	41,829	-	41,829	42,242	-	42,242
Other income		5,904	-	5,904	10,118	-	10,118
Total income		3,149,265	148,724	3,297,989	3,285,810	172,467	3,458,277
<u>Expenditure on:</u>							
Raising funds	7	15,254	-	15,254	44,919	-	44,919
Charitable activities	8	3,538,339	151,703	3,690,042	3,504,374	155,430	3,659,804
Other	12	-	-	-	3,845	-	3,845
Total resources expended		3,553,593	151,703	3,705,296	3,553,138	155,430	3,708,568
Net gains/(losses) on investments	13	4,407	-	4,407	40,134	-	40,134
Net outgoing resources before transfers		(399,921)	(2,979)	(402,900)	(227,194)	17,037	(210,157)
Gross transfers between funds		1,120	(1,120)	-	9,000	(9,000)	-
Net movement in funds		(398,801)	(4,099)	(402,900)	(218,194)	8,037	(210,157)
Fund balances at 1 April 2021		4,177,172	64,605	4,241,777	4,395,366	56,568	4,451,934
Fund balances at 31 March 2022		3,778,371	60,506	3,838,877	4,177,172	64,605	4,241,777

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.

HOYLAKE COTTAGE

CONSOLIDATED BALANCE SHEET

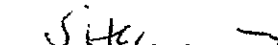
AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	15		5,127,657		5,221,469
Investments	17		-		161,075
			<u>5,127,657</u>		<u>5,382,544</u>
Current assets					
Debtors	19	250,453		99,514	
Cash at bank and in hand		222,745		230,294	
		<u>473,198</u>		<u>329,808</u>	
Creditors: amounts falling due within one year	22	(454,133)		(391,817)	
Net current assets/(liabilities)			19,065		(62,009)
Total assets less current liabilities			<u>5,146,722</u>		<u>5,320,535</u>
Creditors: amounts falling due after more than one year	24		(1,307,845)		(1,078,758)
Net assets			<u>3,838,877</u>		<u>4,241,777</u>
Income funds					
Restricted funds	27		60,506		64,605
Unrestricted funds	25		3,778,371		4,177,172
			<u>3,838,877</u>		<u>4,241,777</u>

The financial statements were approved by the Trustees on 15th December 2022



Mrs A Heseltine
Trustee



Mr S Heywood
Trustee

Company Registration No. 01844549

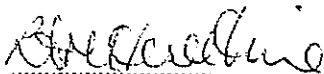
HOYLAKE COTTAGE

CHARITY BALANCE SHEET

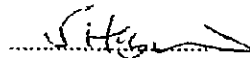
AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	16		5,122,531		5,211,650
Investments	17 & 18		2		161,077
			<u>5,122,533</u>		<u>5,372,727</u>
Current assets					
Debtors	20	227,757		58,335	
Cash at bank and in hand		148,973		139,310	
		<u>376,730</u>		<u>197,645</u>	
Creditors: amounts falling due within one year	23	<u>(405,515)</u>		<u>(284,001)</u>	
Net current liabilities			(28,785)		(86,356)
Total assets less current liabilities			5,093,748		5,286,371
Creditors: amounts falling due after more than one year	24		<u>(1,307,845)</u>		<u>(1,078,758)</u>
Net assets			<u>3,785,903</u>		<u>4,207,613</u>
Income funds					
Restricted funds	28		60,500		64,605
Unrestricted funds	26		3,725,403		4,143,008
			<u>3,785,903</u>		<u>4,207,613</u>

The financial statements were approved by the Trustees on 15th December 2022



Mrs A Heseltine
Trustee



Mr S Heywood
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	34		(444,846)		(115,849)
Investing activities					
Purchase of tangible fixed assets		(25,879)		(18,870)	
Purchase of investments		(9,634)		(84,862)	
Proceeds on disposal of investments		175,115		200,199	
Investment income		41,829		42,242	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			181,431		138,709
Financing activities					
Repayment of bank loans		255,866		50,770	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			255,866		50,770
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(7,549)		73,630
Cash and cash equivalents at beginning of year			230,294		156,664
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>222,745</u>		<u>230,294</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year the Trust has been severely affected by continuation of the Covid-19 pandemic which has been reflected in the financial statements. At the time of approving the financial statements, the trustees have a reasonable expectation that the group and charity have sufficient resources to continue in operational existence for the foreseeable future on the expectation that there will not be a repetition of the repeated forced closures of the nursing home and Day Centre due to further outbreaks of Covid-19 or other epidemics. Although resources have been depleted during the year, the trustees are satisfied with that the additional support from Royal Bank of Scotland and the remaining cash resources, it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

Local government covid-19 related grants are recognised on receipt.

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

1.5 Resources expended

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	20%/25%/33.33% on cost & 15% reducing balance
Computers	33.33%/20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 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.

HOYLAKE COTTAGE

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

1 Accounting policies (Continued)

1.12 Retirement benefits

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

1.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.14 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2022. The results of the subsidiary are consolidated for the period from the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	3,422	1,865	5,287	3,525	10,616	14,141
Legacies receivable	15,267	-	15,267	1,300	-	1,300
Government grants	18,214	146,859	165,073	21,172	161,851	183,023
	<u>36,903</u>	<u>148,724</u>	<u>185,627</u>	<u>25,997</u>	<u>172,467</u>	<u>198,464</u>

HOYLAKE COTTAGE

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

4 Charitable activities

	Nursing	Day dementia	Domiciliary	Total	Nursing	Day dementia	Domiciliary	Total
	care	care	care		care	care	care	
	2022	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Sales within charitable activities	2,406,582	141,289	503,134	3,051,005	2,630,448	22,378	540,452	3,193,278

HOYLAKE COTTAGE

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

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	13,624	14,021
Shop income	-	154
	<u> </u>	<u> </u>
Other trading activities	13,624	14,175
	<u> </u>	<u> </u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	39,454	37,698
Income from listed investments	2,369	4,482
Interest receivable	6	62
	<u> </u>	<u> </u>
	41,829	42,242
	<u> </u>	<u> </u>

HOYLAKE COTTAGE

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

7 Fundraising expenditure

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	180	216
	<u> </u>	<u> </u>
<u>Trading costs</u>		
Operating charity shops	-	16,093
Staff costs charity shop	-	10,864
Depreciation charity shop	-	1,482
	<u> </u>	<u> </u>
Trading costs	-	28,439
	<u> </u>	<u> </u>
Investec costs	937	1,337
Apartment expenses	14,137	14,927
	<u> </u>	<u> </u>
Investment costs	15,074	16,264
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u>15,254</u>	<u>44,919</u>
	<u> </u>	<u> </u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

