

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
WARRINGTON COMMUNITY LIVING**

WARRINGTON COMMUNITY LIVING
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FOR THE YEAR ENDED 31 MARCH 2018

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are the relief of older people from the disabilities resulting from old age, including mental health problems, and of people with learning disabilities, physical disabilities or mental problems by the provision of permanent homes and services calculated to relieve the needs of such persons. In furtherance of these objects, the charity seeks to enable these persons to lead an independent and fulfilling lifestyle by providing opportunities to exercise their rights and to enjoy the same range of options available to all valued members of society.

In achieving these objectives and aims, the Trustees have identified the following specific purposes and values:

- | | |
|------------------------|---|
| Organisational Purpose | - Supporting people to be active citizens |
| Organisational Values | - Seeing the possibilities to make a positive difference |
| | - Valuing and celebrating diversity |
| | - Supporting rights, needs, choices and dreams |
| | - Being responsible, sustainable and innovative in our work |

There have been no material changes in policy or objectives throughout the year.

Public benefit

The Trustees confirm they have regard for the Public Benefit guidance issued by the Charity Commission as the Charities Act 2011 requires the Charity to demonstrate the Public Benefit of our aims.

The Charity's Purpose is to benefit the public by providing Residential and Nursing accommodation, care and support for adults who have learning disabilities and for older people requiring support including those who have dementia. We also provide support for people who have learning disabilities to enable them to live as independently as possible within their own homes.

The people who have used and benefited from our accommodation and support are from Warrington, Halton, St Helens, Stockport, Lancashire, Sefton, Bolton, Knowsley, Wigan and Wakefield. 600 people have used those services during this period and our current funding limits the number of people that we can support to this number.

Demand for our services is met by giving priority to referrals from local authority adult social care departments and local Primary Care Trusts and on some occasions, self or family referrals.

Most of the people we support are over 18 years of age, although over the past three years we have continued to grow our work with young disabled people who are under 18.

Warrington Community Living actively attend and support a range of local statutory and voluntary sector forums relating to older people, people with learning disabilities, and people with dementia. We actively seek ways in which we can directly develop, or support others in the development of services for our beneficiary group.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities - summary of history and services

Warrington Community Living was conceived in 1989 and established as a charity in 1991. Its original purpose was to support people with learning disabilities moving out of long stay hospital accommodation and provide them with community focused services that would promote independence and a more inclusive lifestyle. This work continues and almost immediately was extended to include working with older people including increasingly those with dementia.

In the last five years, we have extended this work further into supporting people with mental health issues and disabled children and young people and in that period we have moved from supporting less than 100 people, to supporting over 600 people every year.

In April 2018:

WCL continues to satisfactorily operate the following services that are registered and regulated by the Care Quality Commission (CQC):

- Heathside - a residential home in Penketh for 37 older people and people with dementia, which is now also successfully working with older people with a learning disability
- Heathside Mews - a residential home in Penketh for 25 older people and people with dementia
- Radcliffe Meadows - a residential nursing home in Culcheth for 12 people with learning and physical disabilities
- 53 Twiss Green Lane - a residential home in Culcheth for 4 people with learning and physical disabilities
- Lucklaw - a residential home in Great Sankey for 4 people with profound and multiple learning and physical disabilities
- Community Network - a flexible community based service for people with physical and learning disabilities, older people and people with dementia which also works with children and young people with disabilities
- Lodge Lane - a residential nursing home in Bewsey for 20 people with mental health issues
- Westleigh House - a residential home in Stockton Heath for 19 people with mental health issues
- Ryfields Village - an extra care supported housing scheme for approximately 270 older people for whom between 40-60 at any time will be receiving additional individual care and support

And the following service which is not required to be registered with CQC:

- Community Mental Health and Wellbeing Team incorporating:
 - Supported Housing Network - a network of flats for 57 people offering low level support for enduring mental health issues
 - Complex Mental Health and Outreach Service - one to one support for people recovering from complex mental health needs
 - Park House - a three bedroomed alternative to admission to psychiatric hospital

Notably all of our longer standing services upon inspection by CQC achieved a grade of 'Good' with the Community Network achieving a grade of 'Outstanding'. Only No. 53 Twiss Green Lane was awarded a 'Requires Improvement' which was in large part due to a change of management team that had still to take proper effect at the time of inspection.

Some of these services operate on an interdependent basis (shared staffing/management structures) but can be represented as achieving the following proportionate financial impact on WCL's income:

Service Heading	Percentage of income in 2017/18
Heathside	14%
Heathside Mews	11%
Radcliffe Meadows	14.5%
Residential Network (Lucklaw and No. 53 TGL)	8.5%
Community Network	10%
Community Mental Health and Wellbeing	8%
Westleigh House	9%
Lodge Lane	13%
Ryfields Village	12%
Other income (bank interest, appointeeship fees etc)	<1%

Significantly, this means that 30% of our income is from community based services (Ryfields Village, Community Network and Mental Health and Wellbeing) as opposed to building based which is a strong move towards our ambition that by 2022 50% of our income should be community based. In 2013/14 it was less than 3.5% of income.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRATEGIC REPORT

Achievement and performance

This year saw us achieve Investors in People Silver level against a new standard that left many organisations dropping down the grades. Our continuing work on developing our workforce, and openly communicating with them about our problems and plans was reflected in our very positive feedback.

The New Park House project which opened its doors in January has had a very positive response both from colleagues in other agencies and the first tranche of people to use it as an alternative to going to hospital. Whilst off to a slow start, as awareness of the service and confidence in its abilities grow, it is already clear that this service is saving lives both metaphorically in terms of quality of life and actual saving by diversion from suicidal intent. The newly formed Community Mental Health and Wellbeing Service have done an amazing job of changing their working patterns and duties to embrace this new, challenging type of service delivery.

We were very pleased to be successful in regaining a place on the Warrington framework for supported living and outreach for people with learning disabilities. Having lost the contract in 2012 we have worked hard to develop our community offering, and we won against immense competition from large regional and national organisations. A number of colleagues transferred over to us from two other unsuccessful existing providers and we are now working on improving the service to the 22 people that we were asked to work with by the Borough. This means we are now able to provide an enhanced pathway of support for people with learning disabilities, through from a specialist residential nursing home, to small group living and into supporting people in their own homes and communities.

This year saw WCL continuing to be represented and representing other organisations on more local and regional groups than ever before, including the new Warrington Together Board which has been our major focus of work, both for our own organisation and the local third sector's benefit, but most importantly in trying to drive transformation change for the people of Warrington. Creating a more joined up, cost effective, people centred health and social care system will be of huge benefit to the health and wellbeing of local people and to hard pressed public funds. Playing our part in this is clearly in accordance with our charitable purpose.

