

Charity Registration No. 252624

Company Registration No. 0900504 (England and Wales)

ALLANDALE CARE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

ALLANDALE CARE GROUP LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Board Of Trustees	Prof. M Riley (Chairman) Mr E Smethurst Mr K Morris Mr R M Hughes Mr L R Spears Mrs C M Condren Mrs D Whitby	(Appointed 30 May 2018) (Appointed 24 October 2018)
Secretary	Mr P H R Crook	
Deputy secretary	Mrs P M Houghton	
Charity number	252624	
Company number	0900504	
Housing Corporation number	H0357	
Registered office	The Croft 94 Irby Road Heswall Wirral CH61 6XG	
Website	allandalecaregroup.com	
Auditor	Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX	
Bankers	Lloyds Bank 137 Telegraph Road Heswall Wirral CH60 0AN	

ALLANDALE CARE GROUP LIMITED

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ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Board of Trustees present their report and financial statements for the year ended 30 September 2018.

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

Objectives and performance

The charitable company provides housing for the elderly. During the year in question the charitable company provided thirty-five units of accommodation.

Residential	Residential	Residential
Allandale 9	The Croft 10	Heathermount 16

The occupation rate has been 88%.

Allandale

Despite efforts it was not found possible to generate a surplus at Allandale. A combination of misfortunes – the almost simultaneous loss of nine residents, staff vacancies being experienced and filled by agency staff through expediency, at a time of capital expenditure, resulted in large losses. To regain reserves, with regret, the Executive Committee, at its meeting in May 2018 resolved to sell the property. At the date of preparation of this report [March 2019] bids are awaited.

The Croft

The house experienced an uneventful year save for departure of the registered manager and appointment of a successor. There are development plans for the house in hand.

Heathermount

There has been both general and specific redecoration.

General

Despite a lack of available funds, the houses have been kept in good general repair and decoration. The employment of a full time maintenance operative has once more proved highly advantageous.

Financial

Throughout the year the Executive Committee has carefully monitored progress towards eradication of the deficit from the previous year. There has been a gradual but discernible improvement and whilst the reporting year also shows a deficit it is of a much lower order. Moreover, it has not proved necessary to call upon either the overdraft or loan facility. The prospect of the sale of Allandale and the consequent release from the drain on funds will consolidate the position yet further and the accrual of capital realised on the sale is to be earmarked for effecting improvements in service. The Executive Committee takes the view that the company remains a going concern and will continue to provide a high-quality and much needed service to the community.

Staff

Mr. David Morrow – Manager of Allandale and The Croft - resigned during the year and Miss Michelle Holmes was appointed as his successor. She has been accepted as Registered Manager by CQC.

We have subscribed to numerous additional training events and continue to do so. Our responsibilities have greatly increased over the last few years [See 4. above] and we shall need to assess carefully how best we can match those responsibilities.

We owe our staff a considerable debt for their commitment and diligence.

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Volunteers

We owe an equal debt to our volunteers both at Executive Committee and house level (Friends of Heathermount and the Allandale Friends Committee).

We like to think we also have happy and well-cared for residents, which ultimately is what matters.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months expenditure. The Board of Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

During the year the level of funds available to the Charity has fallen such that the Charity would be unable to meet the levels of expenditure in the event of a significant drop in income, as stated above. For further details see note 1.2.

Investment policy

The Charity has chosen to continue to minimise its financial risks by pursuing a prudent and conservative investment policy. Factors influencing the Charity include the continuing uncertainty of financial markets and the need to have ready access to funds, should the need to deploy them in pursuing initiatives arise. For these reasons funds are held in the bank and building societies. The Executive Committee continues to deal with risk assessment, policy, planning and strategy.

The Board of Trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Risks

The company has continued to review its assessment of risks. For completeness, risks have been classified as including: Governance and Management, Operational Risk, Financial Risk, Environmental/External Factors, Compliance Risk [Law and Regulation]. All classifications have been, and continue to be addressed: significant activity has been undertaken towards the elimination, or at least, diminution of threats to the company.

The greatest risks are: financial, precautions against abuse and matching our responsibilities.

