

REGISTERED COMPANY NUMBER: 02777294 (England and Wales)
REGISTERED CHARITY NUMBER: 1019200

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2017
FOR
WELLINGTON COTTAGE CARE TRUST

D E Ball & Co Limited
Chartered Accountants
15 Bridge Road
Wellington
Telford
Shropshire
TF1 1EB

WELLINGTON COTTAGE CARE TRUST

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for the Year Ended 31st December 2017

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WELLINGTON COTTAGE CARE TRUST

REPORT OF THE TRUSTEES **for the Year Ended 31st December 2017**

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 31st December 2017. 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 principal activity is to raise funds to maintain and develop the Wellington Cottage Care Trust to enable it to expand its patient care, which opened on 8th January 2002 as a day care centre, and to manage it as a warm, friendly place of respite for the guests with enjoyable mental and physical therapies, satisfactory food and good comfort.

Public benefit

The main activity is undertaken to further our charitable purposes for the public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

All of the income is received from day charges for guests, donations, sale of goods in the charity shop at Wellington, fund raising activities and Bank interest.

The income from Day-care fees continues to be impacted by the reduced funds available to the local Council to spend on supporting the care of the elderly. The charity has benefited from one off donations for specific purposes. When these are excluded, the charity has managed to edge closer to a break even position. The Statement of Financial Activities shows a net surplus for the year of £15,560. The reserves at the 31 December 2017 amounted to £442,966.

Following the year end, the financial position deteriorated causing concerns about the cashflow for the future. The Trustees discussed at length the viability of the Charity in its current structure and reviewed possible changes in the hope of finding a viable format for the future.

After exhaustive reviews, the Trustees reluctantly and sadly came to the conclusion that there was no viable future for the Charity. An Insolvency Practitioner was approached in June 2018 to discuss the situation and it was agreed they would commence the process of entering the Charity into a CVA.

FINANCIAL REVIEW

Reserves policy

The trustees have established a policy where the general fund should aim to hold at least the equivalent of the costs of three months overheads, approximately £35,000, to enable the charity to continue if there was a short term significant drop in income or donations.

FUTURE PLANS

The charity will continue to look at ways of increasing the number of guests attending the centre.

The present level of funding is being used to meet the expenditure on refurbishment and Patient care. Additional funding will be required to enable the charity to move towards its objective of eventually offering full 24/7 respite care.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association. The charity's object is to provide Patient Care in the premises previously known as Wellington Cottage Hospital in Haygate Road, Wellington, Telford, Shropshire.

Organisational structure

The charity is organised so that the trustees meet regularly to manage its affairs. The day to day administration of the charity and organisation of fundraising initiatives and the supervision of the refurbishment work are the responsibility of the General Manager.

WELLINGTON COTTAGE CARE TRUST

REPORT OF THE TRUSTEES for the Year Ended 31st December 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02777294 (England and Wales)

Registered Charity number

1019200

Registered office

Cottage Care Centre
79 Haygate Road
Wellington
Telford
Shropshire
TF1 2BJ

Trustees

B P G Benham	Retired	
D E T Whittingham	Retired	
Sister M A Cuthbert	District nurse	
Mrs C Bethell	Retired	
J D Evans	Retired	
Ms J N Hallam	Teacher	
T Gilder	Journalist	
Mrs H J Lloyd	Retired nurse	- appointed 1.1.17
C J Kay	Retired	- appointed 20.6.17

Company Secretary

D E T Whittingham

Independent examiner

D E Ball & Co Limited
Chartered Accountants
15 Bridge Road
Wellington
Telford
Shropshire
TF1 1EB

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 3rd July 2018 and signed on its behalf by:

B P G Benham - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
WELLINGTON COTTAGE CARE TRUST**

Independent examiner's report to the trustees of Wellington Cottage Care Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st December 2017.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Russell Ball
ICAEW
D E Ball & Co Limited
Chartered Accountants
15 Bridge Road
Wellington
Telford
Shropshire
TF1 1EB