Finally, having focused on the financial performance of Ryfields Village, it should be highlighted that we have taken a service that regularly had complaints and possibly somewhat generously was graded by CQC as 'Requires Improvement' in its first year with WCL, this year achieved a strong all round 'Good' with regular positive comments from residents about the care and support they receive. The effort and commitment that goes into transforming a failing service should not be underestimated, and the difference this makes to the lives of people living in the Village should be celebrated.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRATEGIC REPORT

Financial review

Financial position

The Charity's principle income stream during this year remained as usual from fees for delivery of services which has a direct and complete relationship to the delivery of our charitable objectives and stated purpose to 'support people to be active citizens'.

Our single biggest commissioning organisation continues to be Warrington Borough Council (WBC), and secondly Continuing Health Care for their element of health-related services in our nursing home delivered on their behalf through contract with WBC and other local authorities. However, we also have several individuals who use our services who are funded by local authorities from outside of Warrington.

However, notably this year saw Warrington Community Living (WCL) gain its first ever direct contract with the NHS, delivering an alternative to psychiatric hospital admission using three bedrooms at Park House. Whilst a relatively small contract (£156k per annum) this represents an important diversification of income stream and contracts status, especially with the increasing national momentum towards integrated health and social care commissioning. We were also successful in getting a £100k Department of Health and a £40k Better Care Fund grant to pay for the majority of the necessary refurbishment of the house again representing our biggest grant award in the last 25 years.

We also gain rental income from properties where we act as the landlord to 11 people we are supporting under the low level mental health support contract.

Additionally, in significant part as a result of the Ryfields Village contract we gain income from an increasing number of individuals who in part or fully fund their own care and support services.

Finally, we again gained relatively small income (just over 1% of total) from providing a private housekeeping service at Ryfields Village, laundry services in some of our supported housing and fees for acting as an Appointee to individuals.

During this period, we were awarded inflationary uplifts in fee income for some but not all of our services, none of which recognised the true inflationary pressures we experienced reflecting the continuing financial pressures that local government and NHS budgets have been under for some years now.

None the less once again we were required to meet the costs of the implementation of a further rise in the national Living Wage and above inflation rises in areas such as the cost of insurance, regulatory fees, utilities and vehicle fuel. This was the second year that these rises significantly affected our workforce costs because we have traditionally paid above the statutory minimum and it required us to increase pay not only for those on the living wage, but also in posts directly above them to maintain pay differentials which caused a significant above inflation rise in the cost of staffing (4.2%), which forms 76% of our budgeted expenditure.

Due to the normalisation of WCL basic pay with other equivalent organisations in Warrington, combined with high local employment we found that 2017/18 presented unusually high challenges in recruitment and retention. This also combined with a continuing real difficulty in attracting and retaining nurses, part of a national shortage resulting in a very competitive recruitment market. At its worst we were carrying 14% vacancies requiring heavy use of expensive agency staff which resulted in a £710k overspend on staffing costs.

Three years ago, the WCL Board closed its long standing final salary pension scheme (Cheshire Pension) to new members on the basis of having become unaffordable with a deficit position having developed over the previous triennial. Whilst fixed payments to offset that deficit have been made, the continuing membership of existing contributing colleagues has added liability to the fund and this year the Board took the difficult decision to close the scheme to remaining contributing members as of April 2018. This will serve to fix our liability and reduce employer pension contributions, although the Board did offer a preferential version of the WCL defined contributions scheme as compensation to the colleagues affected by the closure.

This year, most of our services performed well against budget for occupancy and therefore income, with the notable exception of Ryfields Village and Heathside which between them had a £79k under-performance. However, 2017/18 saw the Community Network finally move into surplus in most part due to us successfully regaining a contract for supported living and outreach work for people with learning disabilities which we lost in 2012. Overall this resulted in a welcome £465,001 surplus against budget on income despite difficult market circumstances, moving WCL into being a £6.5M organisation for the first time having grown from receiving under £3M in 2013/14.

However, eight out of twelve budget centres failed to meet their expenditure budget, in part providing increased staffing levels due to increased occupancy and one to one support, but in a large part due to difficulties in recruitment and covering additional staffing needs and absences resulting in an all-time high agency staff expenditure and high recruitment costs. Additionally, we experienced a high level of property related costs including essential works on fire prevention in three of our residential homes meaning across the organisation this resulted in an overall £710k overspend on staffing which combined with a £80,000 overspend on other areas more than negated the income surplus and meant for the first time in over a decade, WCL ended with a deficit of £133k in 2017/18 before other recognised gains and losses. Difficulties in health and social care recruitment are a national as well as local issue, which will therefore continue to cause us considerable difficulty in the forthcoming year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRATEGIC REPORT

Financial review

Financial position

The winning of the care and support contract at Ryfields Village which commenced in October 2015 was welcome and extended our charitable work and beneficiaries but the service continues to be a significant cost to WCL to run. Following negotiations with Warrington Borough Council this April will see a first time rise in charges to residents and an additional increase to WBC fees which should help to offset this cost.

Investment policy and objectives

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for the investment of surplus funds and have decided that a Treasury Reserve Deposit with the charity's bankers, Barclays Bank, meets their requirements to generate income with security of capital.

Reserves policy

When developing the charity's reserves policy the trustees have considered current obligations, commitments to staff and service users and the development of the charity.

In June 2017 the WCL Board agreed a new Reserves, Designated Funds and Investments Policy and at their meeting in August 2017 this was further detailed with the following intentions:

Main Reserve

£1M to be held in reserve for unplanned and cash flow needs of which:

- £0.75M can be held in medium term investments (tied up to maximum three years)
- £0.25M should be held available for more immediate use

Designated Funds

For the next twelve-month period the following designation should apply with review in April 2018

- For each triennial set aside anticipated Cheshire Pension Fund deficit payments. In 2017-2020 this is £465k.
- Heathside and Mews Refurbishment Project - £2M
- Radcliffe Meadows Refurbishment Project - £200k
- Capital repairs, refurbishment and service improvements fund (to include Supported Housing reserve) - £500k. This fund will still require further agreement from Board with regards to specific spends

This position on reserves and designated funds will be reviewed annually.

An analysis of reserves at 31 March 2018 reveals that of total reserves of £6,479,823, £2,910,252 was held as designated funds, with the balance of £3,569,571 held as unrestricted funds. Of these unrestricted funds an amount of £2,551,131 represents unrestricted fixed assets less mortgage. This leaves free reserves of £1,018,440.