Financial risk is self-explanatory: our outgoings [which include the living wage increases, pension contributions and higher utility costs] are prodigious which means our charges must more than meet our running costs: this may make us uncompetitive. It is more difficult to take precautions against vacancies arising and simultaneous losses are incapable of prediction. The only means of countering financial problems is to maintain generous reserves. Additionally, the company has arranged access to a bank overdraft and business loan facility.

Meeting our responsibilities is more complex: a decade ago we admitted residents who principally needed a little help – maybe dressing, washing, reminding of medication times. Now we are dealing with residents in an advanced state of frailty or suffering from the onset of dementia. This has crept up on us and we are now alert to the more demanding situation and have adjusted our staffing needs and training accordingly, including making appointments of highly qualified managers.

'Abuse', elsewhere in the industry, has created an atmosphere of suspicion and of ever greater vigilance which in turn leads to increased demands upon us. CQC has introduced a more intrusive regime of inspection as a reaction to scandals that have featured in the national press. The term 'abuse' has itself become so broadly interpreted and thus reportable, that our staff have become vulnerable. Virtually any allegation of abuse requires reporting variously to: CQC, local authority safeguarding teams and the Police, together with suspension of staff pending the outcome of investigation. Insurance companies – those that have not abandoned the industry altogether – universally exclude any claims arising therefrom.

We need to acknowledge that we are now in a highly demanding field of activity that: imposes unprecedented responsibilities on our Trustees; exposes our staff to greater risk and obliges us to maintain higher levels of supervision to reduce risk of abuse – of any magnitude – and makes it necessary for us to seek to recruit higher quality well trained and motivated staff.

We acknowledge these as significant challenges.

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Structure, governance and management

The charitable company was incorporated on 10 March 1967 and is governed by its Memorandum and Articles of Association. The name of the charitable company was changed on 14th October 2015 to Allandale Care Group Limited following termination of its membership of the Abbeyfield movement. The registered office, as from June 2005, remains The Croft, 94 Irby Road, Heswall, Wirral CH61 6XG.

The Board of Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Prof. M Riley (Chairman)	
Mrs P M Cleary	(Resigned 25 October 2018)
Mr E Smethurst	
Mrs G E Colvin	(Resigned 3 September 2018)
Mr K Morris	
Mr R M Hughes	
Mr L R Spears	
Mrs C M Condren	(Appointed 30 May 2018)
Mrs D Whitby	(Appointed 24 October 2018)

Members of the Executive Committee are appointed under the company's Articles of Association [49 – 56] and one third retires each year but is eligible for reappointment. Additional members may also be appointed. Moreover the Executive Committee may at any time appoint replacement or additional members who serve until the following Annual General Meeting and are eligible for election/re-election at that meeting.

Currently [March 2019] the Executive Committee comprises:

Mrs. G Colvin: President
Professor M. Riley: Chairman Mr E Smethurst: Vice Chairman and Treasurer
Mr. R Hughes, Mr. K Morris, Mr L Spears, Mrs C Condren, Mrs D Whitby
The Directors retiring this year were: Mrs. G Colvin and Mr. E Smethurst both of whom were willing to be re-elected. Both were re-elected unanimously. Mrs G Colvin resigned during the year
Members appointed this year – Mrs C Condren [Mrs Whitby was appointed in October 2018]

The President of the charity was Mrs. Pat Cleary - as from 20th January 2016 – succeeding Mr. Peter Howell Williams, who died on 29th December 2015. Sadly, Mrs. Cleary died on the 25th October 2018. Whilst she had been in an official capacity with the then society from 1984, she had been involved for some years before. Mrs Colvin has been appointed President in her place.

Our Trustee Indemnity Insurance was provided by the national Abbeyfield Society: since leaving we have negotiated fresh cover through the Minton Group and this continues.

