

BROOKVALE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Registered charity No: 526086

BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS
BOLTON

BROOKVALE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

	Page
Trustees' report	1 – 5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the accounts	12 - 20

BROOKVALE

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of Brookvale (the "charity") for the year ended 31 December 2021.

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. They review wages and salaries annually and the remuneration of the key management personnel.

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

As we entered into 2021 we were still in the midst of the Global Covid pandemic which was still having a profound effect on Care Homes. Happily, with exceptional management and committed care staff, we kept Covid outbreaks under control.

We continued to be the subject of strict and stringent Government Guidance in relation to controlled visits of family members of our vulnerable residents. This was a constant emotional challenge which lessened as the year went on. Daily Covid testing for staff took place, with monthly tests for our residents. This too was a considerable logistic challenge. In order to attempt to keep our residents and staff safe from Covid and other viruses we invested a substantial amount on Ultraviolet Air Purifiers. A considerable amount of research was carried out to ensure quality, effectiveness and value for money. These Air Purifiers were placed strategically around the living spaces and have proven to be a great success in combatting the risk of Covid and other viruses. Despite the pressures of the Pandemic, the start of 2021 brought some unexpected yet welcome news.

We had been contacted by a firm of Solicitors who acted on behalf of the Estate of the recently passed Myra Elkin. Unbeknown to us she had left her entire Estate to Brookvale in her will. There was a substantial value to the Estate in excess £350,000. Due to Covid there were delays with Probate however we were provided with £250,000 in advance. Having received that money and in light of continued diminishing income from the Local Authorities it was agreed we would look to purchase another property for rental income to supplement the income from the Local Authorities.

We looked at various properties but agreed on the purchase of an off plan new build in Prestwich. This was a prime location on Hillside Avenue and we were confident that it would rent out quickly and at a substantial rent. A tenant moved in within a week of the property being placed on the market and they continue to be long term tenants.

The other rental properties in the Portfolio continued to provide a very satisfactory return in the region of 6.5%. There was the usual expenditure in respect of maintenance and repairs throughout the site. There were upgrades in all areas including flooring, furniture and kitchen machinery together with laundry machinery. Utilities including gas and electricity increased in price as did running costs generally. There was a considerable increase on the costs of insurance.

The cost of the provision of PPE for infection control remained high however we did receive some financial assistance by way of Government Covid Grants. In terms of infection control it was important to ensure there were no issues with Legionella Disease. Despite the Pandemic a full independent risk assessment took place.

Having seen the drama of the Danish footballer collapsing on the pitch with heart issues during the World Cup it was important to ensure that all the Defibrillators on site were in good working order. They were all serviced, and staff were retrained so that they would be fully prepared to deal with such emergencies.

Sadly, we lost two long standing residents due to natural causes. Diane Boher passed on 21/2/21 and Graham Taylor on 21/5/21; the loss of these much loved residents then lead to a further reduction in the income from the Local Authorities.

Staff morale remains high despite the challenges of Covid and they should be commended for their commitment and quality of care. We now hope to navigate our way through the pandemic and strive to strengthen the Charity's standing. It is important that we continue the high quality of care we provide to our vulnerable residents.

We will continue to seek investment opportunities to supplement the diminishing income from Local Authorities.

Regardless of the difficulties and challenges of Covid the Charity remains in a strong position moving forward into the future.

BROOKVALE

TRUSTEES' REPORT (continued)

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 income of £142,035 for the year. After net gains on investments of £405,233, our net surplus on funds was £547,268. Expenditure on charitable activities exceeded income from charitable activities by some £470,798, 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 2021 the balance of our unrestricted funds, less the net book value of our tangible fixed assets, totalled £7,749,341, allowing us to face the future with confidence.

The Building and Subsidy Fund stands at £5,244,569 at 31 December 2021. 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

12 September 2022

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 2021 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 2021 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 focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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.

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

12 September 2022

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 2021

	Notes	Total funds 2021 £	Total funds 2020 £
Income from:			
Donations and legacies	3	304,979	33,756
Investments	4	187,337	201,542
Charitable activities	5	2,971,506	3,086,652
Other income	6	165,999	65,979
Total Income		3,629,821	3,387,929
Expenditure on:			
Cost of generating funds	8	45,482	35,713
Charitable activities	9	3,442,304	3,578,647
Total expenditure		3,487,786	3,614,360
Net income/(expenditure) before gains and losses on investments		142,035	(226,431)
Net gains/(losses) on investments and investment properties	7	405,233	(2,577)
Net movement in funds		547,268	(229,008)
Reconciliation of funds:			
Total funds brought forward		11,173,073	11,402,081
Total funds carried forward	20	11,720,341	11,173,073