Principal risks and uncertainties

As was the case last year, in the face of continuing local government cutbacks and strong and increasing competition this has continued to be a challenging time to operate a social care organisation in Warrington. However, we have again managed to achieve growth in both the number and scope of our services.

The financial pressure that Warrington Borough Council as our main commissioning organisation is under cannot be underestimated. Successes in getting inflationary rises in 2016/17 were repeated in 2017/18 but these were not for all services and none of them met the true inflationary costs that we had encountered and they cannot be depended on in the forthcoming period. This and the further forthcoming rises in living wage, auto-enrolment pension mandatory employer contribution levels, the Apprenticeship Levy and other inflationary costs will continue to place even greater pressure on our income and surpluses.

Our inability to maintain our historic practice of offering above minimum (living) wage levels alongside high local employment and national issues with recruiting to health and social care roles has for the first time in WCL's history created a sustained, detrimental impact on our ability to recruit and retain colleagues resulting in high use of agency staff. This has a very negative impact on our finances, but also on our ability to provide consistent, high quality care, and has a knock on effect, on team morale. This remains a key risk and an area for focused attention in the forthcoming year.

Whilst occupancy at Radcliffe Meadows has exceeded budgetary expectations this year, the service remains in an ageing building that offers insufficient flexibility for the range of people it could support. Because of the age of Heathside and the difference of look and facilities compared to more modern homes and also the absence of nursing provision the service is increasingly being outpaced by other providers and the Mews whilst more modern, is too small to use as a nursing home. More older people and their families are now looking for the dual registration to avoid having to move again. All three homes have rallied on occupancy but previous financial years have demonstrated their vulnerability and work therefore continues on how we can re-provide/refurbish the services at Radcliffe Meadows and Heathside looking at different site and building options.

In the meantime, our ageing buildings present us with spending challenges relating to updated fire risk assessments, fabric and fittings and considerable work and expenditure has been and will continue to be required to ensure they remain serviceable. Fortunately, and prudently the organisation has strong reserves to meet these costs.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRATEGIC REPORT

Principal risks and uncertainties

Changes within the wider environment of health and social care, with the system moving towards more integrated commissioning and service delivery has presented WCL with challenges and opportunities. The potential for NHS Commissioners and Trusts and the local authorities to create new systems and contracts that exclude or disadvantage smaller third sector providers is considerable which has meant early focused work on developing a new Warrington Third Sector Health and Wellbeing Alliance and making representation for a seat on the new Warrington Together Board have been an important mitigation.

The Supported Housing service for people with mental health issues continues to be due to be exposed to tender, but the Borough last year rewrote the contract to extend the provision of the service to a wider group of 'vulnerable' people which is intended to improve the cost effectiveness of this service for them and in January 2018 it was agreed that this worked well as an integrated follow through to work at Park House so whilst this service remains at risk of cuts or retendering exercises, it is better protected now than last year.

Ryfields Village as detailed in the financial review as a still developing service is still running at a persistent deficit. Because of quality and team performance management issues this service has presented significant challenges that whilst they are being dealt with, have placed pressure on our organisational reputation and required additional management resources and expenditure. However, this is being rectified as quickly as possible to mitigate that risk and to bring expenditure under greater control supported by an increase in income.

The forthcoming implementation date in May 2018 for the General Data Protection Regulation (GDPR) has been anticipated and a project team has been working on our compliance. The new regulations bring high penalties from the regulator for non-compliance, although the current anticipation is that their initial focus will be on supporting efforts towards compliance and addressing deliberate contraventions.

In summary, whilst last year's report outlined significant risks and challenges to the organisation many of which are persisting due to external factors, our risk management strategies continue to be effective and we therefore remain positive about our continuing ability to deal with difficult working circumstances.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRATEGIC REPORT

Future plans

This year will see the retendering of the Warrington Mental Health Day Service which having been threatened with closure, is being given another opportunity to realise its full potential as a modern day service. This would fit well with our desire to develop better pathways for people with mental health issues in Warrington in partnership with other local organisations.

As part of the development of these better pathways, we would like to develop more housing options that will support people to move out of psychiatric hospital quicker and also with a focus on the younger generation of adults with mental health issues, who are often stuck in their parental homes or other environments but need a supportive helping hand into a more independent adult life.

Once we have stabilised the service at Ryfields Village there are considerable opportunities to extend both the care support and housekeeping service into the local community to provide support in local older people's homes. We can anticipate that this year may see the commencement of a retendering exercise for the Ryfields service, but also other extra care schemes that are run by other providers, or are currently being built. If they can be made to work financially, these would be natural areas for us to develop our community offering for older people and those living with dementia.

On that topic, we remain committed to use the role of Chair for the local Dementia Action Alliance to initiate more work to make Warrington a dementia friendly community. We applied, but failed to get funds for this from Warrington Better Care Fund, but we are now looking at sources of charitable funding in order to develop this work.

Due to the constraints of working patterns and recruitment challenges, we still have more work with children and young people being offered than we can currently meet. We would like to change that this year by growing the Community Network team so we do not have to turn down families and young people in need as well as moving into more full time support for people requiring greater levels of assistance, as we are clear that other providers do not offer the same quality of service as we can for this group.

All of the above would further increase our number and the quality of what we can offer to our beneficiaries as well as moving more solidly into community, not residential building based services.

However, the redevelopment of Heathside and the Mews and Radcliffe Meadows remains a part of our commitment to existing building based services and we will still be working hard to create short, medium and long-term options for this service during the course of this year.

Our newly created post of Learning Co-ordinator means that we can start to develop more in-house learning opportunities, reducing our dependence on external trainers, customising our workshops to make them more consistent with the WCL key statements and devising more localised learning workshops within services which will make them easier and cheaper to access as well as more relevant to those services and their development.

We continue to work on the Governance Structure and plan to bring in new standards for meetings and Trustee conduct, including structuring visits to services more closely, and involving Trustees with professional expertise in the development of best practice in WCL's specialist fields of work.

Finally, as detailed above we hope to formally position Warrington Community Living in a leadership role for the newly formed Warrington Third Sector Health and Wellbeing Alliance under a new Collaborative Agreement and a new brand identity that will enable us to reach for and win commissioned work together and positioning it as a key stakeholder in the Warrington Together that is starting to take shape in Warrington as part of the national agenda for integrating health and social care.

Summary

This year has given us a roller coaster ride, with successes in tenders and new work that is making a real difference in far more people's lives than Warrington Community Living has ever managed before, alongside financial challenges and external threats that require focused time and crafted attention to ensure we sustain in the most challenging period for a not for profit health and social care charity ever to attempt to exist and thrive.