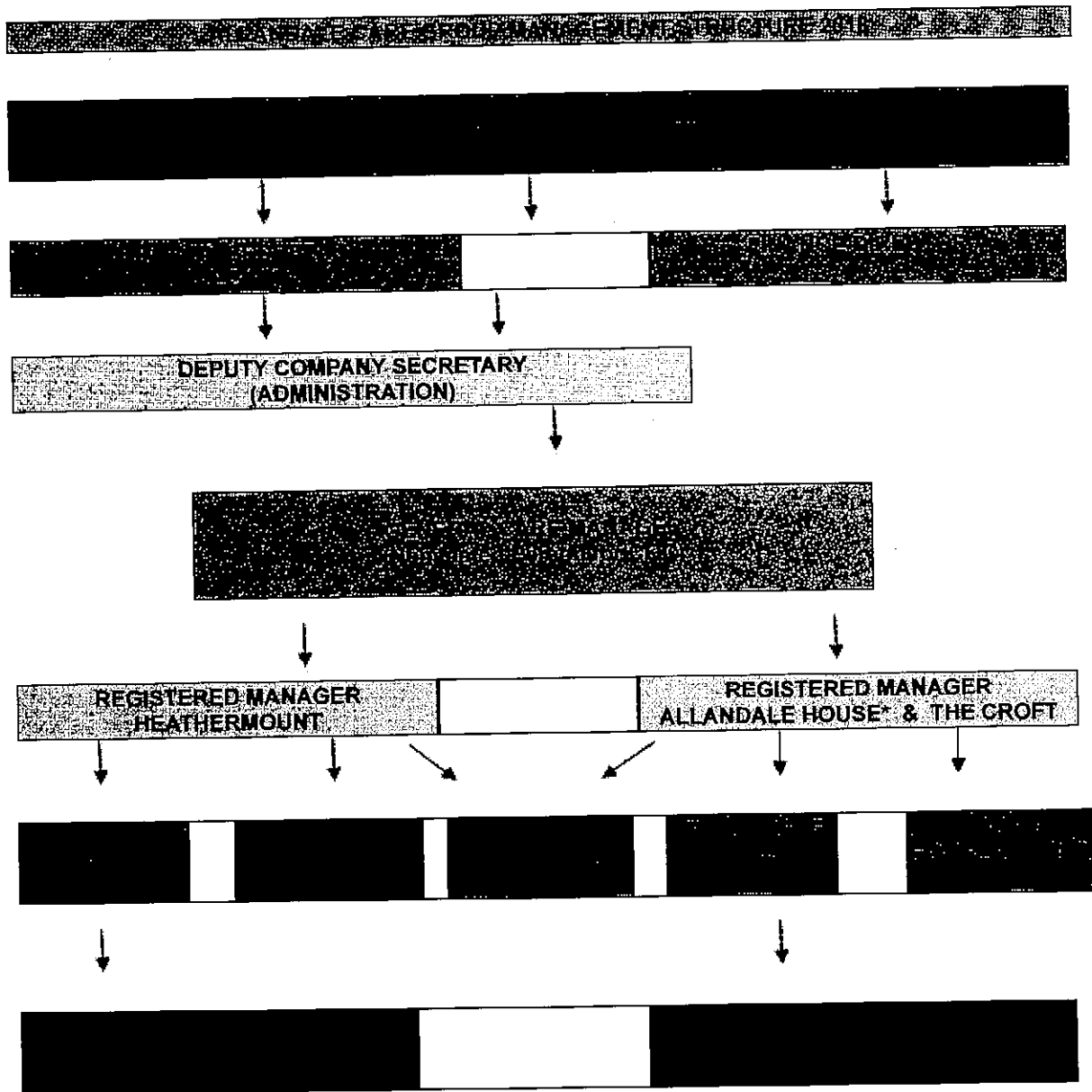
ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

The organisational structure is as follows:



Allandale
Care
Group



* Allandale House was closed in March 2019

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Statement of Trustee responsibilities

The Board of Trustees, who are also the directors of Allandale Care Group Limited for the purpose of company law, are responsible for preparing the Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

Auditor

A resolution for the re-appointment of Lonsdale and Marsh as auditors of the Charity will be proposed at the Annual General Meeting.

Disclosure of Information to auditor

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

The Trustee report was approved by the Board of Board Of Trustees.



Prof. M Riley (Chairman)

Dated: 27 March 2019

ALLANDALE CARE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLANDALE CARE GROUP LIMITED

Opinion

We have audited the financial statements of Allandale Care Group Limited (the 'Charity') for the year ended 30 September 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

ALLANDALE CARE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLANDALE CARE GROUP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustee report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustee report and from the requirement to prepare a strategic report.