	Nursing		Day dementia care		Domiciliary care		Total		Nursing		Day dementia care		Domiciliary care		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	2,214,939		115,487		348,376		2,678,802		2,207,458		22,066		374,232		2,603,756	
Depreciation and impairment	83,365		31,634		4,693		119,692		91,390		31,927		4,447		127,764	
Rates & water	10,498		-		-		10,498		11,144		-		-		11,144	
Insurance	41,144		-		3,694		44,838		33,640		-		2,911		36,551	
Light & heat	70,251		-		-		70,251		59,569		-		-		59,569	
Phone	9,943		-		840		10,783		9,506		-		1,037		10,543	
Advertising, printing, postage & stationery	10,016		-		4,378		14,394		12,407		-		4,666		17,073	
General expenses	20,598		4,110		8,239		32,947		19,836		3,426		11,980		35,242	
Medical supplies	8,931		-		32		8,963		28,761		-		7,245		36,006	
Catering	103,178		-		-		103,178		112,444		-		-		112,444	
Cleaning & laundry	90,804		-		-		90,804		100,366		-		-		100,366	
Recruitment & other staff costs	35,685		-		2,858		38,543		7,535		-		3,954		11,489	
Domestic & non medical supplies	12,909		-		-		12,909		13,580		-		-		13,580	
Transport	-		11,419		-		11,419		-		5,901		-		5,901	
Repairs & maintenance	88,851		-		8,796		97,647		80,052		-		9,362		89,414	
Entertainment	7,207		-		-		7,207		3,263		-		-		3,263	
	<u>2,808,319</u>		<u>162,650</u>		<u>381,906</u>		<u>3,352,875</u>		<u>2,790,951</u>		<u>63,320</u>		<u>419,834</u>		<u>3,274,105</u>	
Share of support costs (see note 9)	189,909		21,101		102,563		313,573		251,006		-		108,146		359,152	
Share of governance costs (see note 9)	16,903		1,878		4,813		23,594		17,534		-		9,013		26,547	
	<u>3,015,131</u>		<u>185,629</u>		<u>489,282</u>		<u>3,690,042</u>		<u>3,059,491</u>		<u>63,320</u>		<u>536,993</u>		<u>3,659,804</u>	

HOYLAKE COTTAGE

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

8 Charitable activities		(Continued)															
		Nursing		Day dementia care		Domiciliary care		Total 2022		Nursing		Day dementia care		Domiciliary care		Total 2021	
		2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Analysis by fund																	
Unrestricted funds		2,887,690	183,579	467,070	3,538,339	2,938,119	63,320	502,935	3,504,374								
Restricted funds		127,441	2,050	22,212	151,703	121,372	-	34,058	155,430								
		<u>3,015,131</u>	<u>185,629</u>	<u>489,282</u>	<u>3,690,042</u>	<u>3,059,491</u>	<u>63,320</u>	<u>536,993</u>	<u>3,659,804</u>								

HOYLAKE COTTAGE

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

9 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	275,124	-	275,124	325,436	325,436
Admin expenses	2,386	-	2,386	1,810	1,810
Professional fees	3,632	-	3,632	9,883	9,883
Bank charges	3,597	-	3,597	2,736	2,736
Interest payable & similar charges	28,834	-	28,834	19,287	19,287
Audit fees	-	8,520	8,520	-	10,165
Non audit fees	-	5,280	5,280	-	3,885
Legal and professional	-	13	13	-	4,266
Trustee indemnity insurance	-	7,968	7,968	-	6,368
Sundries	-	1,813	1,813	-	1,863
	<u>313,573</u>	<u>23,594</u>	<u>337,167</u>	<u>359,152</u>	<u>385,699</u>
Analysed between Charitable activities	<u>313,573</u>	<u>23,594</u>	<u>337,167</u>	<u>359,152</u>	<u>385,699</u>

Governance costs includes payments to the auditors of £8,520 (2021: £10,165) for audit fees.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administrative	8	10
Nursing	81	92
Ancillary	23	25
Domiciliary	25	30
Total	<u>137</u>	<u>157</u>

HOYLAKE COTTAGE

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

10 Employees	(Continued)	
	2022	2021
Employment costs	£	£
Wages and salaries	2,725,381	2,703,903
Social security costs	186,153	190,409
Other pension costs	42,392	45,744
	<u>2,953,926</u>	<u>2,940,056</u>

From May 2021 the key management personnel of the group comprise the Finance Manager, Office Manager and Care Manager whose employee benefits total £184,489 (2021:£191,976).

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

11 Trustees

There were no trustees' remuneration or expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12 Other

	Total	Unrestricted funds
	£	
	2022	2021
Net loss on disposal of tangible fixed assets	-	3,845
	<u>-</u>	<u>3,845</u>

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	-	31,968
Gain/(loss) on sale of investments	4,407	8,166
	<u>4,407</u>	<u>40,134</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Brookfield Homecare Limited					
A summary of the results of the subsidiary is shown below:					
			2022	2021	
			£	£	
Turnover			528,091	575,276	
Expenditure			(509,282)	(536,996)	
			<u>18,809</u>	<u>38,280</u>	
Aggregate assets and liabilities					
Fixed assets			5,127	9,819	
Current assets			118,632	133,892	
Current liabilities			(70,784)	(109,545)	
			<u>52,975</u>	<u>34,166</u>	
15 Tangible fixed assets - Group					
	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	7,268,465	567,181	5,976	61,500	7,903,122
Additions	1,200	24,679	-	-	25,879
Disposals	-	(8,389)	-	-	(8,389)
At 31 March 2022	<u>7,269,665</u>	<u>583,471</u>	<u>5,976</u>	<u>61,500</u>	<u>7,920,612</u>
Depreciation and impairment					
At 1 April 2021	2,147,203	476,938	2,169	55,343	2,681,653
Depreciation charged in the year	77,651	38,774	1,727	1,539	119,691
Eliminated in respect of disposals	-	(8,389)	-	-	(8,389)
At 31 March 2022	<u>2,224,854</u>	<u>507,323</u>	<u>3,896</u>	<u>56,882</u>	<u>2,792,955</u>
Carrying amount					
At 31 March 2022	<u>5,044,811</u>	<u>76,148</u>	<u>2,080</u>	<u>4,618</u>	<u>5,127,657</u>
At 31 March 2021	<u>5,121,262</u>	<u>110,065</u>	<u>1,025</u>	<u>6,157</u>	<u>5,221,469</u>

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	7,268,465	555,301	61,500	7,885,266
Additions	1,200	24,679		25,879
Disposals	-	(8,389)		(8,389)
At 31 March 2022	7,269,665	571,591	61,500	7,902,756
Depreciation and impairment				
At 1 April 2021	2,147,203	471,070	55,343	2,673,616
Depreciation charged in the year	77,651	35,808	1,539	114,998
Eliminated in respect of disposals		(8,389)		(8,389)
At 31 March 2022	2,224,854	498,489	56,882	2,780,225
Carrying amount				
At 31 March 2022	5,044,811	73,102	4,618	5,122,531
At 31 March 2021	5,121,261	84,231	6,158	5,211,650

17 Fixed asset investments - Listed investments Group & charity

	Listed investments	Cash in portfolio	Total
	£	£	£
Cost or valuation			
At 1 April 2021	150,226	10,849	161,075
Additions	9,634	-	9,634
Valuation changes	4,238	-	4,238
Disposals	(164,098)	(10,849)	(174,947)
At 31 March 2022	-	-	-
Carrying amount			
At 31 March 2022	-	-	-
At 31 March 2021	150,226	10,849	161,075

18 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 13.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors - Group	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	186,971	56,251
Other debtors	-	460
Prepayments and accrued income	63,482	42,803
	<u>250,453</u>	<u>99,514</u>
20 Debtors - Charity	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	147,141	18,069
Amounts owed by subsidiary undertakings	22,166	1,729
Other debtors	-	460
Prepayments and accrued income	58,450	38,077
	<u>227,757</u>	<u>58,335</u>
21 Loans and overdrafts - Group & charity	2022	2021
	£	£
Bank loans	<u>1,529,525</u>	<u>1,273,659</u>
Payable within one year	221,680	194,901
Payable after one year	<u>1,307,845</u>	<u>1,078,758</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>396,278</u>	<u>(475,418)</u>

A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

The loans from Royal Bank of Scotland comprise:

- 20 year mortgage secured on the land and buildings repayable by monthly instalments and granted in October 2008 at 1.5% above Base rate.
- 6 year Coronavirus Business Interruption loan of £450,000 granted in April 2021 secured on the land and buildings and by Government guarantee of 80% of the capital outstanding, with interest and repayments deferred until May 2022 then repayable by monthly instalments at 2.62% above base rate.

