

**DOLANOG RESIDENTIAL HOME**  
**TRUSTEES REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED CHARITY NO: 245425**

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**DOLANOG RESIDENTIAL HOME**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Name of the Charity</b>	Dolanog Residential Home	
<b>Charity number</b>	245425	
<b>Registered office</b>	Dolanog Residential Home 87 Russell Road Rhyl Denbighshire LL18 3DU	
<b>Trustees</b>	Mr H M McEvoy MBE	
	Mr R Adams	Resigned 23/05/18
	Mr J P Williams	Resigned 23/05/18
	Mrs J Campbell	
	Dr M Pritchard	
	Mr R G Davies	Appointed 21/03/18
	Mrs R I Blunden	Appointed 21/03/18
<b>Home Manager</b>	Miss M Cotton	
<b>Bankers</b>	HSBC plc 23 Wellington Road Rhyl Denbighshire LL18 1BB	
<b>Accountants</b>	Harold Smith Unit 32 St Asaph Business Park St Asaph Denbighshire LL17 0JA	
<b>Investments Advisors</b>	Nucleus Greenside 12 Blenheim Place Edinburgh EH7 5JH	
	Beaufort Financial Planning Limited 93 Bowen Court St Asaph Business Park St Asaph Denbighshire LL17 0JE	

## **DOLANOG RESIDENTIAL HOME**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

The Trustees present their annual report for the year ended 31 December, 2018 together with the financial statements for the year. The financial statements have been prepared under the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity is governed by its constitution. It has been registered as a charity since 1965. It was originally registered as 'The Woman's Convalescent Home, Rhyl'. The charity registration number is 245425 and it operates from 87 Russell Road, Rhyl, Denbighshire, LL18 3DU. It is an unincorporated association.

The trustees named on page 2 have served during the year. All trustee appointments are governed by the constitution and all appointments are approved by the Board of Trustees. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. Before being appointed, trustees generally serve on the committee to confirm their suitability and need to apply to the CSSIW to register as a responsible person for the Charity.

The Board of Trustees meets twelve times a year for monthly management meetings. It is during these meetings that all significant decisions are made. Should any major decisions arise for which the board feel they do not possess the relevant experience, they will source external professional advice.

Although the board is the key decision making body, the day to day responsibility for the management of the residential home is delegated to the home manager.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

#### **RISK MANAGEMENT**

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the control over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to manage those risks.

#### **OBJECTIVES AND ACTIVITIES**

The object of Dolanog Residential Home, as set out in its constitution, is the promotion of the welfare of the aged by the provision of a residential home. The charity aims to maximise the comfort and care of residents, through maintaining high standards throughout the home. This covers the living accommodation, the quality of care, cultural experiences, the food and drink on offer, outings and excursions and also the safety and security of the residents. No member of the public will be refused acceptance provided they meet the medical suitability and age requirements of the home.

Dolanog Residential Home achieves its objectives through its strategy of good household management and control, by maintaining the property and buildings to provide said residential accommodation; by employing such persons considered necessary to carry out the purposes of the charity; and by exchanging beneficial information and advice with voluntary and statutory bodies.



## **DOLANOG RESIDENTIAL HOME**

The home maintains an ample roster of staff enabling it to avoid any problems with holiday or sickness cover. All staff receive regular training and all are strongly encouraged to qualify to NVQ level 3, at least. Further qualification is not just encouraged by the charity, it is also funded by the charity on the employee's behalf. The Trustee's priority is to do all they can to ensure a high level of morale among the staff. The Investors in People accolade is held by the charity,

The Home's policy on days out is 'if it can be done, it should be done' and strives to have as many excursions as possible. The Home is regularly praised by residents families.

### **ACHIEVEMENTS AND PERFORMANCE**

This year the charity has made further investment in renewing and updating the infrastructure, which can be seen as an act of faith in Dolanog's future. We warmly welcome the numerous expressions of approval, following various independent inspections carried out by statutory bodies such as CSSIW and Denbighshire County Council, of the manifold improvements made at Dolanog. To find Dolanog described as "a lovely place to live" is reward itself.

