

BROOKVALE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
Registered charity No: 526086

BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS
BOLTON

BROOKVALE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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BROOKVALE

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of Brookvale (the "charity") for the year ended 31 December 2020.

Reference and administrative information

Charity name	Brookvale
Charity registration number:	526086
Registered office and operational address:	Simister Lane, Prestwich, Manchester, M25 2SF

Trustees

Mr S Pollock
Mr S Larah
Mr S Gold
Mr D Savage
Mr M Walters

Principal staff members

Lynne Richmond	Executive Director and Registered Manager
Carl Richmond	Chief Executive Officer

Statutory auditor

Barlow Andrews LLP, Carlyle House, 78 Chorley New Road, Bolton, BL1 4BY

Bankers

HSBC Bank plc, 8 High Street, Manchester, M60 4AJ

BROOKVALE
TRUSTEES' REPORT
(continued)

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 charities' trust deed, the Charities Act 2011 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)."

Structure, governance and management

Governing document

Brookvale is a registered charity. The organisation was founded in 1951 and is governed by a Trust Deed adopted on 5 July 1992.

Organisational structure

Brookvale is governed by a board of trustees which meets monthly. The trustees, along with the principal staff members, are responsible for the strategic direction of the charity.

The day to day responsibility and management of the charity rests with the principal staff members. The executive director has overall responsibility for delivering the aims and objectives of Brookvale.

Trustees

The trustees who have served during the year and up to the date of this report are as listed on page 1.

Recruitment and appointment of trustees and board

The recruitment and appointment of trustees at Brookvale follows the conditions established within the Trust Deed.

The board is made up of executives (minimum 5, maximum 8) and committee members (maximum 6 members).

The executive trustees are able to propose and appoint trustees who in their opinion would benefit the objectives of the organisation.

Trustee induction and training

All trustees undergo an induction process into the workings of Brookvale. The induction covers the obligations of board members and their responsibilities, main documents setting out the organisation's mission, vision and values, financial background and key strategic priorities.

Risk management

The trustees are continuing to review major strategies, business and operational risks which the charity faces, and consider that the existing systems in place are adequate to manage identified risks to an acceptable level.

Objectives and activities

Principal objectives

The principal object of the charity is the relief and care of persons with mental handicap learning disabilities.

In furtherance of the above object, the organisation shall have the power:

- (a) To establish and maintain residential homes and day centres for people and therein to provide remedial, occupational and social training.
- (b) To establish and maintain holiday homes for the benefit of residents of such residential homes.
- (c) To raise funds from public and private sources for the efficient performance of these objects.

Each year the trustees review the objectives and activities of the charity to ensure they continue to reflect our aims and to provide a public benefit. The trustees are more than satisfied that they do.

BROOKVALE
TRUSTEES' REPORT
(continued)

Achievements, performance and future plans

The Trustees' Report for 2019 began with the comment that Brookvale had experienced one of its most difficult years! Little did we know of what was to follow. 2020 started in an unremarkable manner, the calm before the storm. As we moved into the end of February there were reports of a virus which had originated in China that had started to sweep through Europe. This virus, labelled as Coronavirus (or COVID-19), was causing the death of many people.

At the beginning of March, it was apparent that this virus was of major concern due to the rapid spread of illness it was causing amongst the general population and, in particular, within care homes. In order to keep our vulnerable residents safe, a robust decision had to be made. The trustees, in line with the CEO and the management, agreed that for the safety of our residents and staff we would 'lock down' immediately. This meant that all visits into Brookvale were stopped, other than for urgent medical professional visits. This included a difficult decision to close our Day Care provision. Brookvale's 'lock down' was in advance of the Government's official restrictions coming into force and was a decision which served our residents well in our attempt to keep them safe from the deadly virus. Soon we were in the midst of a worldwide pandemic, with many thousands losing their lives or becoming seriously ill.