HOYLAKE COTTAGE

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

22 Creditors: amounts falling due within one year - Group

	Notes	2022 £	2021 £
Bank loans	21	221,680	194,901
Other taxation and social security		44,288	41,021
Trade creditors		59,640	52,625
Other creditors		55,536	51,422
Accruals and deferred income		72,989	51,848
		<u>454,133</u>	<u>391,817</u>

23 Creditors: amounts falling due within one year - Charity

	Notes	2022 £	2021 £
Bank loans	21	221,680	144,901
Other taxation and social security		36,886	32,701
Trade creditors		59,370	46,363
Other creditors		21,432	13,445
Accruals and deferred income		66,147	46,591
		<u>405,515</u>	<u>284,001</u>

24 Creditors: amounts falling due after more than one year Group & charity

	Notes	2022 £	2021 £
Bank loans	21	<u>1,307,845</u>	<u>1,078,758</u>

HOYLAKE COTTAGE

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

25 Unrestricted funds - Group

	Balance at	Incoming	Movement in funds			Balance at
	1 April 2021		Resources	Transfers	Revaluations,	
	£	£	expended	£	gains and losses	£
General unrestricted funds	4,177,172	3,149,265	(3,553,593)	1,120	4,407	3,778,371
	<u>4,177,172</u>	<u>3,149,265</u>	<u>(3,553,593)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,778,371</u>

Comparative information in respect of the preceding year is as follows:

	Balance at	Incoming	Movement in funds			Balance at
	1 April 2020		Resources	Transfers	Revaluations,	
	£	£	expended	£	gains and losses	£
General unrestricted funds	4,395,366	3,285,810	(3,553,138)	9,000	40,134	4,177,172
	<u>4,395,366</u>	<u>3,285,810</u>	<u>(3,553,528)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,177,172</u>

HOYLAKE COTTAGE

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

26 Unrestricted funds - Charity

	Movement in funds					Balance at 31 March 2022
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,143,008	2,663,393	(3,086,525)	1,120	4,407	3,725,403
	<u>4,143,008</u>	<u>2,663,393</u>	<u>(3,086,525)</u>	<u>1,120</u>	<u>4,407</u>	<u>3,725,403</u>

Comparative information in respect of the preceding year is as follows:

	Movement in funds					Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General unrestricted funds	4,399,482	2,744,414	(3,050,022)	9,000	40,134	4,143,008
	<u>4,399,482</u>	<u>2,744,414</u>	<u>(3,050,022)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,143,008</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Restricted funds - Group

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

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	384	(384)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	146,858	(146,852)	-	6
	<u>64,605</u>	<u>148,723</u>	<u>(151,702)</u>	<u>(1,120)</u>	<u>60,506</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

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

28 Restricted funds - Charity

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

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	14,822	1,196	(4,181)	(1,120)	10,717
Sandhills Fund	1,995	285	(285)	-	1,995
Entertainment Fund	-	384	(384)	-	-
Sandhills Events Fund	47,788	-	-	-	47,788
WBC Adult Social Care Infection Control Fund	-	124,640	(124,640)	-	-
	<u>64,605</u>	<u>126,505</u>	<u>(129,489)</u>	<u>(1,120)</u>	<u>60,500</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village was delayed by the Coronavirus epidemic and consequent closure of the Day Centre, then by the need to replace the flat roof over part of the building. Subsequently, with attendance at the Day Centre and occupancy at the Nursing Home well below normal levels, priority has been given to supporting the business until full recovery has been achieved.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

29 Analysis of net assets between funds - Group

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	5,127,657	-	5,127,657	5,221,469	-	5,221,469
Investments	-	-	-	161,075	-	161,075
Current assets/(liabilities)	(41,441)	60,506	19,065	(126,614)	64,605	(62,009)
Long term liabilities	(1,307,845)	-	(1,307,845)	(1,078,758)	-	(1,078,758)
	<u>3,778,371</u>	<u>60,506</u>	<u>3,838,877</u>	<u>4,177,172</u>	<u>64,605</u>	<u>4,241,777</u>

30 Analysis of net assets between funds - Charity

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	5,122,531	-	5,122,531	5,211,650	-	5,211,650
Investments	2	-	2	161,077	-	161,077
Current assets/(liabilities)	(89,285)	60,500	(28,785)	(150,961)	64,605	(86,356)
Long term liabilities	(1,307,845)	-	(1,307,845)	(1,078,758)	-	(1,078,758)
	<u>3,725,403</u>	<u>60,500</u>	<u>3,785,903</u>	<u>4,143,008</u>	<u>64,605</u>	<u>4,207,613</u>

31 Related party transactions

During the year the daughter of trustee M Sutton was appointed as Hoylake Cottage Care Manager by the board of trustees. M Sutton was not involved in this process. Her salary is paid at Hoylake Cottage standard pay rates.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

32 Operating lease commitments

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

	2022 £	2021 £
Within one year	9,025	9,025
Between two and five years	15,551	24,577
	<u>24,576</u>	<u>33,602</u>

33 Analysis of changes in net (debt)/funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	230,294	(7,549)	222,745
Loans falling due within one year	(194,901)	(26,779)	(221,680)
Loans falling due after more than one year	(1,078,758)	(229,087)	(1,307,845)
	<u>(1,043,365)</u>	<u>(263,415)</u>	<u>(1,306,780)</u>

34 Cash generated from operations - Group

	2022 £	2021 £
Deficit for the year	(402,900)	(210,157)
Adjustments for:		
Investment income recognised in statement of financial activities	(41,829)	(42,242)
(Gain)/loss on disposal of tangible fixed assets	-	3,845
Gain on disposal of investments	(4,407)	(8,166)
Fair value gains and losses on investments	-	(31,968)
Depreciation and impairment of tangible fixed assets	119,692	129,246
Movements in working capital:		
(Increase)/decrease in debtors	(150,939)	73,250
Increase/(decrease) in creditors	35,537	(29,657)
Cash absorbed by operations	<u>(444,846)</u>	<u>(115,849)</u>

HOYLAKE COTTAGE

England & Wales - Charity number 515591

Accounts

Charity Registration No. 515591

Company Registration No. 01844549 (England and Wales)

HOYLAKE COTTAGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Boon Mrs A Heseltine Mr S Heywood Mr R Holmes Mr A Mitchell Mr R Oakden Mr J Southworth Mr M Sutton Mr W A Twemlow Mr P Wilcox
Secretary	Mr S Heywood
General manager	Miss G Beesley
Charity number	515591
Company number	01844549
Registered office	Southworth House 35 Birkenhead Road Hoylake Wirral Merseyside CH47 5AQ
Auditor	McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR
Bankers	National Westminster 10 Banks Road West Kirby Wirral Merseyside CH48 4LG Royal Bank of Scotland 1 Exchange Flags Liverpool L2 3XN
Solicitors	Hill Dickinson 1 St Paul's Square Liverpool Merseyside L3 9SJ

HOYLAKE COTTAGE

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
Merseyside
L2 3YL

HOYLAKE COTTAGE

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HOYLAKE COTTAGE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

OBJECTIVES AND ACTIVITIES

Purpose and aims

The Trust's objects as stated in the Memorandum of Association are:

"The relief, care and assistance of older persons and provision of facilities in the interests of social welfare for recreation and leisure time occupation for the benefit of older members of the community and in particular but without prejudice to the generality of the foregoing, with the object of improving the condition of life of the older inhabitants of the community."