### **STRATEGIC REPORT**

The Trustees were always aware that their specific decision several years ago, to act on the advice received that they should utilize a significant part of their substantial accumulated funds to enhancing the comfort and benefit of Dolanog's residents, would affect its enviable financial base.

The expenditure was foreseen as a prudent way to secure Dolanog's future as an attractive, appealing and viable community asset in a competitive environment.

Several hundred thousand pounds were invested on major building works, creating a much-needed conservatory, modern offices fit for purpose, a long overdue platform lift, refurbished lounges, new toilet blocks and general re-carpeting and redecoration of the entire ground floor. This was followed by a comprehensive second phase, designed by professional care home specialists, to achieve a transformational enhancement of all bedrooms on all floors, in consultation with residents on their individual preferred options.

The resultant impact, whilst widely acclaimed and admired, inevitably has had the effect of reducing Dolanog's funds, exacerbated and compounded by a costly reduction in room occupancy, largely beyond Dolanog's control.

As a result, the Trustees have resolved to introduce a number of hopefully short-term cost-cutting measures, alongside renewed efforts to restore fuller occupancy, all aimed at replenishing the reduced, but still healthy, level of investments. This objective will not in any way infringe the home's immutable commitment to deliver the highest achievable level of care that befits our charitable ethos, obligations and unwavering motivation.

The substantial and justifiable major renovations, funded from accumulated savings and investments, have helped transform and enhance the comfort and attraction for service-users, entirely in keeping with the home's ethos as a voluntary-run, registered charitable organisation, dedicated to utilising funds to maximise the quality of life for all residents. The rewards of this significant investment has not only achieved a widely-admired visual and environmental uplift, but also helped ensure Dolanog's continued appeal in meeting its enduring objective of providing a true home-from-home, whilst still retaining enviably secure financial security and probity.



## **DOLANOG RESIDENTIAL HOME**

### **FINANCIAL REVIEW**

The Trustees are grateful to our financial advisers and accountants for their ready professional advice and guidance throughout the year. As at 31 December, 2018, the Charity's reserves totalled £977,886 (2017 - £1,102,491).

Over 50% of reserves held as the freehold property, which is exclusively utilised for the purposes described in the charity's constitution. As the charity's activities are subject to the Care Standards Act 2000, the trustees are aware of the necessity to ensure the accommodation provided by the charity continues to meet current and future care standards.

Investments are monitored regularly by independent financial advisors.

### **PLANS FOR FUTURE PERIODS**

The Trustees remain committed to seeking Living Wage pay rates for staff, in tandem with upgrading all facets of its activities and responsibilities.

A major refurbishment of all 28 bedrooms was completed in 2018, lifting the accommodation up to the high standards of communal lounges and open spaces throughout the home.

All residents now enjoy attractive, modern, personalised rooms, in colours and materials of their individual choice. The comfort, privacy and security provided has been widely acclaimed by residents, relatives and attending medical and social worker personnel.

The home's abiding emphasis on providing attractive, seasonal and nourishing food, continues to be a prominent daily feature of life at Dolanog. Having long dispensed with budgetary constraints, the trustees and focused kitchen staff are fiercely proud of the range and quality of food to be enjoyed every meal time.

The trustees look to continue to welcome a wide range of artists, choirs, keep-fit teams, musicians, singers, instrumentalists and groups to entertain residents and are grateful to the enthusiastic staff for their numerous contributions to ensure a varied and beneficial programme of activities.

### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees are required under the Charities Act 2011 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow the best practice and:

- a. Select suitable accounting policies and apply them consistently;
- b. Make judgements and estimates that are reasonable and prudent;
- c. Follow applicable accounting standards, subject to any departures disclosed and explained in the financial statements
- d. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue to operate

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity; and which enable them to ascertain the financial position of the charity; and enable them to ensure that the financial statements comply with applicable laws and regulations. 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.