3rd July 2018

WELLINGTON COTTAGE CARE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2017

	Notes	Unrestricted funds £	Restricted fund £	31.12.17 Total funds £	31.12.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		51,162	-	51,162	52,387
Other trading activities	2	268,103	-	268,103	273,463
Investment income	3	63	-	63	72
Total		<u>319,328</u>	<u>-</u>	<u>319,328</u>	<u>325,922</u>
EXPENDITURE ON					
Raising funds		15,874	-	15,874	16,650
Charitable activities					
Daycare Centre		<u>287,894</u>	<u>-</u>	<u>287,894</u>	<u>280,839</u>
Total		<u>303,768</u>	<u>-</u>	<u>303,768</u>	<u>297,489</u>
NET INCOME		<u>15,560</u>	<u>-</u>	<u>15,560</u>	<u>28,433</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>297,304</u>	<u>130,102</u>	<u>427,406</u>	<u>398,973</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>312,864</u></u>	<u><u>130,102</u></u>	<u><u>442,966</u></u>	<u><u>427,406</u></u>

The notes form part of these financial statements

WELLINGTON COTTAGE CARE TRUST

BALANCE SHEET
At 31st December 2017

	Notes	Unrestricted funds £	Restricted fund £	31.12.17 Total funds £	31.12.16 Total funds £
FIXED ASSETS					
Tangible assets	8	433,010	130,102	563,112	563,233
CURRENT ASSETS					
Debtors	9	24,739	-	24,739	36,408
Cash at bank and in hand		30,143	-	30,143	13,167
		<u>54,882</u>	<u>-</u>	<u>54,882</u>	<u>49,575</u>
CREDITORS					
Amounts falling due within one year	10	(19,900)	-	(19,900)	(21,234)
NET CURRENT ASSETS		<u>34,982</u>	<u>-</u>	<u>34,982</u>	<u>28,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		467,992	130,102	598,094	591,574
CREDITORS					
Amounts falling due after more than one year	11	(155,128)	-	(155,128)	(164,168)
NET ASSETS		<u>312,864</u>	<u>130,102</u>	<u>442,966</u>	<u>427,406</u>
FUNDS	14				
Unrestricted funds				312,864	297,304
Restricted funds				130,102	130,102
TOTAL FUNDS				<u>442,966</u>	<u>427,406</u>

The notes form part of these financial statements

WELLINGTON COTTAGE CARE TRUST

BALANCE SHEET - CONTINUED

At 31st December 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 3rd July 2018 and were signed on its behalf by:

B P G Benham -Trustee

D E T Whittingham -Trustee

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st December 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Due to the financial difficulties facing the Charity an Insolvency Practitioner was appointed in June 2018. They have now started the process of entering the Charity into a CVA.

As a consequence the accounts have not been prepared on a Going Concern basis, with the Fixed Assets being revalued to expected realisable values.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture and Equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Freehold property is not depreciated. The Trustees are of the view that the level of ongoing repair and maintenance of the property will result in the residual value of the property at the end of its useful life being greater than its original cost. This is reviewed annually by the Trustees.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2017

2. OTHER TRADING ACTIVITIES

	31.12.17	31.12.16
	£	£
Day-care fees	249,076	252,517
Charity shops	19,027	20,946
	<u>268,103</u>	<u>273,463</u>

3. INVESTMENT INCOME

	31.12.17	31.12.16
	£	£
Interest received	63	72
	<u>63</u>	<u>72</u>

4. NET INCOME/(EXPENDITURE)

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

	31.12.17	31.12.16
	£	£
Depreciation - owned assets	5,847	6,006
	<u>5,847</u>	<u>6,006</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2017 nor for the year ended 31st December 2016 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2017 nor for the year ended 31st December 2016 .

6. STAFF COSTS

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

	31.12.17	31.12.16
	18	18
Charitable activities	<u>18</u>	<u>18</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	19,256	33,131	52,387
Other trading activities	273,463	-	273,463
Investment income	72	-	72
	<u>292,791</u>	<u>33,131</u>	<u>325,922</u>
Total			
	292,791	33,131	325,922
EXPENDITURE ON			
Raising funds	16,650	-	16,650

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2017

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
Charitable activities			
Daycare Centre	280,839	-	280,839
Total	297,489	-	297,489
NET INCOME	(4,698)	33,131	28,433
RECONCILIATION OF FUNDS			
Total funds brought forward	302,002	96,971	398,973
TOTAL FUNDS CARRIED FORWARD	297,304	130,102	427,406

8. TANGIBLE FIXED ASSETS

	Land & building £	Furniture and Equipment £	Motor vehicles £	Totals £
COST				
At 1st January 2017	726,881	123,700	25,838	876,419
Additions	-	5,726	-	5,726
At 31st December 2017	726,881	129,426	25,838	882,145
DEPRECIATION				
At 1st January 2017	194,567	96,286	22,333	313,186
Charge for year	-	4,971	876	5,847
At 31st December 2017	194,567	101,257	23,209	319,033
NET BOOK VALUE				
At 31st December 2017	532,314	28,169	2,629	563,112
At 31st December 2016	532,314	27,414	3,505	563,233