Charitable activities that contribute to achievement of the Trust's objects

The Trust's principal activities are provision of 24 hour nursing, dementia and respite care for older people who are unable to support themselves at home or in other care services. These services comprise almost 80% of the Trust's activity.

The Nursing Home, which is registered with the Care Quality Commission, comprises 62 rooms, of which 22 are for residents who suffer from dementia and 40 are for general nursing and respite care.

The Day Centre offers 45 places a day for older people and those with dementia or mental health problems.

Brookfield Homecare Limited provides domiciliary care services to approximately 100 local residents, providing some 650 hours of care each week at present, but with the opportunity to substantially increase care hours delivered as local demand exceeds the available supply.

How our activities deliver public benefit

Our purpose is to offer services to the local community that are affordable and relevant to their needs. We do this by managing efficiently our expenses on day-to-day operations but in a manner which is consistent with our objective of providing the high quality care for which the Trust is recognised. Fee increases, whilst unwelcome, are necessary to meet rising costs due to regulatory compliance, inflation and in particular, increases in the National Living Wage – the latter being significantly higher than inflation in recent years.

Fundraising activities are used mainly to fund capital expenditure which means that fees for services can be set at a lower level than would otherwise be the case. Services such as nursing respite care can be made available regardless of the beneficiary's financial means.

Decisions that would be judged uncommercial are also possible with support from fundraising such as creating a sensory garden and the refurbishment of the former nursing home for use by the day centre which, whilst in demand within the community, does not attract any financial support from local government service commissioners to fund the cost.

The next phase of development of the Dementia Village in the Day Centre was, unfortunately, further delayed by continuing problems with the flat roof of the Day Centre building and once those had been resolved, by the pandemic.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

The Trust was severely affected by the pandemic, incurring much higher expenses for additional staff hours covering both sickness absence and self-isolation due to contact with others, PPE and cleaning materials, some of which was subsequently reimbursed by Government grants. Occupancy fell gradually at first then more precipitately later when the nursing home suffered an outbreak of the virus and new admissions were not permitted. The Day Centre was closed throughout the year.

Despite taking advantage of the Government funded furlough scheme which did help reduce salary expenses and grants for PPE and supporting certain specific staff expenses, the Trust incurred a deficit of £210,000 in the year which included a surplus of £38,000 at Brookfield Homecare. The deficit included, as usual, some £77,000 depreciation on the value of the Trust's land and buildings which was not a cash charge.

In February 2021 £100,000 was realised from our investment portfolio when it became clear that the virus outbreak in the nursing home would severely reduce our cash balances. The investment managers advised us to take that as an opportunity to reduce the volatility and risk in the portfolio by selling many of the investments in stocks and reinvesting in a wide spread of funds. At the end of the year, the portfolio had a realised gain of £40,000 and was valued at £161,000 including cash held for reinvestment.

We owe a debt of gratitude to all of our staff for the way in which they have cared for our residents and supported their relatives in such difficult circumstances as we coped with all of the changes and requirements imposed upon us, which sometimes were demanding and confusing. Their dedication and support is very much appreciated by us all.

FINANCIAL REVIEW

Hoyle Cottage

The results for the year and the Trust's financial position at the end of the year are shown on the attached financial statements. The Trust's strategic aim is to recover the full cost of services from operating income. It is accepted that this may not always occur within a single financial year. Fundraising is used generally to fund non-operational activities.

Brookfield Homecare Limited

Despite the restrictions of the pandemic which caused much higher staff absence, some reduction in demand for our services and increased expenses for both staff and personal protection equipment, the business performed well. Turnover was lower than we had originally anticipated but so too were expenses. Wirral Social Services increased their fees and we applied some small increases to our private client fees. Government grants were made available which helped considerably in managing increased expenses.

The business delivered a surplus of £38,000 in the year largely due to management charges being substantially lower than the previous year.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2021

Fundraising and other non-charitable activity income

Donations, legacies and grants received during the year were £38,000, similar to the previous year and the net rent from the apartments was £23,000.

The shop closed at the start of the year due to the pandemic and it became clear that it would be unable to open again for a prolonged period. Sales had been declining over the last couple of years possibly due to the high number of competitor charity shops locally and it was difficult to recruit volunteers to manage the shop.

Not long after the shop closed we received an approach from another business which was interested in taking over our shop. After some prolonged negotiations, our lease was surrendered without penalty.

We are especially grateful to all of the volunteers at the shop who have supported us over many years and naturally sad that we have had to close it but, in the circumstances, the additional expense of rent and overheads without income was difficult to justify at a time when the Trust's businesses were incurring deficits.

Reserves policy

The Consolidated Balance Sheet of the Trust shows Unrestricted Funds of £4,177,172 which included Unrestricted Funds at Brookfield Homecare of £34,164.

The Trustees regularly review the Trust's needs for Reserves in line with guidance issued by the Charity Commission. The Trustees' policy in respect of Reserves is that minimum Reserves of £250,000 are required to fund working capital requirements.

At the balance sheet date, free reserves were £179,362 and free cash and liquid investment reserves were £326,764 which the Trustees consider acceptable.

Funding sources

The Trust's cash reserves adequately fund daily working capital requirements during the year supplemented by receipts from sales of investments..

The new nursing home completed in 2008 was part-funded by a 20 year loan from Royal Bank of Scotland, secured on the Trust's land and buildings. The interest rate which was capped at a maximum rate of 6.89% until June 2018, has since reverted to a floating rate, which is considered acceptable in the current low interest rate environment.

Investment Policy

Under the Articles of Association the Trust has the power to make any investment the directors see fit. The Board approved an updated Investment Policy during the year confirming the appointment of Investec Wealth & Investment Limited as investment manager, authorising 3 of the Trustees to issue instructions and establishing performance benchmarks and the review process.

HOYLAKE COTTAGE

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

Principal risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

The main operational risks for the Trust which have influenced decisions in the current and previous years are:

- changing government policy towards long term care funding which has led to a rise in domiciliary care, can have the effect of reducing demand for long term nursing care. This is matched by an increasingly ageing population which potentially increases demand. The effect of these two factors together is, however, that our residents are more dependent at admission, and their length of stay with us tends to be shorter, which leads to higher cost and lower occupancy.
- increasingly demanding regulatory environment with insufficient recognition of the cost of meeting these demands.
- the introduction of and annual increases above inflation in National Living Wage, apparently without acceptance of the impact that will have on the care industry and without a realistic increase in state-funded fees for nursing care.
- budget constraint within local & central government affecting ability to fund nursing care places.
- local competition for nursing and day care accompanied by withdrawal of local government grants previously supporting these services.

Managing these risks is challenging for a relatively small charity. In recent years the Trustees' main concern has been to ensure financial solvency making cash generation and cash flow management an integral part of financial control. The acquisition of the Brookfield Homecare business provides an opportunity to offset periods of lower occupancy in the nursing home with growth in domiciliary care which is, currently, where investment in the care sector is being encouraged.

Due to the inability to hold formal Board Meetings during the year – virtual board meetings were held but less frequently – the risks were not reviewed but other than adding a risk related to a pandemic, the risks listed below remain relevant.