As Brookvale is based in the countryside, and due to how the buildings have been developed, we were able to successfully segregate residents within their particular areas (North View, South View, East View, West View and The Atrium). This segregation helped to stop any cross infection. Staff would now have a new way of providing care, donned in PPE. At the beginning of the pandemic the sourcing of masks, aprons and gloves became increasingly difficult, even from our regular suppliers. This resulted in us having to find alternative providers of PPE, which in turn led to the charity having to pay a huge premium to obtain supplies of vital PPE for our staff. A substantial amount was spent on infection control measures such as sanitisers, new easy-clean furniture, and an electronic system to log the care of residents.

Due to the brave and diligent care by the staff we had no cases of COVID during the height of the pandemic and as such we were chosen for a CQC targeted inspection looking at our infection control and prevention measures. This was an announced inspection and took place on 18th August 2020. We were highly praised by the inspection team, and they summarised their findings as follows: -

"We found the following examples of good practice.

- The care home closed to all visitors except healthcare professionals.
- PPE was disposed of in clinical waste or designated PPE waste bins, as appropriate. The clinical waste bin was pressure washed and disinfected inside and out on a weekly basis.
- During the pandemic, the service switched from paper to electronic care records to reduce infection transmission. The provider purchased and installed tablets throughout the home.
- The provider had made a number of changes to its staffing arrangements. Staff had been allocated to work in specific areas of the home. The home offered free drinks and food to staff to reduce the need for staff to go out to the shops. Arrangements had been made for staff to use taxis to limit the use of public transport.
- Managers regularly asked key suppliers of food, medicines, cleaning materials and PPE about their risks and contingency plans.
- The provider had a robust and effective governance structure in place comprised of a thorough quality assurance framework."

Of course, to have such a robust infection control framework was at a substantial cost to the charity and this is reflected in losses which have occurred in 2020. This was exacerbated by the large loss of income due to the closure of the day care service. This was indeed a unique year and, notwithstanding the pandemic, the usual challenges of running a care home in the current climate remained. Funding from the Local Authorities remains an issue so we continue to look at other avenues of income. With this in mind, a further property was purchased this year to add to the rental portfolio. The three bedroomed property on Nipper Lane, Whitefield has proved to be a popular rental.

BROOKVALE
TRUSTEES' REPORT
(continued)

Due to the effects of Coronavirus restrictions very little maintenance work was carried out on the Brookvale site, save for urgent works. However, Brookvale and its beautifully groomed grounds proved a safe haven for residents and staff alike. There was a difficult period experienced in late November when, despite all our hard work, we suffered a COVID outbreak. Thankfully none of those who contracted the virus suffered any serious illness and many were asymptomatic.

The year ended on a sad note when we said goodbye to one of our residents who had been in our care for many years. Lynda Craven passed away peacefully on Christmas Eve having suffered for some time with dementia. 2020 has been a year of dedicating all our efforts into keeping our residents safe and well, and the hope is that there will be significant developments in beating the virus through 2021 and that some normality will return.

Financial review

The results for the year are shown in the Statement of Financial Activities on page 9 and our financial position at the end of the year is shown in the Balance Sheet on page 10.

We had net expenditure of £226,431 for the year. After net losses on investments of £2,577, our net deficit on funds was £229,008. Expenditure on charitable activities exceeded income from charitable activities by some £492,000, underlining the importance of having strong income streams from our investments and investment properties. We are also grateful, as ever, for the donations and bequests received each year.

The financial position of Brookvale remains healthy and there are no going concern issues.

Principal funding sources

The majority of our income is generated from the provision of services to local authority social services departments, who are meeting the needs of individuals (most are fully funded).

Investment policy

The trustees are of the opinion that investments must be as safe as possible and therefore monies are placed with various banks in longer term fixed interest deposit accounts and checked on a regular basis. We also have monies invested with National Savings and Investments. In addition, we have some shares that were bequeathed to Brookvale over the years by various people and these have been retained to increase in value or to add the dividends to our income.

We have also expanded our investment property portfolio. The rates of return are generally much better than can be achieved on bank deposits and other traditional investment types, and the investment is in properties which are unlikely to decrease in value.