A market place of health and social care when public funds are short and demand is rising offer too many temptations to organisations to sacrifice their values and lose their way under financial pressures and operating difficulties. Staying true to the intention of making a real difference in people's lives has never been more important and Warrington Community Living's key statements have never been more relevant.

I would once again like to thank all of the Trustees, WCL colleagues, people that we support and external colleagues who continue to commit to and support this challenging project and who want and need us to live up to our values.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association.

The company is limited by guarantee and has no share capital. Under the terms of the Memorandum and Articles of Association of the company, each member, in the event of it being wound up whilst a member, and within one year after ceasing to be a member, undertakes to contribute to the assets of the company, an amount not exceeding £10 for payment of the debts or liabilities of the company.

Recruitment and appointment of new trustees

The trustees are appointed by the Board of Directors as stated in the articles of association. Trustees must retire after their first year in office but being eligible may offer themselves for re-election. Thereafter one third of the trustees must retire by rotation, being those that have been in office the longest since their last appointment.

In accordance with the Articles of Association, at the Annual General Meeting the following trustees retire and, being eligible, offer themselves for re-election:

Mrs H A Whitfield

Mrs J L Wycherley

The retirement of two Board members combined with a Trustee competency analysis means that the Board plan to undertake recruitment of new Trustees in the next year to sustain its numbers and to increase its competence in key areas relating to finance, IT, HR and the law.

Organisational structure

The board of trustees administers the charity. The board meet once every two months to manage the charity's affairs, receiving management accounts and reports from the Chief Executive and the various heads of department.

The Chief Executive is appointed by the board to manage the day to day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters such as care and employment. Financial decisions are governed by the Financial Regulations Policy 10/05, currently being reviewed, as approved by the board of trustees.

Induction and training of new trustees

Newly appointed trustees participate in an orientation programme based on the "Good Practice for Directors" standards for the Board, published by the Institute of Directors. The objective of the programme is to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Committee and decision making processes, the business plan and recent financial performance of the charity. During their induction period they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

The WCL Board Appraisal (formerly Remuneration) Sub-Committee met during this period and reviewed the Chief Executive's performance and pay. The Committee aim to meet on an annual basis to review the CEO's performance against agreed objectives and also against the scope of his responsibilities to assess whether any pay awards are merited to include general cost of living rises awarded by the Board for all colleagues in the annual review of pay.

Other members of the Senior Management Team (SMT) are generally on fixed levels of pay with no additional increments available other than again through general cost of living rises awarded by the Board for all employees in the annual review of pay. However, some of the newer appointments have been made on a graduated scale of pay that allows the CEO to award an agreed increase to colleagues once they gain greater experience in post or agreed qualifications that were listed as desirable in the Person Specification but that they do not yet hold.

In the event that any SMT member assumed additional or greater responsibilities their pay would be reviewed by the CEO and if a permanent pay increase was considered appropriate this would be presented to and agreed by the WCL Board.

WCL do not pay bonuses or utilise performance related pay. We are pleased to report that we experience no adverse gender pay gaps with a sector leading 0% median pay gap, notably with the majority of our senior colleagues being women in line with our overall organisational gender balance.

In January 2018, we held our second joint SMT and Board Awayday in order to review our performance over the previous year against our agreed Strategic Five Year Ambitions. On evaluation, this was again considered to be very successful and will continue to be held annually.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02595601 (England and Wales)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1003023

Registered office

The Gateway
Resource Centre
Sankey Street
Warrington
Cheshire
WA1 1SR

Trustees

Mr T J Ennis	Trustee	- resigned 12.2.18
Mrs H A Whitfield	Trustee	
Mr G Spenley	Trustee	- resigned 11.12.17
Mrs J L Wycherley	Trustee	
Mr H I Fairbrother	Strategic Lead	
Mrs K Robinson	Administrator	
Mr R Gore	Trustee	
Mrs J Carolan	Trustee	- appointed 11.12.17

Company Secretary

Mrs S L Gosling

Auditors

Livesey Spottiswood
Chartered Accountants and
Statutory Auditors
17 George Street
St Helens
Merseyside
WA10 1DB

Bankers

Barclays Bank plc
25 Sankey Street
Warrington
Cheshire
WA1 1XQ

Senior Management Team

Chief Executive	Mr M Sheppard
Community Network Manager / Residential Network Manager	Mr R McGuire
Services for Older People Manager	Miss S Gardner
Radcliffe Meadows Manager	Miss C Davies
Community Mental Health & Wellbeing Manager	Mrs D Appleyard
Lodge Lane Manager	Mr M Doherty
Westleigh Manager	Mrs M Wray-Dodd
Ryfields Village Manager	Mrs Sarah Battersby

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity acts as custodian of monies belonging to certain of its service users.

These monies are held in bank accounts separate from the accounts of the charity.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Warrington Community Living for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

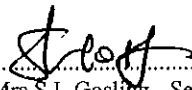
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Livesey Spottiswood, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24/3/18 and signed on the board's behalf by:


.....
Mrs S L Gosling - Secretary

Opinion

We have audited the financial statements of Warrington Community Living (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WARRINGTON COMMUNITY LIVING (REGISTERED NUMBER: 02595601)**

Our 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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

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.

David Hudd BA FCA

Mr David Hudd BA FCA (Senior Statutory Auditor)
for and on behalf of Livesey Spottiswood
Chartered Accountants and
Statutory Auditors
17 George Street
St Helens
Merseyside
WA10 1DB

Date: *24th September 2018*

WARRINGTON COMMUNITY LIVING

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	329,275	101,996	431,271	324,885
Charitable activities	4				
Homes for Older People		1,585,673	-	1,585,673	1,533,534
Nursing Home		1,783,108	-	1,783,108	1,714,652
Residential Network including Westleigh House		1,122,038	-	1,122,038	1,078,326
Community Network		1,038,083	-	1,038,083	545,822
Ryfields Village		613,779	-	613,779	637,468
Investment income	3	-	-	-	3
Other income		6,100	-	6,100	-
Total		6,478,056	101,996	6,580,052	5,834,690
EXPENDITURE ON					
Charitable activities	5				
Homes for Older People		1,609,311	1,000	1,610,311	1,461,480
Nursing Home		1,750,674	-	1,750,674	1,604,726
Residential Network including Westleigh House		1,130,337	-	1,130,337	1,083,132
Community Network		1,177,725	100,000	1,277,725	624,094
Ryfields Village		943,082	996	944,078	977,988
Total		6,611,129	101,996	6,713,125	5,751,420
NET INCOME/(EXPENDITURE)		(133,073)	-	(133,073)	83,270
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		(221)	-	(221)	22,494
Actuarial loss on defined benefit schemes		(135,000)	-	(135,000)	(180,000)
Net movement in funds		(268,294)	-	(268,294)	(74,236)
RECONCILIATION OF FUNDS					
Total funds brought forward		6,748,117	-	6,748,117	6,822,353
TOTAL FUNDS CARRIED FORWARD		6,479,823	-	6,479,823	6,748,117