HOYLAKE COTTAGE

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

FOR THE YEAR ENDED 31 MARCH 2021

Post balance sheet events & plans for future periods

Having suffered an outbreak of the virus after Christmas 2020 new residents could not be admitted until April by which time occupancy had fallen to some 56%. It was apparent that the Trust's cash reserves would fall to levels insufficient to support the business so an application was made to our bankers for a Government guaranteed Coronavirus Business Interruption Loan of £450,000 which was subsequently granted and drawn in May 2021. That, together with the sale of part of the investment portfolio, has supported the business whilst occupancy at the nursing home increased and the Day Centre resumed activity.

There will be a substantial deficit again this year but by the 3rd quarter of the year there were signs of improvement in occupancy and income which we hope will continue. Expenses are controlled as far as we can do so but there will need to be some capital expenditure to replace worn-out equipment, for building repairs and to comply with our insurance underwriters' requirements. We cannot estimate the final outcome for the 2022 year as the imposition of further restrictions or another virus outbreak are unpredictable and have the potential to disrupt the business considerably.

The year has been a very difficult one for Hoylake Cottage and its staff. A substantial deficit was incurred because of the effect of the Coronavirus on the business which increased staff costs and other operating expenses and at times restricted ability to admit new residents.

Performance in the first 7 months of the 2021-22 year has produced a consolidated deficit of some £260,000 for the same reasons. A budget was prepared for the year and performance so far is slightly better than the budget. That budget envisaged a return to monthly surpluses in the final quarter of the financial year and, with rising occupancy levels and well controlled overheads, the Trustees expect that surpluses will resume provided that new restrictions are not introduced during the winter and spring.

Cash and liquid assets are judged to be sufficient to support the Hoylake Cottage business until the anticipated return of surpluses in 2022.

In all the circumstances the Trustees are satisfied that the Company can continue to operate as a going concern for the next 12 months.

HOYLAKE COTTAGE

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Hoylake Cottage ("the Trust") is a charitable company limited by guarantee incorporated in England on 30th August 1984 and is established under Articles of Association which set out its objectives and powers and how it is governed. There are no activities outside England. It is managed by a Board of Directors ("the Board") whose members are the directors for the purposes of Company Law and charity trustees for the purposes of Charity Law.

On 11th March 2019 Hoylake Cottage acquired the entire issued share capital of Brookfield Homecare Limited. The subsidiary was registered as a charity on 1st November 2019.

The Trust Board of Directors

The Board currently comprises 10 Trustees and normally meets monthly. The Articles of Association permit "virtual" Board meetings, which facility has been used effectively when necessary.

Trustees are carefully selected to ensure that they have the necessary skills and experience and are willing to attend regular Board and other meetings. New Trustees are briefed on their legal obligations, the committees and decision-making process and the business plan and financial performance of the Trust.

Trustees are elected (or re-elected) in accordance with the Trust's Articles of Association at its AGM. It was not possible to hold an AGM to present the 2019 accounts and our ability to hold an AGM for the 2020 year is in doubt at present. The Articles of Association specify that the Board should comprise a minimum of 5 and a maximum of 20, the ideal number is considered to be 8 - 12.

The Board has established a Clinical Governance Committee to provide the Board with an independent assurance that there is high quality and safe clinical practice operating at the Trust at all times and to check and ratify policies and compliance.

Management

Day-to-day operational management is under the control of the General Manager and the Clinical Nurse Manager who are responsible to the Board. They, together with the Finance Manager, attend meetings of the Board to ensure that the Trust's objectives continue to be met. Operational decision-making is delegated by Trustees to the General Manager and the Clinical Nurse Manager, including financial transactions that are within the annual budgets agreed by the Board and monitored in both formal and informal meetings by members of the Board.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Boon
Mrs A Heseltine
Mr S Heywood
Mr R Holmes
Mr A Mitchell
Mr R Oakden
Mr J Southworth
Mr M Sutton
Mr W A Twemlow
Mr P Wilcox

HOYLAKE COTTAGE

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

Pay policy for key management personnel

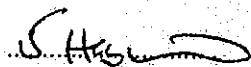
The directors consider the senior management team comprise the key management personnel of the charity in charge of controlling, running and operating the Trust on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased to the same extent as the rest of the staff. All the directors give of their time freely and no director received remuneration in his capacity as a director in the 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.

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



Mr S Heywood

Trustee

Dated: 14th December 2021

HOYLAKE COTTAGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Hoylake Cottage 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; 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.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOYLAKE COTTAGE

Opinion

We have audited the financial statements of Hoylake Cottage (the 'charity') and its subsidiary for the year ended 31 March 2021 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of 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 group and charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOYLAKE COTTAGE

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOYLAKE COTTAGE

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 group through discussions with trustees and other management, and from our knowledge and experience of charity 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 group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team 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.

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

- making enquiries of management team 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 the 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 and relevant regulators.

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.

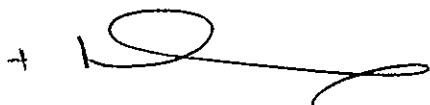
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOYLAKE COTTAGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOYLAKE COTTAGE

Use of our report

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



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited

15.12.21

Chartered Accountants
Statutory Auditor

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	25,997	172,467	198,464	3,985	27,043	31,028
Charitable activities	5	3,193,278	-	3,193,278	3,288,080	-	3,288,080
Other trading activities	4	14,175	-	14,175	356,426	-	356,426
Investments	6	42,242	-	42,242	45,869	-	45,869
Other income		10,118	-	10,118	5,840	-	5,840
Total income		3,285,810	172,467	3,458,277	3,700,200	27,043	3,727,243
<u>Expenditure on:</u>							
Raising funds	7	44,919	-	44,919	370,250	-	370,250
Charitable activities	8	3,504,374	155,430	3,659,804	3,375,375	6,483	3,381,858
Other	12	3,845	-	3,845	-	-	-
Total resources expended		3,553,138	155,430	3,708,568	3,745,625	6,483	3,752,108
Net gains/(losses) on investments	13	40,134	-	40,134	(25,177)	-	(25,177)
Net (outgoing)/ incoming resources before transfers		(227,194)	17,037	(210,157)	(70,602)	20,560	(50,042)
Gross transfers between funds		9,000	(9,000)	-	11,748	(11,748)	-
Net movement in funds		(218,194)	8,037	(210,157)	(58,854)	8,812	(50,042)
Fund balances at 1 April 2020		4,395,366	56,568	4,451,934	4,454,220	47,756	4,501,976
Fund balances at 31 March 2021		4,177,172	64,605	4,241,777	4,395,366	56,568	4,451,934

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.

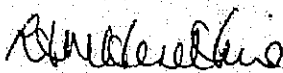
HOYLAKE COTTAGE

CONSOLIDATED BALANCE SHEET

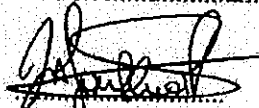
AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	15		5,221,469		5,335,689
Investments	17		161,075		236,278
			<u>5,382,544</u>		<u>5,571,967</u>
Current assets					
Debtors	19	99,514		172,765	
Cash at bank and in hand		230,294		156,664	
		<u>329,808</u>		<u>329,429</u>	
Creditors: amounts falling due within one year	22	(391,817)		(371,487)	
Net current liabilities			(62,009)		(42,058)
Total assets less current liabilities			<u>5,320,535</u>		<u>5,529,909</u>
Creditors: amounts falling due after more than one year	24		(1,078,758)		(1,077,975)
Net assets			<u>4,241,777</u>		<u>4,451,934</u>
Income funds					
Restricted funds	27		64,605		56,568
Unrestricted funds	25		4,177,172		4,395,366
			<u>4,241,777</u>		<u>4,451,934</u>