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	13	3,971,000		4,545,810	
Investment properties	14	3,820,849		2,770,275	
Investments	15	3,134,076		3,363,813	
		10,925,925		10,679,898	
Current assets					
Debtors	16	191,441		176,678	
Cash at bank and in hand		868,085		591,611	
		1,059,526		768,289	
Current liabilities:					
Creditors: amounts falling due in less than one year	17	(265,110)		(275,114)	
Net current assets		794,416		493,175	
Total net assets		11,720,341		11,173,073	
The funds of the charity					
Unrestricted funds	20	11,720,341		11,173,073	
Total charity funds		11,720,341		11,173,073	

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

D Savage
Chairman

12 September 2022

BROOKVALE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net movement for the year	547,268	(229,008)
Adjustments for:		
Depreciation	348,857	392,614
(Gains)/losses on investments	(405,233)	2,577
Investment income	(187,337)	(201,542)
(Increase)/decrease in debtors	(14,763)	55,146
(Decrease)/increase in creditors	(10,004)	18,228
Cash generated from operations	278,788	38,015
Cash flows from investing activities:		
Income from investments and investment properties	187,337	201,542
Purchase of property, plant and equipment	(44,952)	(71,025)
Purchase of investment properties	(379,669)	(209,499)
Net cash used in investing activities	(237,284)	(78,982)
Net increase/(decrease) in cash and cash equivalents	41,504	(40,967)
Cash and cash equivalents at start of year	3,938,633	3,979,600
Cash and cash equivalents at end of year (see below)	3,980,137	3,938,633
Analysis of cash and cash equivalents		
Cash at bank and in hand	868,085	591,611
Cash deposits held as investments	3,112,052	3,347,022
	3,980,137	3,938,633

BROOKVALE

YEAR ENDED 31 DECEMBER 2021

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 20 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. Any such income which arises in the period prior to the invoice being raised, is recognised as accrued income and 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 2021

**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 2021

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

k) 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

l) 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.

m) 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.

n) 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 cash and bank balances, are measured at transaction price.

Other financial assets

Financial assets classified as other financial assets, such as trade debtors, are stated at fair value. Any gains or losses arising on re-measurement are recognised in the statement of financial activities.

Basic financial liabilities

Basic financial liabilities, which include other creditors, are recognised at transaction price.

2. Judgements and key sources of estimation uncertainty

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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Investment properties

The most critical estimate and assumptions for investment properties relate to the determination of the carrying value. Investment properties have been revalued during the year, based on a desktop valuation completed by management.

BROOKVALE
YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS
(continued)

3. Donations and legacies

	2021	2020
	£	£
Donations	54,979	33,756
Legacies	250,000	-
	<u>304,979</u>	<u>33,756</u>

4. Investment income

	2021	2020
	£	£
Rental income	138,416	138,005
UK listed investments	-	689
National Savings investment	30	2,465
Bank interest	48,891	60,383
	<u>187,337</u>	<u>201,542</u>

5. Income from charitable activities

	2021	2020
	£	£
Provision of residential, respite and day care	2,971,506	3,086,652
	<u>2,971,506</u>	<u>3,086,652</u>

6. Other income

	2021	2020
	£	£
Job retention scheme grants	-	12,196
Covid-19 support grant from Bury MBC	165,999	53,783
	<u>165,999</u>	<u>65,979</u>

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

	2021	2020
	£	£
Gains/(losses) on revaluation of UK listed investments	5,233	(2,577)
Gains/(losses) on revaluation of investment properties	400,000	-
	<u>405,233</u>	<u>(2,577)</u>

BROOKVALE

YEAR ENDED 31 DECEMBER 2021

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

8. Costs of generating funds

	2021	2020
	£	£
Property costs	32,598	32,790
Support costs in administration of investments etc.	12,884	2,923
	45,482	35,713

9. Costs of charitable activities

Directly allocated costs

Provisions	162,825	168,835
Water and council tax	139,264	125,749
Insurance	45,673	37,988
Gas and electricity	126,029	78,060
Motor and travel expenses	23,151	19,483
Medical supplies	47,653	53,228
Professional fees	55,967	29,512
Laundry and cleaning	60,967	55,929
Staff training and educational development	6,481	8,546
Printing, stationery and advertising	7,804	10,176
Telephone	21,172	24,342
Repairs, renewals and maintenance	186,488	179,643
Land and garden expenses	3,090	3,060
Sundry expenses	1,372	2,702
Bedding	1,459	3,069
Bank charges	2,678	4,409
Wages and salaries	1,767,061	1,934,929
National insurance	152,588	166,964
Pension costs	37,126	46,832
Depreciation	348,857	392,614
	3,197,705	3,346,070