The notes form part of these financial statements

BALANCE SHEET
AT 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	10	2,436,750	-	2,436,750	2,537,118
Investments	11	323,066	-	323,066	323,287
		<u>2,759,816</u>	<u>-</u>	<u>2,759,816</u>	<u>2,860,405</u>
CURRENT ASSETS					
Stocks	12	3,606	-	3,606	3,606
Debtors	13	1,043,902	-	1,043,902	578,857
Cash at bank and in hand		3,249,664	-	3,249,664	3,878,605
		<u>4,297,172</u>	<u>-</u>	<u>4,297,172</u>	<u>4,461,068</u>
CREDITORS					
Amounts falling due within one year	14	(448,180)	-	(448,180)	(363,952)
		<u>3,848,992</u>	<u>-</u>	<u>3,848,992</u>	<u>4,097,116</u>
NET CURRENT ASSETS					
		<u>6,608,808</u>	<u>-</u>	<u>6,608,808</u>	<u>6,957,521</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	15	(128,985)	-	(128,985)	(209,404)
		<u>6,479,823</u>	<u>-</u>	<u>6,479,823</u>	<u>6,748,117</u>
NET ASSETS					
FUNDS					
Unrestricted funds:	19				
General fund				3,509,005	6,165,736
Designated funds				2,910,252	521,594
Revaluation reserve				60,566	60,787
				<u>6,479,823</u>	<u>6,748,117</u>
Restricted funds:				-	-
				<u>6,479,823</u>	<u>6,748,117</u>
TOTAL FUNDS					
				<u>6,479,823</u>	<u>6,748,117</u>

The financial statements were approved by the Board of Trustees on 24th September 2018 and were signed on its behalf by:



Mr R Gore -Trustee

WARRINGTON COMMUNITY LIVING

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(517,360)	38,722
Interest paid		(4,334)	(5,694)
Net cash provided by (used in) operating activities		<u>(521,694)</u>	<u>33,028</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(34,628)	(12,694)
Sale of tangible fixed assets		6,100	-
Interest received		-	3
Net cash provided by (used in) investing activities		<u>(28,528)</u>	<u>(12,691)</u>
Cash flows from financing activities:			
Loan repayments in year		(78,719)	(77,360)
Net cash provided by (used in) financing activities		<u>(78,719)</u>	<u>(77,360)</u>
Change in cash and cash equivalents in the reporting period		<u>(628,941)</u>	<u>(57,023)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,878,605</u>	<u>3,935,628</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,249,664</u></u>	<u><u>3,878,605</u></u>

The notes form part of these financial statements

WARRINGTON COMMUNITY LIVING

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(133,073)	83,270
Adjustments for:		
Depreciation charges	134,996	132,712
Profit on disposal of fixed assets	(6,100)	-
Interest received	-	(3)
Interest paid	4,334	5,694
Actuarial loss on pension scheme	(135,000)	(180,000)
Increase in stocks	-	(106)
(Increase)/decrease in debtors	(465,045)	67,221
Increase/(decrease) in creditors	82,528	(70,066)
Net cash provided by (used in) operating activities	<u>(517,360)</u>	<u>38,722</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES**General information and basis of preparation**

Warrington Community Living is a charitable company limited by guarantee incorporated in the United Kingdom. Under the terms of the Memorandum and Articles of Association, each member, in the event of the charity being wound up whilst a member, and within one year after ceasing to be a member, undertakes to contribute to the assets of the charity, an amount not exceeding £10 for payment of the debts or liabilities of the charity. The address of the registered office is given in the Report of the Trustees. The nature of the charity's operations and principal activities are also detailed in the Report of the Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

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

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements.

Restricted funds are where the donor has specified they should only be used for particular areas of the charity's work. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each material designated and restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations and grants are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Other income consists of resident monies and appointee's monies received for monitoring and advising on resident spends during the year.

Rental income is recognised in the period to which it relates.

Care income and cleaning income is in relation to Ryfields Village and is recognised upon delivery of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

Expenditure on charitable activities includes the costs of providing specialist care and support, community services, research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES - continued**General information and basis of preparation**

Support costs are allocated to each of the activities based on the percentage of Local Authority income to best allocate the costs to each attributable heading. More detail on the analysis and basis of allocation is given in note 6 to the financial statements.

Tangible fixed assets

Depreciation is provided to write off the cost or revalued amount, less an estimated residual value of all fixed assets evenly over their expected economic useful lives as follows:

Freehold property - Straight line between 18 - 50 years

Leasehold property - 2% on cost

Improvements to property - 5% on cost and Straight line over 5 years

Fixture & fittings - Straight line between 3 - 6 years

Motor vehicles - Straight line over 5 years and Straight line over 4 years

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

In 1999, the charity received a grant of £327,975 to acquire two properties. The grant was subject to legal charges stating that should the properties be subject to a change in use or disposal then the donor would be entitled to the open market value of the properties. Given the legal charges placed on the properties, the grant income was netted off the purchase price of the properties. This represents a departure from the Charities SORP, however, the trustees believe this is necessary in order to give a true and fair view relating to the rights attached to the properties.

Investments

Investments are a form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Pension costs and other post-retirement benefits

The charity participates in a multi employer defined benefit scheme in respect of certain of its employees. The charity's net obligation in respect of the defined benefit pension scheme is recognised in the balance sheet at the present value of the future benefits that employees have earned in return for their service in the current and previous periods less the fair value of the plan assets, together with adjustments for past service costs not yet recognised. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are accounted for as unrealised gains and losses within the Statement of Financial Activities.

The charity also operates defined contribution pension schemes for certain other employees. Contributions payable to the defined contribution pension schemes are charged as an expense within the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued**Taxation**

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

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	6,969	2,089
Grants	424,302	322,796
	<u>431,271</u>	<u>324,885</u>

Included within donations and grants is restricted income amounting to £101,996 (2017 - £Nil).

3. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	-	3
	<u>-</u>	<u>3</u>

All investment income in both the current year and previous year relate to unrestricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

		2018	2017
	Activity	£	£
Social Services funding	Homes for Older People	1,212,460	1,200,213
Other income	Homes for Older People	373,213	333,321
Social Services funding	Nursing Home	1,781,194	1,711,744
Other income	Nursing Home	1,914	2,908
Social Services funding	Residential Network including Westleigh House	1,120,623	1,076,267
Other income	Residential Network including Westleigh House	1,415	2,059
Social Services funding	Community Network	687,284	198,646
Other income	Community Network	18,730	20,655
Rental income	Community Network	332,069	326,521
Social Services funding	Ryfields Village	272,334	307,100
Other income	Ryfields Village	3,268	847
Care income	Ryfields Village	260,090	252,912
Cleaning income	Ryfields Village	78,087	76,609
		<u>6,142,681</u>	<u>5,509,802</u>

All income from charitable activities in both the current year and previous year relate to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Homes for Older People	1,445,820	164,491	1,610,311
Nursing Home	1,574,869	175,805	1,750,674
Residential Network including Westleigh House	1,010,987	119,350	1,130,337
Community Network	1,196,101	81,624	1,277,725
Ryfields Village	853,900	90,178	944,078
	<u>6,081,677</u>	<u>631,448</u>	<u>6,713,125</u>

Included within expenditure on charitable activities is restricted expenditure amounting to £101,996 (2017 - £Nil).

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Homes for Older People	145,827	18,664	164,491
Nursing Home	159,449	16,356	175,805
Residential Network including Westleigh House	108,196	11,154	119,350
Community Network	74,030	7,594	81,624
Ryfields Village	82,000	8,178	90,178
	<u>569,502</u>	<u>61,946</u>	<u>631,448</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	9,012	8,208
Auditors remuneration for non- audit work	24,132	23,700
Depreciation - owned assets	134,996	132,712
Surplus on disposal of fixed asset	<u>(6,100)</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS**Trustees' expenses**

There have been no material transactions with trustees throughout the year and none of the trustees received any emoluments during the year (2017 - £Nil). Two trustees received £Nil (2017 - £274) between them for expenses during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

9. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	4,661,994	3,934,130
Social security costs	226,513	198,027
Other pension costs	141,839	128,513
	<u>5,030,346</u>	<u>4,260,670</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Homes for older people	71	69
Nursing home	58	58
Residential network inc Westleigh House	49	51
Community network	51	30
Head office	13	11
Ryfields Village	47	50
	<u>289</u>	<u>269</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	<u>1</u>	<u>-</u>

The key management personnel of the charity comprise of the Senior Management Team and the Company Secretary. The total remuneration paid in respect of the charity's key management personnel was £444,341 (2017: £448,946), the increase being attributable to additions to the management team.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Improvements to property £
COST			
At 1 April 2017	3,960,603	210,000	118,495
Additions	-	-	-
Disposals	-	-	-
At 31 March 2018	3,960,603	210,000	118,495
DEPRECIATION			
At 1 April 2017	1,675,754	42,351	66,034
Charge for year	112,240	4,200	3,816
Eliminated on disposal	-	-	-
At 31 March 2018	1,787,994	46,551	69,850
NET BOOK VALUE			
At 31 March 2018	2,172,609	163,449	48,645
At 31 March 2017	2,284,849	167,649	52,461

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2017	520,888	98,928	4,908,914
Additions	18,243	16,385	34,628
Disposals	-	(23,755)	(23,755)
At 31 March 2018	539,131	91,558	4,919,787
DEPRECIATION			
At 1 April 2017	503,590	84,067	2,371,796
Charge for year	8,475	6,265	134,996
Eliminated on disposal	-	(23,755)	(23,755)
At 31 March 2018	512,065	66,577	2,483,037
NET BOOK VALUE			
At 31 March 2018	27,066	24,981	2,436,750
At 31 March 2017	17,298	14,861	2,537,118

The cost of freehold property above is net of a grant to the value of £327,975 from the Health Authority dating back to 1999 in relation to two properties. Whilst the charity is legal owner of the properties, there is a charge providing that in the event of a change in use or disposal of the properties, the Health Authority is to receive the open market value of the properties.

The charity is also the legal owner of another property, namely Radcliffe Meadows. The charity was given this property in 1996 by North Cheshire Health Authority. The property has a legal charge providing that in the event of a change in use or disposal of the property, the Health Authority are to receive the open market value of the property.

A grant was received to fund the purchase of another of the charity's freehold properties, 10a Lodge Lane, Warrington. A condition of the grant was that if the building were sold or no longer used as a nursing home for clients with mental health disorder, the grant would be repayable. The amount repayable would be 25.5% of the market value of the property at the date of sale less the costs of sale.

All fixed assets, including freehold property are for the use in direct furtherance of the charity's objects.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2017	323,287
Revaluations	(221)
At 31 March 2018	<u>323,066</u>
 NET BOOK VALUE	
At 31 March 2018	<u>323,066</u>
At 31 March 2017	<u>323,287</u>

There were no investment assets held outside the UK.

The historical cost of unlisted investments at 31 March 2018 amounted to £262,500 (2017 - £262,500).

12. STOCKS

	2018 £	2017 £
Stocks	<u>3,606</u>	<u>3,606</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	486,220	111,116
Other debtors	485	1,152
Prepayments and accrued income	557,197	466,589
	<u>1,043,902</u>	<u>578,857</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 16)	79,700	78,000
Trade creditors	156,145	50,540
Social security and other taxes	62,290	45,438
Other creditors	35,022	20,335
Accrued expenses	115,023	169,639
	<u>448,180</u>	<u>363,952</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Bank loans (see note 16)	<u>128,985</u>	<u>209,404</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

16. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank loan	<u>79,700</u>	<u>78,000</u>
Amounts falling between one and two years:		
Bank loan	<u>81,400</u>	<u>79,700</u>
Amounts falling due between two and five years:		
Bank loan	<u>47,585</u>	<u>129,704</u>

The bank loan is secured against freehold property at Honiton Way, Penketh and is being repaid by instalments of £6,921 per month. The interest on the loan is 1.4% above the bank's base rate.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	27,016	28,210
Between one and five years	<u>64,195</u>	<u>69,027</u>
	<u>91,211</u>	<u>97,237</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	<u>208,685</u>	<u>287,404</u>

19. MOVEMENT IN FUNDS

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted funds				
General fund	6,165,736	(134,658)	(2,522,073)	3,509,005
Designated funds	521,594	(133,415)	2,522,073	2,910,252
Revaluation reserve	60,787	(221)	-	60,566
	<u>6,748,117</u>	<u>(268,294)</u>	<u>-</u>	<u>6,479,823</u>
TOTAL FUNDS	<u>6,748,117</u>	<u>(268,294)</u>	<u>-</u>	<u>6,479,823</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	6,478,056	(6,477,714)	(135,000)	(134,658)
Designated funds	-	(133,415)	-	(133,415)
Revaluation reserve	-	-	(221)	(221)
	<u>6,478,056</u>	<u>(6,611,129)</u>	<u>(135,221)</u>	<u>(268,294)</u>
Restricted funds				
Heathside Mews restricted donation	1,000	(1,000)	-	-
Ryfields Village restricted donation	996	(996)	-	-
Department of Health grant for crisis house conversion	100,000	(100,000)	-	-
	<u>101,996</u>	<u>(101,996)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>6,580,052</u></u>	<u><u>(6,713,125)</u></u>	<u><u>(135,221)</u></u>	<u><u>(268,294)</u></u>