The financial statements were approved by the Trustees on 14th December 2021



Mrs A Heseltine
Trustee



Mr J Southworth
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CHARITY BALANCE SHEET

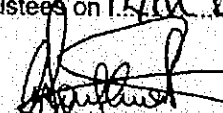
AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	16		5,211,650		5,324,096
Investments	17 & 18		161,077		236,280
			<u>5,372,727</u>		<u>5,560,376</u>
Current assets					
Debtors	20	58,335		188,132	
Cash at bank and in hand		139,310		111,840	
		<u>197,645</u>		<u>299,972</u>	
Creditors: amounts falling due within one year	23	(284,001)		(326,323)	
Net current liabilities			(86,356)		(26,351)
Total assets less current liabilities			<u>5,286,371</u>		<u>5,534,025</u>
Creditors: amounts falling due after more than one year	24		(1,078,758)		(1,077,975)
Net assets			<u><u>4,207,613</u></u>		<u><u>4,456,050</u></u>
Income funds					
Restricted funds	28		64,605		56,568
Unrestricted funds	26		4,143,008		4,399,482
			<u>4,207,613</u>		<u>4,456,050</u>

The financial statements were approved by the Trustees on 14th December 2021



Mrs A Heseltine
Trustee



M J Southworth
Trustee

Company Registration No. 01844549

HOYLAKE COTTAGE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	34		(115,849)		72,516
Investing activities					
Purchase of tangible fixed assets		(18,870)		(90,854)	
Purchase of investments		(84,862)		(18,949)	
Proceeds on disposal of investments		200,199		86,526	
Investment income		42,242		45,869	
Net cash generated from investing activities			138,709		22,592
Financing activities					
Repayment of bank loans		50,770		(147,641)	
Net cash generated from/(used in) financing activities			50,770		(147,641)
Net increase/(decrease) in cash and cash equivalents			73,630		(52,533)
Cash and cash equivalents at beginning of year			156,664		209,197
Cash and cash equivalents at end of year			<u>230,294</u>		<u>156,664</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Hoylake Cottage is a private company limited by guarantee incorporated in England and Wales. The registered office is Southworth House, 35 Birkenhead Road, Hoylake, Wirral, Merseyside, CH47 5AQ. In the event of a winding up, the liability in respect of the guarantee is limited to £5 per member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and the charity have adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Since the year end it has been recognised that the Covid-19 Pandemic has had an adverse financial impact on the charity and will continue to do so in the near future. Notwithstanding that, the trustees are satisfied that the charity has adequate reserves and that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

Local government covid-19 related grants are recognised on receipt.

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in expenditure.

1.5 Resources expended

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% on cost
Fixtures and fittings	20%/25%/33.33% on cost & 15% reducing balance
Computers	33.33%/20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 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.

HOYLAKE COTTAGE

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

1 Accounting policies (Continued)

1.12 Retirement benefits

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

1.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.14 Basis of consolidation

The group financial statements consolidate the financial statements of Hoylake Cottage and its subsidiary, Brookfield Homecare Limited, drawn up to 31 March 2021. The results of the subsidiary are consolidated for the period from the date on which control passed

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	3,525	10,616	14,141	2,485	27,043	29,528
Legacies receivable	1,300	-	1,300	1,500	-	1,500
Government grants	21,172	161,851	183,023	-	-	-
	<u>25,997</u>	<u>172,467</u>	<u>198,464</u>	<u>3,985</u>	<u>27,043</u>	<u>31,028</u>

HOYLAKE COTTAGE

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

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	14,021	10,682
Shop income	154	35,194
Trading activity income: Domiciliary care	-	310,550
	<hr/>	<hr/>
Other trading activities	14,175	356,426
	<hr/> <hr/>	<hr/> <hr/>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities	Nursing		Day dementia care		Domiciliary care		Total		Nursing		Day dementia care		Domiciliary care		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Sales within charitable activities	2,630,448	£	22,378	£	540,452	£	3,193,278	£	2,826,199	£	242,755	£	219,126	£	3,288,080	£

HOYLAKE COTTAGE

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

6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	37,698	38,163
Income from listed investments	4,482	7,398
Interest receivable	62	308
	<u>42,242</u>	<u>45,869</u>

7 Fundraising expenditure

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	216	471
	<u> </u>	<u> </u>
<u>Trading costs</u>		
Operating charity shops	16,093	18,707
Other domiciliary care costs (pre charity status)	-	19,624
Staff costs charity shop	10,864	20,348
Staff costs domiciliary care (pre charity status)	-	223,908
Depreciation domiciliary care (pre charity status)	-	2,077
Depreciation charity shop	1,482	657
Support costs domiciliary care (pre charity status)	-	69,084
	<u>28,439</u>	<u>354,405</u>
Investec costs	1,337	1,866
Apartment expenses	14,927	13,508
	<u>16,264</u>	<u>15,374</u>
	<u>44,919</u>	<u>370,250</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities	Nursing		Day dementia care		Domiciliary care		Total		Nursing		Day dementia care		Domiciliary care		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	2,207,458		22,066		374,232		2,603,756		2,072,411		140,462		157,994		2,370,867	
Depreciation and impairment	91,390		31,927		4,447		127,764		91,640		30,863		1,465		123,968	
Rates & water	11,144		-		-		11,144		11,129		-		-		11,129	
Insurance	33,640		-		2,911		36,551		21,876		-		959		22,835	
Light & heat	59,569		-		-		59,569		58,072		4,096		-		62,168	
Phone	9,506		-		1,037		10,543		9,575		-		1,054		10,629	
Advertising, printing, postage & stationery	12,407		-		4,666		17,073		12,113		-		2,576		14,689	
General expenses	19,836		3,426		11,980		35,242		24,311		6,606		2,141		33,058	
Medical supplies	28,761		-		7,245		36,006		22,721		-		530		23,251	
Catering	112,444		-		-		112,444		124,416		8,427		-		132,843	
Cleaning & laundry	100,366		-		-		100,366		64,801		-		-		64,801	
Recruitment & other staff costs	7,535		-		3,954		11,489		19,498		-		3,165		22,663	
Domestic & non medical supplies	13,580		-		-		13,580		38,441		-		-		38,441	
Transport	-		5,901		-		5,901		-		15,053		-		15,053	
Repairs & maintenance	80,052		-		9,362		89,414		113,468		-		3,423		116,891	
Entertainment	3,263		-		-		3,263		7,921		50		-		7,971	
	<u>2,790,951</u>		<u>63,320</u>		<u>419,834</u>		<u>3,274,105</u>		<u>2,692,393</u>		<u>205,557</u>		<u>173,307</u>		<u>3,071,257</u>	
Share of support costs (see note 9)	251,006		-		108,146		359,152		227,060		18,562		46,192		291,814	
Share of governance costs (see note 9)	17,534		-		9,013		26,547		14,442		1,605		2,740		18,787	
	<u>3,059,491</u>		<u>63,320</u>		<u>536,993</u>		<u>3,659,804</u>		<u>2,933,895</u>		<u>225,724</u>		<u>222,239</u>		<u>3,381,858</u>	

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities	(Continued)															
	Nursing		Day dementia care		Domiciliary care		Total 2021		Nursing		Day dementia care		Domiciliary care		Total 2020	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Analysis by fund																
Unrestricted funds	2,938,119		63,320		502,935		3,504,374		2,927,462		225,674		222,239		3,375,375	
Restricted funds	121,372		-		34,058		155,430		6,433		50		-		6,483	
	<u>3,059,491</u>		<u>63,320</u>		<u>536,993</u>		<u>3,659,804</u>		<u>2,933,895</u>		<u>225,724</u>		<u>222,239</u>		<u>3,381,858</u>	