Reserves policy

We are in a strong financial position, but the review of the year on the previous page demonstrates that we dare not be complacent and we must maintain our sound reserves base. There continues to be pressure on fees from local authorities, as discussed earlier. The ongoing difficult economic climate underlines the soundness of our policy to build a healthy reserves position, which enables us to withstand potential falls in income which might otherwise compromise the high quality of our services. We aim to maintain sufficient reserves (excluding the net book value of our tangible fixed assets) to cover up to 2 years' full running costs of over £7m. At 31 December 2020 the balance of our unrestricted funds, less the net book value of our tangible fixed assets, totalled £6,627,263, so still not yet quite at the target level.

The Building and Subsidy Fund stands at £5,240,133 at 31 December 2020. It is a designated fund which the trustees believe is required to maintain the buildings and other tangible fixed assets of the charity to a high standard for the long term and to underpin our charitable activities. The fund will be used as and when required.

BROOKVALE
TRUSTEES' REPORT
(continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare the 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 of the charity 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 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 assume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as the trustees are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

A resolution for the reappointment of Barlow Andrews LLP as auditor is to be proposed at the forthcoming Annual General Meeting. The trustees recommend that Barlow Andrews LLP remain in office until further notice.

Approved by the trustees on and signed on its behalf:

D Savage
Chairman

14 September 2021

BROOKVALE
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF BROOKVALE

Opinion

We have audited the financial statements of Brookvale for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and 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.

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the 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 charity, including employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative or potential bias.

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 relevant regulators and the company's legal advisors.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Kay (Senior Statutory Auditor)
for and on behalf of Barlow Andrews LLP
Chartered Accountants and Statutory Auditor
Carlyle House, 78 Chorley New Road, Bolton

14 September 2021

Barlow Andrews LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BROOKVALE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Total funds 2020 £	Total funds 2019 £
Income from:			
Donations and legacies		33,756	57,782
Investments	2	201,542	195,581
Charitable activities	3	3,086,652	3,172,580
Other income	4	65,979	-
Total Income		3,387,929	3,425,943
Expenditure on:			
Cost of generating funds	6	35,713	34,323
Charitable activities	7	3,578,647	3,540,041
Total expenditure		3,614,360	3,574,364
Net expenditure before (losses)/gains on investments		(226,431)	(148,421)
Net (losses)/gains on investments and investment properties	5	(2,577)	3,648
Net movement in funds		(229,008)	(144,773)
Reconciliation of funds:			
Total funds brought forward		11,402,081	11,546,854
Total funds carried forward	17	11,173,073	11,402,081

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

All of the charity's operations are classed as continuing and all income and expenditure relates to unrestricted funds.

BROOKVALE
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	10	4,545,810		4,867,399	
Investment properties	11	2,770,275		2,560,776	
Investments	12	3,363,813		3,619,175	
		10,679,898		11,047,350	
Current assets					
Debtors	13	176,678		231,824	
Cash at bank and in hand		591,611		379,793	
		768,289		611,617	
Current liabilities:					
Creditors: amounts falling due in less than one year	14	(275,114)		(256,886)	
Net current assets		493,175		354,731	
Total net assets		11,173,073		11,402,081	
The funds of the charity					
Unrestricted funds	17	11,173,073		11,402,081	
Total charity funds		11,173,073		11,402,081	

The accounts were approved by the board of trustees and signed on its behalf:

D Savage
Chairman

14 September 2021

BROOKVALE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net movement for the year	(229,008)	(144,773)
Adjustments for:		
Depreciation	392,614	364,553
Losses/(gains) on investments	2,577	(3,648)
Investment income	(201,542)	(195,581)
Decrease/(Increase) in debtors	55,146	(93,470)
Increase in creditors	18,228	42,568
Cash generated from/(used by) operations	38,015	(30,351)
Cash flows from investing activities:		
Income from investments and investment properties	201,542	195,581
Purchase of property, plant and equipment	(71,025)	(249,121)
Purchase of investment properties	(209,499)	(179,011)
Net cash used in investing activities	(78,982)	(232,551)
Net decrease in cash and cash equivalents	(40,967)	(262,902)
Cash and cash equivalents at start of year	3,979,600	4,242,502
Cash and cash equivalents at end of year (see below)	3,938,633	3,979,600
Analysis of cash and cash equivalents		
Cash at bank and in hand	591,611	379,793
Cash deposits held as investments	3,347,022	3,599,807
	3,938,633	3,979,600

BROOKVALE

YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Brookvale is an unincorporated registered charity, governed by a trust deed adopted on 5 July 1992. The registered office is Simister Lane, Prestwich, Manchester.

a) Accounting convention

These accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value.

b) Going concern

At the time of approving the accounts, 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 accounts.

c) Charitable funds

General funds are unrestricted funds which represent accumulated income less direct charitable expenditure and other expenditure. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by trustees for particular purposes, as explained further in note 17 to the accounts.

d) Income

Income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amount is reasonably certain and when there is adequate certainty of receipt.

The specific bases used are as follows.

- Donations and legacies are generally accounted for as received.
- Investment income, including rents from investment properties, is recognised on a receivable basis.
- Income from residential care and similar activities is accounted for in the period to which it relates. Any such income received in advance is deferred until entitlement to the income has arisen, at which time it is credited to the statement of financial activities.
- Government grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the grant conditions will be met and the money will be received.

BROOKVALE

YEAR ENDED 31 DECEMBER 2020

**NOTES TO THE FINANCIAL STATEMENTS
(continued)**

1. Accounting policies (continued)

e) Expenditure

Expenditure is accounted for on an accruals basis and is included under expense categories which aggregate all costs for allocation to activities.

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its activities.
- Governance costs include costs incurred in the governance of the charity's assets and costs directly associated with constitutional and statutory requirements.
- Support costs include the central functions, including the staff costs of management, and are based on the time spent on a particular activity.
- Cost of raising funds comprises direct expenditure incurred on rental properties, including staff costs attributable to its activities.

f) Investments

Investments intended to be held long term are initially measured at transaction price and then subsequently measured at fair value at each financial reporting date. Market value is used as a representation of fair value. Changes in fair value are recognised in the statement of financial activities for the year and transaction costs are expensed as incurred.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the financial reporting date. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year.

h) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 are capitalised and included in the balance sheet at their cost.

Depreciation is provided on all tangible assets at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives, as follows.

Freehold land	Nil
Simister Lane buildings	2.5% straight line
Swimming pool complex	7.5% reducing balance
Holiday homes	2.5% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance

i) Operating leases

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

j) Pensions

The charity operates defined contribution pension schemes for its employees, administered by independent managers, the assets of which are held separately from those of the charity. The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

BROOKVALE

YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
(continued)

k) Taxation

The organisation has charitable status and remains exempt from taxation of its income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits held at call and other short-term liquid investments with original maturities of three months or less.

m) Financial instruments

A financial instrument is a contract which results in a financial asset arising in one entity and a financial liability arising in another. The charity generally only has basic financial instruments, such as short-term trade receivables and trade payables, and cash and bank balances. It has elected to apply the provisions of FRS 102 Section 11 'Basic Financial Instruments' to these.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Short term trade receivables and trade payables are measured at transaction price, including transaction costs.