Comparatives for movement in funds

	At 1/4/16 £	Net movement in funds £	Transfers between funds £	At 31/3/17 £
Unrestricted Funds				
General fund	6,020,176	36,983	108,577	6,165,736
Designated funds	655,307	(133,713)	-	521,594
Revaluation reserve	38,293	22,494	-	60,787
	<u>6,713,776</u>	<u>(74,236)</u>	<u>108,577</u>	<u>6,748,117</u>
Restricted Funds				
Lodge Lane building fund	108,577	-	(108,577)	-
TOTAL FUNDS	<u><u>6,822,353</u></u>	<u><u>(74,236)</u></u>	<u><u>-</u></u>	<u><u>6,748,117</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,834,690	(5,617,707)	(180,000)	36,983
Designated funds	-	(133,713)	-	(133,713)
Revaluation reserve	-	-	22,494	22,494
	<u>5,834,690</u>	<u>(5,751,420)</u>	<u>(157,506)</u>	<u>(74,236)</u>
TOTAL FUNDS	<u><u>5,834,690</u></u>	<u><u>(5,751,420)</u></u>	<u><u>(157,506)</u></u>	<u><u>(74,236)</u></u>

At 31 March 2018, designated funds had been set aside for the following purposes:

Significant refurbishment and renovation works - £2,566,585
Funding of the deficit on the defined benefit pension scheme - £343,667

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

20. EMPLOYEE BENEFIT OBLIGATIONS**DEFINED BENEFIT SCHEME**

The charity is an admitted body to the Cheshire Pension Fund providing benefits based upon final pensionable pay. The pension scheme is funded by the payment of contributions and the assets of the scheme are held in a separately administered fund.

The most recent comprehensive actuarial valuation of the pension fund assets and the present value of the defined benefit obligation were carried out as at 31 March 2018.

The total cost recognised in the period was as follows:

	2018 £000	2017 £000
Current service cost	(89)	(119)
Net interest income / (expense)	5	32
	<u> </u>	<u> </u>
Recognised in net income / (expenditure)	(84)	(87)
Recognised in other gains / (losses)	(135)	(180)
	<u> </u>	<u> </u>
Total cost recognised	<u><u>(219)</u></u>	<u><u>(267)</u></u>

The value of plan assets and future obligations were as follows:

	2018 £000	2017 £000
Present value of funded obligations	(10,383)	(10,379)
Fair value of plan assets	10,894	10,506
	<u> </u>	<u> </u>
	<u><u>511</u></u>	<u><u>127</u></u>

The surplus on the defined benefit scheme has not been recognised in the balance sheet as the surplus is not recoverable through reduced contributions in the future or through refunds from the scheme.

Changes in the present value of the defined benefit obligations were as follows:

	2018 £000
Opening defined benefit obligation	10,379
Current service cost	89
Interest expense	269
Contributions by scheme participants	14
Benefits paid	(137)
Actuarial losses	(231)
	<u> </u>
Closing defined benefit obligation	<u><u>10,383</u></u>

Changes in the fair value of the pension scheme assets were as follows:

	2018 £000
Opening plan assets	10,506
Interest income	274
Actual return on plan assets (excluding interest income)	18
Contributions by charity	219
Contributions by scheme participants	14
Benefits paid	(137)
	<u> </u>
Closing plan assets	<u><u>10,894</u></u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2018	2017
	£000	£000
Equity instruments	5,011	4,623
Debt instruments (Bonds)	4,575	4,938
Property	872	735
Cash	436	210
	<u>10,894</u>	<u>10,506</u>

The return on plan assets was as follows:

	2018	2017
	£000	£000
Interest income	274	294
Actual return on plan assets (excluding interest income)	18	1,724
	<u>292</u>	<u>2,018</u>

The principal actuarial assumptions used were as follows:

	2018	2017
Discount rate	2.7%	2.6%
Expected rate of salary increases	2.7%	2.7%
Expected rate of pension increases	2.4%	2.4%
Expected return on assets	2.7%	2.6%

The mortality assumptions used for longevity (in years) on retirement at aged 65 are:

Retiring at the balance sheet date		
- Males	22.3 years	22.3 years
- Females	24.5 years	24.5 years
Retiring in 20 years		
- Males	23.9 years	23.9 years
- Females	26.5 years	26.5 years

Contingent Liability

During the year ended 31 March 2014, the scheme was closed to future accrual but remained open for existing members. The fund managers prepared calculations which indicated that the charity would need to make additional payments over a term of 15 years commencing in April 2014 for current values to meet anticipated future liabilities. Following the first triennial review during year ended 31 March 2017, additional contributions over the three years ending 31 March 2020 totalling £397,500 will be made following which a further triennial valuation will take place and a revision of the potential shortfall will be recalculated. During the year ended 31 March 2018 the scheme was closed to existing members. No provision has been made in the accounts for this amount which is subject to a considerable level of uncertainty.

DEFINED CONTRIBUTION SCHEME

The charity operates defined contribution pension schemes for certain of its employees. The amount recognised as an expense during the year was £60,576 (2017 - £49,024). The amounts recognised are allocated to:

	2018	2017
	£	£
Homes for Older People	9,119	4,846
Nursing Home	11,036	9,492
Residential Network including Westleigh House	15,493	10,626
Community Network	15,766	12,009
Ryfields Village	9,162	12,051
	<u>60,576</u>	<u>49,024</u>

At 31 March 2018, £13,435 (2017 - £18,944) was payable in respect of defined contribution pension schemes, all of which related to unrestricted funds.

WARRINGTON COMMUNITY LIVING

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

21. RELATED PARTY DISCLOSURES

The charity rents property from Warrington Housing Association, an organisation in which former trustee, Mr A Kemp was Chief Executive. During the period in which Mr A Kemp was a trustee, the charity paid £Nil (2017 - £24,719) to Warrington Housing Association for rent, heat and light and other reimbursements. Normal commercial terms applied.

22. INDEMNITY INSURANCE

The charity has made payments for insurance on behalf of the trustees and officers of the company to indemnify them against any obligations which may arise as a result of their actions in connection with the objects of the company. Payments amounted to £1,373 (2017 - £1,373) and is charged in the Statement of Financial Activities.

23. FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity acts as custodian of monies belonging to certain of its service users. These monies are held in bank accounts separate from the accounts of the charity. At 31 March 2018, the charity held £295,660 (2017 - £244,559) as custodian.

WARRINGTON COMMUNITY LIVING

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Homes for Older People £	Nursing Home £	Residential Network including Westleigh House £	Community Care Network £	Ryfields Village	2018 £	2017 £
INCOMING RESOURCES							
Voluntary Income							
Donations	2,293	1,392	945	646	1,693	6,969	2,089
Grants	-	-	-	257,532	166,770	424,302	322,796
	<u>2,293</u>	<u>1,392</u>	<u>945</u>	<u>258,178</u>	<u>168,463</u>	<u>431,271</u>	<u>324,885</u>
Investment Income							
Deposit account interest	-	-	-	-	-	-	3
Incoming resources from charitable activities							
Social Services funding	1,212,460	1,781,194	1,120,623	687,284	272,334	5,073,895	4,493,970
Other income	373,213	1,914	1,415	18,730	3,268	398,540	359,790
Care income	-	-	-	-	260,090	260,090	252,912
Cleaning and laundry income	-	-	-	-	78,087	78,087	76,609
Rental income	-	-	-	332,069	-	332,069	326,521
	<u>1,585,673</u>	<u>1,783,108</u>	<u>1,122,038</u>	<u>1,038,083</u>	<u>613,779</u>	<u>6,142,681</u>	<u>5,509,802</u>
Other Income							
Profit on sale of tangible fixed assets	-	6,100	-	-	-	6,100	-
Total incoming resources	<u>1,587,966</u>	<u>1,790,600</u>	<u>1,122,983</u>	<u>1,296,261</u>	<u>782,242</u>	<u>6,580,052</u>	<u>5,834,690</u>
RESOURCES EXPENDED							
Charitable activities							
Wages	924,999	1,243,714	746,203	676,685	755,920	4,347,521	3,672,929
Social security	32,372	60,638	35,461	43,314	29,082	200,867	177,491
Pensions	36,558	31,425	18,444	23,432	6,467	116,326	104,970
Rent and rates	30,759	19,178	41,937	185,317	-	277,191	271,740
Light and heat	56,187	35,024	33,730	7,312	-	132,253	127,177
Telephone	3,624	3,821	4,257	11,577	1,826	25,105	19,437
Postage and stationery	6,846	6,339	6,437	1,900	4,383	25,905	25,227
Sundry expenses	1,150	276	-	130	25	1,581	644
Food and provisions	73,070	39,738	43,988	53	1,223	158,072	155,138
Medical and clinical costs	16,072	22,847	12,524	2,257	840	54,540	44,111
Transport costs	320	7,972	4,223	639	-	13,154	20,569
Recruitment expenses	2,313	1,749	1,135	1,219	1,623	8,039	9,725
Training costs	4,103	7,940	7,697	5,352	7,730	32,822	33,344
Repairs and renewals	136,512	52,948	38,009	193,496	2,239	423,204	294,687
Cleaning	16,672	14,378	7,001	3,367	39,298	80,716	81,127
Registration costs	9,010	4,006	4,005	2,809	1,568	21,398	18,115
Travelling	104	1,708	598	20,591	213	23,214	19,078
Computer costs	958	-	169	307	-	1,434	1,013
Private health	-	1,225	955	928	215	3,323	4,324
Depreciation	89,856	19,944	4,214	15,416	1,248	130,678	129,660
Mortgage interest	4,334	-	-	-	-	4,334	5,694
	<u>1,445,819</u>	<u>1,574,870</u>	<u>1,010,987</u>	<u>1,196,101</u>	<u>853,900</u>	<u>6,081,677</u>	<u>5,216,200</u>

WARRINGTON COMMUNITY LIVING

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Homes for Older People £	Nursing Home £	Residential Network including Westleigh House £	Community Care Network £	Ryfields Village	2018 £	2017 £
Support Costs							
Management							
Wages	81,763	88,053	59,750	40,882	44,025	314,473	261,201
Social security	6,667	7,181	4,873	3,334	3,591	25,646	20,536
Pensions	6,633	7,144	4,847	3,317	3,572	25,513	23,543
Rent and rates	6,013	6,476	4,395	3,007	3,238	23,129	24,021
Insurance	17,926	19,305	13,100	8,963	9,652	68,946	64,038
Telephone	1,851	1,994	1,353	926	997	7,121	4,091
Postage and stationery	6,493	6,994	4,746	3,247	3,497	24,977	18,331
Sundry expenses	463	501	340	232	250	1,786	2,469
Repairs and renewals	1,462	1,576	1,069	732	788	5,627	5,363
Recruitment expenses	3,160	3,403	2,309	1,580	1,701	12,153	1,524
Training costs	2,440	1,655	1,133	3,485	-	8,713	10,322
Computer costs	5,993	6,452	4,378	2,995	3,226	23,044	16,997
Cleaning	612	659	447	306	329	2,353	2,343
Travelling	366	394	267	183	197	1,407	1,771
Payroll fees	5,106	5,499	3,732	2,553	2,750	19,640	16,600
Bank charges	70	34	23	16	30	173	45
Bank interest	-	-	-	-	-	-	92
Private health	126	135	92	63	67	483	(82)
Depreciation	1,123	1,209	820	561	605	4,318	3,052
	<u>148,267</u>	<u>158,664</u>	<u>107,674</u>	<u>76,382</u>	<u>78,515</u>	<u>569,502</u>	<u>476,257</u>
Governance costs							
Legal and professional fees	3,657	3,939	2,728	1,829	1,969	14,122	13,830
Auditors' remuneration	2,365	2,515	1,707	1,168	1,257	9,012	8,208
Auditors' remuneration for non-audit work	6,274	6,757	4,585	3,137	3,379	24,132	23,700
Pension administration fees	2,920	3,145	2,134	1,460	1,573	11,232	9,777
Advocacy Fees	3,448	-	-	-	-	3,448	3,448
	<u>18,664</u>	<u>16,356</u>	<u>11,154</u>	<u>7,594</u>	<u>8,178</u>	<u>61,946</u>	<u>58,963</u>
Total resources expended	<u>1,612,750</u>	<u>1,749,890</u>	<u>1,129,815</u>	<u>1,280,077</u>	<u>940,593</u>	<u>6,713,125</u>	<u>5,751,420</u>
Net Income / (expenditure)	<u>(24,784)</u>	<u>40,710</u>	<u>(6,832)</u>	<u>16,184</u>	<u>(158,351)</u>	<u>(133,073)</u>	<u>83,270</u>