HOYLAKE COTTAGE

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

9 Support costs	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	325,436	-	325,436	281,235	-	281,235
Admin expenses	1,810	-	1,810	4,134	-	4,134
Professional fees	9,883	-	9,883	38,724	-	38,724
Bank charges	2,736	-	2,736	3,815	-	3,815
Interest payable & similar charges	19,287	-	19,287	29,107	-	29,107
Audit fees	-	10,165	10,165	-	6,565	6,565
Non audit fees	-	3,885	3,885	-	3,885	3,885
Legal and professional	-	4,266	4,266	-	6,766	6,766
Trustee indemnity insurance	-	6,368	6,368	-	3,604	3,604
Sundries	-	1,863	1,863	-	1,850	1,850
	<u>359,152</u>	<u>26,547</u>	<u>385,699</u>	<u>357,015</u>	<u>22,670</u>	<u>379,685</u>
Analysed between						
Trading	-	-	-	65,201	3,883	69,084
Charitable activities	359,152	26,547	385,699	291,814	18,787	310,601
	<u>359,152</u>	<u>26,547</u>	<u>385,699</u>	<u>357,015</u>	<u>22,670</u>	<u>379,685</u>

Governance costs includes payments to the auditors of £10,165 (2020: £10,765) for audit fees.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administrative	10	11
Nursing	92	88
Ancillary	25	34
Domiciliary	30	28
Total	<u>157</u>	<u>161</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10	Employees	(Continued)	
	Employment costs	2021	2020
		£	£
	Wages and salaries	2,703,903	2,680,886
	Social security costs	190,409	171,943
	Other pension costs	45,744	43,529
		<u>2,940,056</u>	<u>2,896,358</u>

The key management personnel of the group comprise the General Manager, Clinical Nurse Manager, Office Manager and Finance Manager whose employee benefits total £196,802 (2020:£191,976).

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

11 Trustees

During the year Mr S Heywood received £7,761 (2020: £13,132) for professional services supplied to Hoylake Cottage & Brookfield Homecare Limited and Mr R Oakden received £NIL (2020: £24,000) for professional services supplied to Brookfield Homecare Limited in addition to normal trustee duties which have not been remunerated.

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

12 Other

	Unrestricted funds	Total
	2021	2020
	£	£
Net loss on disposal of tangible fixed assets	<u>3,845</u>	<u>-</u>

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	31,968	(26,299)
Gain/(loss) on sale of investments	8,166	1,122
	<u>40,134</u>	<u>(25,177)</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Brookfield Homecare Limited					
A summary of the results of the subsidiary is shown below:					
			2021	2020	
			£	£	
Turnover			575,273	529,676	
Expenditure			(537,383)	(536,932)	
			<u>37,890</u>	<u>(7,256)</u>	
			<u><u>37,890</u></u>	<u><u>(7,256)</u></u>	
Aggregate assets and liabilities					
Fixed assets			9,429	11,593	
Current assets			133,892	84,969	
Current liabilities			(109,545)	(100,676)	
Share capital			2	2	
			<u>33,778</u>	<u>(4,114)</u>	
			<u><u>33,778</u></u>	<u><u>(4,114)</u></u>	
15 Tangible fixed assets - Group					
	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	7,268,465	571,141	3,303	61,500	7,904,409
Additions	-	16,197	2,673	-	18,870
Disposals	-	(20,157)	-	-	(20,157)
	<u>7,268,465</u>	<u>567,181</u>	<u>5,976</u>	<u>61,500</u>	<u>7,903,122</u>
At 31 March 2021	7,268,465	567,181	5,976	61,500	7,903,122
	<u>7,268,465</u>	<u>567,181</u>	<u>5,976</u>	<u>61,500</u>	<u>7,903,122</u>
Depreciation and impairment					
At 1 April 2020	2,069,772	444,970	687	53,291	2,568,720
Depreciation charged in the year	77,431	48,280	1,482	2,052	129,245
Eliminated in respect of disposals	-	(16,312)	-	-	(16,312)
	<u>2,147,203</u>	<u>476,938</u>	<u>2,169</u>	<u>55,343</u>	<u>2,681,653</u>
At 31 March 2021	2,147,203	476,938	2,169	55,343	2,681,653
	<u>2,147,203</u>	<u>476,938</u>	<u>2,169</u>	<u>55,343</u>	<u>2,681,653</u>
Carrying amount					
At 31 March 2021	5,121,262	90,243	3,807	6,157	5,221,469
	<u>5,121,262</u>	<u>90,243</u>	<u>3,807</u>	<u>6,157</u>	<u>5,221,469</u>
At 31 March 2020	5,198,692	110,065	1,025	8,210	5,335,689
	<u>5,198,692</u>	<u>110,065</u>	<u>1,025</u>	<u>8,210</u>	<u>5,335,689</u>

The charity acquired the freehold of the site from Mersey Regional Health Authority in April 1992, but with a covenant limiting its use to Health and Social Care.

HOYLAKE COTTAGE

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

16 Tangible fixed assets - Charity

	Freehold land and buildings	Fixtures and Motor vehicles fittings		Total
	£	£	£	£
Cost				
At 1 April 2020	7,268,465	559,261	61,500	7,889,226
Additions		16,197		16,197
Disposals	-	(20,157)		(20,157)
At 31 March 2021	7,268,465	555,301	61,500	7,885,266
Depreciation and impairment				
At 1 April 2020	2,069,772	442,067	53,291	2,565,130
Depreciation charged in the year	77,431	45,315	2,052	124,798
Eliminated in respect of disposals		(16,312)		(16,312)
At 31 March 2021	2,147,203	471,070	55,343	2,673,616
Carrying amount				
At 31 March 2021	5,121,262	84,231	6,157	5,211,650
At 31 March 2020	5,198,692	117,194	8,210	5,324,096

17 Fixed asset investments - Listed investments Group & charity

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 1 April 2020	235,676	602	236,278
Additions	84,862	210,446	295,308
Valuation changes	8,166	-	8,166
Disposals	(178,478)	(200,199)	(378,677)
At 31 March 2021	150,226	10,849	161,075
Carrying amount			
At 31 March 2021	150,226	10,849	161,075
At 31 March 2020	235,676	602	236,278

18 Fixed asset investments - Charity investment in subsidiary

The charity holds 2 shares of £1 each in its wholly owned charitable subsidiary company Brookfield Homecare Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The company was acquired on 11 March 2019. Activities and results of the company are summarised in note 13.

HOYLAKE COTTAGE

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

19 Debtors - Group	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	56,251	116,992
Other debtors	460	193
Prepayments and accrued income	42,803	55,580
	<u>99,514</u>	<u>172,765</u>
20 Debtors - Charity	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	18,069	92,295
Amounts owed by subsidiary undertakings	1,729	55,512
Other debtors	460	193
Prepayments and accrued income	38,077	40,132
	<u>58,335</u>	<u>188,132</u>
21 Loans and overdrafts - Group & charity	2021	2020
	£	£
Bank loans	1,273,659	1,222,889
Payable within one year	194,901	144,914
Payable after one year	1,078,758	1,077,975
Amounts included above which fall due after five years:		
Payable by instalments	475,418	474,583

A legal mortgage is held by Royal Bank of Scotland on the land and buildings of 35 Birkenhead Road, Hoylake, Wirral CH47 5AQ. There is also a second mortgage which protects the covenant to the Mersey Regional Health Authority and its successors in title.