2. Investment income

	2020	2019
	£	£
Rental income	138,005	130,174
UK listed investments	689	67
National Savings investment	2,465	-
Bank interest	60,383	65,340
	<u>201,542</u>	<u>195,581</u>

3. Income from charitable activities

	2020	2019
	£	£
Provision of residential, respite and day care	<u>3,086,652</u>	<u>3,172,580</u>

4. Other income

	2020	2019
	£	£
Job retention scheme grants	12,196	-
Covid-19 support grant from Bury MBC	53,783	-
	<u>65,979</u>	<u>-</u>

5. Net gains/(losses) on investments and investment properties

	2020	2019
	£	£
(Losses)/gains on revaluation of UK listed investments	(2,577)	3,648
	<u>(2,577)</u>	<u>3,648</u>

BROOKVALE

YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
(continued)

	2020	2019
	£	£
6. Costs of generating funds		
Property costs	32,790	31,403
Support costs in administration of investments etc.	2,923	2,920
	<u>35,713</u>	<u>34,323</u>
7. Costs of charitable activities		
Directly allocated costs		
Provisions	168,835	158,713
Water and council tax	125,749	104,756
Insurance	37,988	33,773
Gas and electricity	78,060	75,125
Motor and travel expenses	19,483	22,281
Medical supplies	53,228	66,010
Cost of holidays	-	668
Professional fees	29,512	42,953
Laundry and cleaning	55,929	57,093
Staff training and educational development	8,546	19,510
Printing, stationery and advertising	10,176	19,383
Telephone	24,342	23,156
Repairs, renewals and maintenance	179,643	152,241
Land and garden expenses	3,060	8,896
Sundry expenses	2,702	2,646
Bedding	3,069	2,415
Bank charges	4,409	3,305
Wages and salaries	1,934,929	1,943,753
National insurance	166,964	168,376
Pension costs	46,832	50,714
Depreciation	392,614	364,553
	<u>3,346,070</u>	<u>3,320,320</u>
Support costs		
Wages and salaries	187,852	174,129
National insurance	23,009	21,462
Pension costs	2,514	5,850
Accountancy and payroll fees	9,738	9,816
	<u>223,113</u>	<u>211,257</u>
Governance costs		
Auditor's remuneration	8,400	7,400
Trustee indemnity insurance	1,064	1,064
	<u>9,464</u>	<u>8,464</u>
	<u>3,578,647</u>	<u>3,540,041</u>

Support costs include the central functions, including the staff costs of management, and are based on the time spent on a particular activity.

BROOKVALE**YEAR ENDED 31 DECEMBER 2020****NOTES TO THE FINANCIAL STATEMENTS
(continued)****8. Staff costs**

Staff costs were as follows

	2020	2019
	£	£
Wages and salaries	2,125,704	2,120,802
Social Security costs	189,973	189,838
Pension costs (see note 9)	49,346	56,564
	<u>2,365,023</u>	<u>2,367,204</u>
The average number of employees was:	2020	2019
Carers and auxiliary staff	78	81
Management and administration of the charity	6	6
	<u>84</u>	<u>87</u>

The number of employees whose total employee benefits, excluding pension contributions, were over £60,000, classified within bands of £10,000, is as follows:

	2020	2019
£60,000 - £69,999	1	0
£70,000 - £79,999	0	1
£90,000 - £99,999	0	1
£120,000 - £129,999	1	0

Contributions totalling £8,409 (2019: £8,317) were made to a defined contribution scheme for the higher paid employees.

The employee benefits of the key management personnel totalled £388,795 (2019: £396,423).

No remuneration or expenses, directly or indirectly out of the funds of the charity, were paid or payable during the year to any trustee or to any persons known to be connected to them. The charity spent £1,064 (2019: £1,064) in the purchase of insurance to indemnify the trustees against the consequences of any neglect or default in relation to the charity.

9. Pension costs

The charity operates defined contribution pension schemes for its employees, administered by independent managers, the assets of which are held separately from those of the charity. The pension charge in note 8 represents contributions due from the charity in the year.

BROOKVALE
YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
(continued)

10. Tangible fixed assets

	Simister Lane land and buildings £	Holiday homes £	Fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2020	6,238,969	400,879	2,910,201	80,385	9,630,434
Additions	4,368	-	66,657	-	71,025
At 31 December 2020	6,243,337	400,879	2,976,858	80,385	9,701,459
Depreciation					
At 1 January 2020	3,166,967	140,626	1,397,728	57,714	4,763,035
Charge for the year	149,810	10,045	227,091	5,668	392,614
At 31 December 2020	3,316,967	150,671	1,624,819	63,382	5,155,649
Net book values					
At 31 December 2020	2,926,560	250,208	1,352,039	17,003	4,545,810
At 31 December 2019	3,072,002	260,253	1,512,473	22,671	4,867,399

Included in land and buildings is freehold land costing £5,078 (2019: £5,078) which is not depreciated.