Responsibilities of Board of Trustees

As explained more fully in the statement of Trustee responsibilities, the Board of Trustees, who are also the directors of the Charity for the purpose of company law, is 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 Board of 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 Board of Trustees is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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


ALLANDALE CARE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLANDALE CARE GROUP LIMITED

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.



Elaine Frances McElroy (Senior Statutory Auditor)
for and on behalf of Lonsdale & Marsh

28 March 2019

Chartered Accountants
Statutory Auditor

7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

ALLANDALE CARE GROUP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Unrestricted funds 2018 £	Total 2017 £
<u>Income from:</u>			
Donations and legacies	2	-	2,805
Charitable activities	3	1,017,232	951,239
Investments	4	26	165
Total income		1,017,258	954,209
<u>Expenditure on:</u>			
Charitable activities	5	1,045,272	1,046,340
Net expenditure for the year/ Net movement in funds		(28,014)	(92,131)
Fund balances at 1 October 2017		1,646,146	1,738,277
Fund balances at 30 September 2018		1,618,132	1,646,146

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

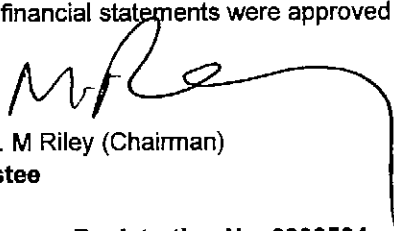
ALLANDALE CARE GROUP LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	10		1,843,756		1,853,807
Current assets					
Debtors	12	14,483		14,106	
Cash at bank and in hand		58,373		95,484	
		72,856		109,590	
Creditors: amounts falling due within one year	13	(72,940)		(88,154)	
Net current (liabilities)/assets			(84)		21,436
Total assets less current liabilities			1,843,672		1,875,243
Creditors: amounts falling due after more than one year	14		(225,540)		(229,097)
Net assets			1,618,132		1,646,146
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,099,385		1,127,399	
Revaluation reserve		518,747		518,747	
			1,618,132		1,646,146
			1,618,132		1,646,146

The financial statements were approved by the Board of Trustees on 27 March 2019


Prof. M Riley (Chairman)
Trustee


M E Smethurst
Trustee

Company Registration No. 0900504

ALLANDALE CARE GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(37,137)		(45,820)
Investing activities					
Purchase of tangible fixed assets		-		(73,124)	
Interest received		26		165	
Net cash generated from/(used in) investing activities			26		(72,959)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(37,111)		(118,779)
Cash and cash equivalents at beginning of year			95,484		214,263
Cash and cash equivalents at end of year			58,373		95,484

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Charity information

Allandale Care Group Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Croft, 94 Irby Road, Heswall, Wirral, CH61 6XG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

As stated in the Financial Statements for the year ended 30 September 2017 the charitable company incurred a deficit of £92,131. The deficit was attributable to increased staffing costs, a programme of house refurbishments and poor occupancy levels. After looking at all the options available to ensure the future of the charitable company the Trustees took the decision, in May 2018, to close down one of the houses, namely Allandale, which was running at a loss. The residents have been transferred to the remaining two houses and currently there is only one vacancy and the houses are now running at a surplus.

Since the year end the Allandale has been placed on the market and there has been strong interest in the property. The deadline for sealed bids is 3 April.

The Trustees are of the opinion that the substantial amount due from the sale of the property will ensure the future of Allandale Care Group Limited for many years to come.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

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

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

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

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

1.5 Resources expended

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.

Charitable activity costs relate to services provided centrally and identified as wholly or mainly in support of direct charitable expenditure, together with an appropriate proportion of management and office overheads.

Support costs are those functions that assist the work of the Charity but do not undertake charitable activities. Support costs include back office costs, finance, personnel and payroll. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	See below
Fixtures and fittings	15% on cost

Freehold land is not depreciated.

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

It is the Charity's policy and practice to maintain properties to a high standard through a continuing programme of refurbishment and maintenance. Consequently the lives of the properties and their residual values are such that any depreciation charge would be immaterial.

A full year's depreciation is charged on fixed assets in the year of purchase but no charge is made in the year of disposal.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Social housing grants

Some of the Charity's housing schemes are financed partly by Social Housing or other capital grants. Section 24 of FRS 102 'Government grants' permits either the performance model or the accrual model to recognise government grants. As required by the Housing SORP (FRS102), housing properties accounted at valuation must recognise government grants using the performance model and those accounted for at cost must recognise government grants using the accrual model.