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Trade debtors	24,739	36,408

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2017

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Bank loans and overdrafts (see note 12)	9,900	9,900
Accrued expenses	10,000	11,334
	<u>19,900</u>	<u>21,234</u>

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

	31.12.17	31.12.16
	£	£
Bank loans (see note 12)	<u>155,128</u>	<u>164,168</u>

12. LOANS

An analysis of the maturity of loans is given below:

	31.12.17	31.12.16
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>9,900</u>	<u>9,900</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>39,600</u>	<u>39,600</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>115,528</u>	<u>124,568</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.17	31.12.16
	£	£
Bank loans	<u>165,028</u>	<u>174,068</u>

The bank loan is secured by a charge over the freehold building.

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2017

14. MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
Unrestricted funds			
General fund	239,586	15,560	255,146
Repair Fund	57,718	-	57,718
	<hr/>	<hr/>	<hr/>
	297,304	15,560	312,864
 Restricted funds			
Specific Expenditure	130,102	-	130,102
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>427,406</u>	<u>15,560</u>	<u>442,966</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	319,328	(303,768)	15,560
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>319,328</u>	<u>(303,768)</u>	<u>15,560</u>

Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted Funds			
General fund	244,284	(4,698)	239,586
Repair Fund	57,718	-	57,718
	<hr/>	<hr/>	<hr/>
	302,002	(4,698)	297,304
 Restricted Funds			
Specific Expenditure	96,971	33,131	130,102
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>398,973</u>	<u>28,433</u>	<u>427,406</u>

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2017

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	292,791	(297,489)	(4,698)
Restricted funds			
Specific Expenditure	33,131	-	33,131
TOTAL FUNDS	<u>325,922</u>	<u>(297,489)</u>	<u>28,433</u>

Purposes of Funds

General Fund

The surplus on this fund over and above those funds invested in Fixed Assets represents "free reserves". Of this sum, £35,000 is held to enable the charity to continue for up to 3 months in the event of a significant short term drop in income. Any remaining "free reserves" are at present allocated for use towards the proposed development of a 24/7 Respite Centre.

Designated Fund

This represents funds allocated to meet larger repair costs as and when they arise.

Restricted Fund

This represents funds given for specific purposes such as the mini bus, bathroom improvements, sensory garden, patios and craft room.

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2017.

WELLINGTON COTTAGE CARE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2017

	31.12.17 £	31.12.16 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and fund raising	51,162	52,387
Other trading activities		
Day-care fees	249,076	252,517
Charity shops	19,027	20,946
	<hr/> 268,103	<hr/> 273,463
Investment income		
Interest received	63	72
	<hr/>	<hr/>
Total incoming resources	319,328	325,922
 EXPENDITURE		
Other trading activities		
Wages	-	700
Rent, water and insurance	12,748	12,563
Lighting and heating	811	759
Telephone	233	268
Printing stationery and adverts	78	186
Repairs and renewals	625	966
Sundry expenses	1,079	1,033
Accountancy charges	300	175
	<hr/> 15,874	<hr/> 16,650
Charitable activities		
Wages	179,053	174,822
Insurance and water rates	12,118	12,645
Light and heat	11,953	13,758
Telephone	1,386	1,642
Printing, stationery and adverts	2,819	2,021
Repairs and renewals	12,583	7,870
Sundries	12,098	11,610
Craft materials	633	267
Meals and groceries	26,593	27,906
Minibus expenses	5,949	4,744
Professional fees	2,866	2,866
Bad debts written off	92	501
Depreciation of equipment	4,971	4,838
Depreciation of minibus	876	1,168
Bank charges	558	554
Bank loan interest	10,947	11,541
	<hr/> 285,495	<hr/> 278,753
Support costs		

This page does not form part of the statutory financial statements

WELLINGTON COTTAGE CARE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2017

	31.12.17 £	31.12.16 £
Governance costs		
Wages	1,000	1,000
Accountancy fees	1,399	1,086
	<hr/> 2,399	<hr/> 2,086
Total resources expended	303,768	297,489
Net income	<hr/> 15,560 <hr/>	<hr/> 28,433 <hr/>

This page does not form part of the statutory financial statements