Support costs

Wages and salaries	194,826	187,852
National insurance	23,840	23,009
Pension costs	2,518	2,514
Accountancy and payroll fees	10,490	9,738
	231,674	223,113

Governance costs

Auditor's remuneration	8,940	8,400
Trustee indemnity insurance	3,985	1,064
	12,925	9,464
	3,442,304	3,578,647

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 2021

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

10. Net income

This is stated after charging:

	2021	2020
	£	£
Depreciation	348,857	392,614
Auditors' remuneration:		
• Audit fees	8,940	8,400
• Other services	10,490	9,738

11. Staff costs

Staff costs were as follows

	2021	2020
	£	£
Wages and salaries	1,961,887	2,125,704
Social Security costs	176,428	189,973
Pension costs (see note 12)	39,644	49,346
	2,177,959	2,365,023

The average number of employees was:

	2021	2020
Carers and auxiliary staff	75	78
Management and administration of the charity	6	6
	81	84

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

	2021	2020
£60,000 - £69,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The employee benefits of the key management personnel totalled £383,351 (2020: £388,795).

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 £3,985 (2020: £1,064) in the purchase of insurance to indemnify the trustees against the consequences of any neglect or default in relation to the charity.

12. 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 11 represents contributions due from the charity in the year.

BROOKVALE
YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS
(continued)

13. Tangible fixed assets

	Simister Lane land and buildings £	Holiday homes £	Fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	6,243,337	400,879	2,976,858	80,385	9,701,459
Additions	-	-	44,952	-	44,952
Transfer to investment property	(317,690)	-	-	-	(317,690)
At 31 December 2021	5,925,647	400,879	3,021,810	80,385	9,428,721
Depreciation					
At 1 January 2021	3,316,777	150,671	1,624,819	63,382	5,155,649
Charge for the year	137,462	10,045	197,099	4,251	348,857
Transfer to investment property	(46,785)	-	-	-	(46,785)
At 31 December 2021	3,407,454	160,716	1,821,918	67,633	5,457,721
Net book values					
At 31 December 2021	2,518,193	240,163	1,199,892	12,752	3,971,000
At 31 December 2020	2,926,560	250,208	1,352,039	17,003	4,545,810

Included in land and buildings is freehold land costing £5,078 (2020: £5,078) which is not depreciated.

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

14. Investment properties

At valuation	£
At 1 January 2021	2,770,275
Additions in the year at cost	379,669
Transfers from owner-occupied property	270,905
Net gains or losses through fair value adjustments	400,000
At 31 December 2021	3,820,849

Investment property comprises a portfolio of 10 properties acquired with the intention of obtaining rental income. Investment properties have been revalued during the year, based on a desktop valuation completed by management.

The historical cost of the investment properties is £3,380,251 (2020: £2,682,890).

BROOKVALE
YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS
(continued)

15. Fixed asset investments

	Brought forward £	Additions £	Disposals £	Revaluations £	Carried forward £	% Share of total
Cash deposits:						
Israeli Bonds	3,050,000	765,000	(1,000,000)	-	2,815,000	89.82
N S & I	297,022	-	-	30	297,052	9.48
	3,347,022	765,000	(1,000,000)	30	3,112,052	99.30
UK listed investments	16,791	-	-	5,233	22,024	0.70
	3,363,813	765,000	(1,000,000)	5,263	3,134,076	100.00

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

16. Debtors

	2021 £	2020 £
Trade receivables - amounts due for provision of care	105,268	103,038
Prepayments and accrued income	86,173	73,640
	191,441	176,678

17. Current liabilities

	2021 £	2020 £
Trade payables	53,330	18,986
PAYE and national insurance	39,217	47,118
Pension creditors	619	694
Accruals	81,108	65,570
Deferred income	85,910	98,885
Other creditors	4,926	43,861
	265,110	275,114

Deferred income is in respect of amounts invoiced to local authorities, which can include an element of income relating to post-year end. The amounts involved can vary from one period to another.

18. Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Being trade receivables, cash and bank balances and fixed asset investments	4,107,429	4,058,462
Carrying amount of financial liabilities		
Being current liabilities excluding deferred income and PAYE and national insurance	139,983	129,111

BROOKVALE
YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS
(continued)

19. Analysis of net assets between funds

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

20. 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)	5,240,133	4,436	-	-	5,244,569
General funds					
General Fund	5,932,940	3,625,385	(3,487,786)	405,233	6,475,772
Total unrestricted funds	11,173,073	3,629,821	(3,487,786)	405,233	11,720,341
<u>Prior 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

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.

21. Related party transactions

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