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

2 Donations and legacies

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	-	2,805

3 Charitable activities

	2018 £	2017 £
Sales within charitable activities	1,013,675	947,682
Less: deferred income	3,557	3,557
	<u>1,017,232</u>	<u>951,239</u>

4 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Interest receivable	26	165

5 Charitable activities

	2018 £	2017 £
Staff costs	706,732	685,811
Depreciation and impairment	10,050	7,106
Charitable expenditure	185,749	220,294
	<u>902,531</u>	<u>913,211</u>
Share of support costs (see note 6)	136,501	128,329
Share of governance costs (see note 6)	6,240	4,800
	<u>1,045,272</u>	<u>1,046,340</u>

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	110,530	-	110,530	95,128
Legal & professional fees	408	-	408	2,686
Health & safety consultancy	7,968	-	7,968	6,000
Payroll and auto enrolment fees	600	-	600	3,919
Consultancy fees	16,995	-	16,995	16,996
Property valuation fees	-	-	-	3,600
Audit fees	-	6,240	6,240	4,800
	<u>136,501</u>	<u>6,240</u>	<u>142,741</u>	<u>133,129</u>
Analysed between Charitable activities	<u>136,501</u>	<u>6,240</u>	<u>142,741</u>	<u>133,129</u>

7 Board Of Trustees

None of the Board of Trustees (or any persons connected with them) received any expenses from the Charity during the year. For details of remuneration see note 18.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Care staff	45	41
Office staff	4	4
	<u>49</u>	<u>45</u>

Employment costs

	2018 £	2017 £
Wages and salaries	776,252	763,046
Social security costs	26,070	6,583
Other pension costs	14,940	11,310
	<u>817,262</u>	<u>780,939</u>

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

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

9 Taxation

The charitable company has charitable status and therefore is exempt from corporation tax on the income it has received. The charitable company is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 October 2017	1,805,779	224,969	2,030,748
Disposals	-	(157,985)	(157,985)
At 30 September 2018	1,805,779	66,984	1,872,763
Depreciation and impairment			
At 1 October 2017	-	176,942	176,942
Depreciation charged in the year	-	10,048	10,048
Eliminated in respect of disposals	-	(157,983)	(157,983)
At 30 September 2018	-	29,007	29,007
Carrying amount			
At 30 September 2018	1,805,779	37,977	1,843,756
At 30 September 2017	1,805,779	48,028	1,853,807

The Charity has taken advantage of deemed cost transitional relief. See accounting policy note 1.12 and note 19 for further details.

11 Financial instruments	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	14,182	13,619
Carrying amount of financial liabilities		
Measured at amortised cost	55,889	73,029
12 Debtors		
Amounts falling due within one year:		
Trade debtors	14,182	13,619
Prepayments and accrued income	301	487
	14,483	14,106

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other taxation and social security		13,494	11,568
Government grants	15	3,557	3,557
Trade creditors		40,389	64,986
Other creditors		288	905
Accruals and deferred income		15,212	7,138
		<u>72,940</u>	<u>88,154</u>

14 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Government grants	15	<u>225,540</u>	<u>229,097</u>

15 Government grants

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	3,557	3,557
Non-current liabilities	<u>225,540</u>	<u>229,097</u>
	<u>229,097</u>	<u>232,654</u>

16 Share capital

The company is limited by guarantee and has no share capital.

17 Operating lease commitments

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

	2018 £	2017 £
Within one year	<u>26,730</u>	<u>2,666</u>

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors/trustees, is as follows.

	2018 £	2017 £
Consultancy fees	16,995	16,996

19 Cash generated from operations

	2018 £	2017 £
Deficit for the year	(28,014)	(92,131)
Adjustments for:		
Investment income recognised in statement of financial activities	(26)	(165)
Depreciation and impairment of tangible fixed assets	10,051	7,106
Movements in working capital:		
(Increase)/decrease in debtors	(377)	13,523
(Decrease)/increase in creditors	(15,214)	29,404
(Decrease) in deferred income	(3,557)	(3,557)
Cash absorbed by operations	(37,137)	(45,820)