All properties are freehold with the exception of holiday homes, which are long leasehold.

11. Investment properties

At valuation	£
At 1 January 2020	2,560,776
Additions in the year at cost	209,499
At 31 December 2020	2,770,275

Investment property comprises a portfolio of 8 properties acquired with the intention of obtaining rental income. With the exception of 357 Heywood Road, which was an existing asset transferred from tangible fixed assets to investment properties in 2018 at an agreed market valuation, each of the properties have been purchased within the last 4 years and the trustees are satisfied that their cost price represents a close approximation of their fair value at year end on an open market basis.

The historical cost of the investment properties is £2,682,890 (2019: £2,473,391).

BROOKVALE
YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
(continued)

12. Fixed asset investments

	Brought forward £	Additions £	Disposals £	Revaluations £	Carried forward £	% Share of total
Cash deposits:						
Arbuthnot Latham	530,250	-	(530,250)	-	-	0.00
Israeli Bonds	2,550,000	2,050,000	(1,550,000)	-	3,050,000	90.67
N S & I	519,557	2,465	(225,000)	-	297,022	8.83
	3,599,807	2,052,465	(2,305,250)	-	3,347,022	99.50
UK listed investments	19,368	-	-	(2,577)	16,791	0.50
	3,619,175	2,052,465	(2,305,250)	(2,577)	3,363,813	100.00

Investments are stated at their fair value (see note 1f).

13. Debtors

	2020 £	2019 £
Trade receivables - amounts due for provision of care	103,038	98,139
Prepayments and accrued income	73,640	133,685
	<u>176,678</u>	<u>231,824</u>

14. Current liabilities

	2020 £	2019 £
Trade payables	18,986	56,152
PAYE and national insurance	47,118	46,951
Pension creditors	694	703
Accruals	65,570	43,920
Deferred income	98,885	105,045
Other creditors	43,861	4,115
	<u>275,114</u>	<u>256,886</u>

Deferred income is in respect of amounts received in advance from local authorities, which can vary from one period to another.

15. Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Being trade receivables, cash and bank balances and fixed asset investments	<u>4,058,462</u>	<u>4,097,107</u>
Carrying amount of financial liabilities		
Being current liabilities excluding deferred income and PAYE and national insurance	<u>129,111</u>	<u>104,890</u>

BROOKVALE
YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS
(continued)

16. Analysis of net assets between funds

All funds, including designated funds, are unrestricted and therefore all assets and liabilities relate to unrestricted funds.

17. Movements in funds

	Balance at start of year £	Income £	Expenditure £	Investment gains/(losses) £	Balance at end of year £
<u>Current year</u>					
Designated funds					
Building and Subsidy Fund (see note below)	5,234,844	5,289	-	-	5,240,133
General funds					
General Fund	6,167,237	3,382,640	(3,614,360)	(2,577)	5,932,940
Total unrestricted funds	11,402,081	3,387,929	(3,614,360)	(2,577)	11,173,073
<u>Prior year</u>					
Designated funds					
Building and Subsidy Fund (see note below)	5,229,148	5,696	-	-	5,234,844
General funds					
General Fund	6,317,706	3,420,247	(3,574,364)	3,648	6,167,237
Total unrestricted funds	11,546,854	3,425,943	(3,574,364)	3,648	11,402,081

Designated funds: The Building and Subsidy Fund represents funds which the trustees believe are required to maintain the buildings and other tangible fixed assets of the charity to a high standard for the long term and to underpin our charitable activities should regular funding streams be significantly hit at any point.

18. Related party transactions

There are no related party transactions to report for this or the previous year.