The loan from Royal Bank of Scotland is repayable over 20 years. Monthly payments commenced in October 2008. Interest was charged at 1.5% above base rate.

HOYLAKE COTTAGE

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

22 Creditors: amounts falling due within one year - Group

	Notes	2021 £	2020 £
Bank loans	21	194,901	144,914
Other taxation and social security		41,021	39,594
Trade creditors		52,625	93,274
Other creditors		51,422	48,455
Accruals and deferred income		51,848	45,250
		<u>391,817</u>	<u>371,487</u>

23 Creditors: amounts falling due within one year - Charity

	Notes	2021 £	2020 £
Bank loans	21	144,901	144,914
Other taxation and social security		32,701	33,312
Trade creditors		46,363	89,124
Other creditors		13,445	16,195
Accruals and deferred income		46,591	42,778
		<u>284,001</u>	<u>326,323</u>

24 Creditors: amounts falling due after more than one year Group & charity

	Notes	2021 £	2020 £
Bank loans	21	<u>1,078,758</u>	<u>1,077,975</u>

HOYLAKE COTTAGE

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

25 Unrestricted funds - Group

	Balance at 1 April 2020	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£
General unrestricted funds	4,395,366	3,285,810	(3,553,528)	9,000	40,134	4,176,782
	<u>4,395,366</u>	<u>3,285,810</u>	<u>(3,553,528)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,176,782</u>

Comparative information in respect of the preceding year is as follows:

	Balance at 1 April 2019	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2020
	£	£	£	£	£	£
General unrestricted funds	4,454,220	3,700,200	(3,745,625)	11,748	(25,177)	4,395,366
	<u>4,454,220</u>	<u>3,700,200</u>	<u>(3,745,625)</u>	<u>11,748</u>	<u>(25,177)</u>	<u>4,395,366</u>

HOYLAKE COTTAGE

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

26 Unrestricted funds - Charity

	Balance at 1 April 2020	Incoming resources	Movement in funds			Balance at 31 March 2021
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General unrestricted funds	4,399,482	2,744,414	(3,050,203)	9,000	40,134	4,142,827
	<u>4,399,482</u>	<u>2,744,414</u>	<u>(3,050,203)</u>	<u>9,000</u>	<u>40,134</u>	<u>4,142,827</u>

Comparative information in respect of the preceding year is as follows:

	Balance at 1 April 2019	Incoming resources	Movement in funds			Balance at 31 March 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General unrestricted funds	4,451,080	3,170,524	(3,208,693)	11,748	(25,177)	4,399,482
	<u>4,451,080</u>	<u>3,170,524</u>	<u>(3,208,693)</u>	<u>11,748</u>	<u>(25,177)</u>	<u>4,399,482</u>

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Restricted funds - Group

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

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
WBC Adult Social Care Infection Control Fund	-	161,852	(154,587)	(7,265)	-
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	8,939	13,260	(2,464)	(11,748)	7,987
Sandhills Fund	38,817	8,972	-	-	47,789
Entertainment Fund	-	3,969	(3,969)	-	-
Sandhills Events Fund	-	842	(50)	-	792
	<u>47,756</u>	<u>27,043</u>	<u>(6,483)</u>	<u>(11,748)</u>	<u>56,568</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village has been delayed by the pandemic and consequent closure of the Day Centre.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Restricted funds - Charity

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

	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	7,988	9,355	(786)	(1,735)	14,822
Sandhills Fund	47,788	-	-	-	47,788
Entertainment Fund	-	57	(57)	-	-
Sandhills Events Fund	792	1,203	-	-	1,995
WBC Adult Social Care Infection Control Fund	-	161,852	(154,587)	(7,265)	-
	<u>56,568</u>	<u>172,467</u>	<u>(155,430)</u>	<u>(9,000)</u>	<u>64,605</u>

Comparative information in respect of the preceding period is as follows:

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Nursing Unit Fund	8,939	13,260	(2,464)	(11,748)	7,987
Sandhills Fund	38,817	8,972	-	-	47,789
Entertainment Fund	-	3,969	(3,969)	-	-
Sandhills Events Fund	-	842	(50)	-	792
	<u>47,756</u>	<u>27,043</u>	<u>(6,483)</u>	<u>(11,748)</u>	<u>56,568</u>

The Sandhills Fund represents a National Lottery Grant and donations from supporters and families of those who attend the Day Centre towards the cost of creation of a Dementia Village, the purpose of which is to stimulate memories of those attending. Creation of the Dementia Village has been delayed by the pandemic and consequent closure of the Day Centre.

The Nursing Unit Fund represents donations from families of residents to be used for the benefit of residents for entertainment and for additional decorative items to enhance the environment.

The grants from Wirral Borough Council were to provide for additional cleaning materials and equipment to maintain infection control required during the Coronavirus pandemic as well as to allow full salary payment to be made for staff members who either had contracted the virus or who were required to self isolate having come into contact with someone who had developed symptoms.

Transfers between funds

This includes specific donations received and utilised during the year.

HOYLAKE COTTAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Analysis of net assets between funds - Group

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	5,221,469	-	5,221,469	5,335,689	-	5,335,689
Investments	161,075	-	161,075	236,278	-	236,278
Current assets/ (liabilities)	(126,614)	64,605	(62,009)	(98,626)	56,568	(42,058)
Long term liabilities	(1,078,758)	-	(1,078,758)	(1,077,975)	-	(1,077,975)
	<u>4,177,172</u>	<u>64,605</u>	<u>4,241,777</u>	<u>4,395,366</u>	<u>56,568</u>	<u>4,451,934</u>

30 Analysis of net assets between funds - Charity

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	5,211,650	-	5,211,650	5,324,096	-	5,324,096
Investments	161,077	-	161,077	236,280	-	236,280
Current assets/ (liabilities)	(150,961)	64,605	(86,356)	(82,919)	56,568	(26,351)
Long term liabilities	(1,078,758)	-	(1,078,758)	(1,077,975)	-	(1,077,975)
	<u>4,143,008</u>	<u>64,605</u>	<u>4,207,613</u>	<u>4,399,482</u>	<u>56,568</u>	<u>4,456,050</u>

31 Related party transactions

As disclosed in note 11, trustee, Mr S Heywood, received fees in connection with his company secretarial duties and trustee, Mr R Oakden received fees in connection with his professional services in 2020.

HOYLAKE COTTAGE

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

32 Operating lease commitments

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

	2021 £	2020 £
Within one year	9,025	18,498
Between two and five years	24,577	61,149
	<u>33,602</u>	<u>79,647</u>

33 Analysis of changes in net (debt)/funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	156,664	73,630	230,294
Loans falling due within one year	(144,914)	(49,987)	(194,901)
Loans falling due after more than one year	(1,077,975)	(783)	(1,078,758)
	<u>(1,066,225)</u>	<u>22,860</u>	<u>(1,043,365)</u>

34 Cash generated from operations - Group

	2021 £	2020 £
Deficit for the year	(210,157)	(50,042)
Adjustments for:		
Investment income recognised in statement of financial activities	(42,242)	(45,869)
Loss on disposal of tangible fixed assets	3,845	-
Gain on disposal of investments	(8,166)	(1,122)
Fair value gains and losses on investments	(31,968)	26,299
Depreciation and impairment of tangible fixed assets	129,246	126,702
Movements in working capital:		
Decrease/(increase) in debtors	73,250	(7,342)
(Decrease)/increase in creditors	(29,657)	23,890
Cash (absorbed by)/generated from operations	<u>(115,849)</u>	<u>72,516</u>