**DOLANOG RESIDENTIAL HOME**

**Approval**

This report was approved by the trustees on and signed on their behalf.

Mr H M McEvoy MBE  
Chairman of the Trustees

29 May 2019

A handwritten signature in black ink, appearing to read 'H M McEvoy', with a long horizontal flourish extending to the right.



## DOLANOG RESIDENTIAL HOME

### INDEPENDENT EXAMINERS REPORT ON THE ACCOUNTS OF DOLANOG RESIDENTIAL HOME

Independent Examiners Report to the trustees of Dolanog Residential Home, charity number 245425, on the accounts for the year ended 31 December 2018 set out on pages 7 -14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations for the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no material matters have come to my attention which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give and a 'true and fair' view which is not a matter considered as part of an independent examination.

I 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.



.....  
Mr Lawrence Archer F.C.A.

Harold Smith  
Chartered Accountants & Registered Auditors  
Unit 32  
Llys Edmund Prys  
St Asaph Business Park  
St Asaph, LL17 OJA  
29, May, 2019



**DOLANOG RESIDENTIAL HOME**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED CHARITY NO: 245425**

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Incoming Resources</b>				
Investment Income	2	8	8	6
Incoming resources from charitable activities	3	632,952	632,952	654,097
<b>Total incoming resources</b>		632,960	632,960	654,103
<b>Resources expended</b>				
Charitable activities	4	720,098	720,098	770,948
Governance costs	5	27,478	27,478	26,743
<b>Total resources expended</b>		747,576	747,576	797,691
<b>Net incoming resources</b>		(114,616)	(114,616)	(143,588)
Loss on investment assets		(9,989)	(9,989)	29,171
<b>Net movement in funds</b>		(124,605)	(124,605)	(114,417)
Total funds as at 01 January 2018		1,102,491	1,102,491	1,216,908
<b>Total funds as at 31 December 2018</b>		977,886	997,886	1,102,491

The notes on pages 12 to 15 form part of these accounts.

**DOLANOG RESIDENTIAL HOME**  
**BALANCE SHEET AS AT 31 DECEMBER 2018**

**REGISTERED CHARITY NO: 245425**

		2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	7	799,506	816,274
Investments	8	172,038	252,027
		<u>971,544</u>	<u>1,068,301</u>
<b>Current assets</b>			
Debtors	9	32,412	40,827
Cash at bank and in hand		13,764	35,460
		<u>46,176</u>	<u>76,287</u>
<b>Creditors</b>			
Due within one year	10	(39,834)	(42,097)
<b>Net current assets</b>		<u>6,342</u>	<u>34,190</u>
<b>Net assets</b>		<u>977,886</u>	<u>1,102,491</u>
<b>Unrestricted funds</b>		977,886	1,102,491
<b>Total funds</b>		<u>977,886</u>	<u>1,102,491</u>

Approved by the trustees on 29,May, 2019 and signed on their behalf.

Mr H M McEvoy MBE



**DOLANOG RESIDENTIAL HOME**

**STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2018**

	Total funds £	Prior year funds £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	<u>(19,480)</u>	<u>4,544</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	8	6
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(2,224)	(13,327)
Proceeds from sale of investments	-	-
Purchase of investments	<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(21,696)</u>	<u>(8,777)</u>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	-	-
Cash inflows from net borrowing	-	-
Receipt of endowment	<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>	<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting Period</b>	(21,696)	(8,777)
<b>Cash and cash equivalents at the beginning of the reporting Period</b>	35,460	44,237
<b>Change in cash and cash equivalents due to exchange rate Movements</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the reporting Period</b>	<u>13,764</u>	<u>35,460</u>



## DOLANOG RESIDENTIAL HOME

Reconciliation of net movement in funds to net cash flow from operating activities

	Total funds £	Prior year funds £
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	(124,605)	(114,417)
<b>Adjustments for :</b>		
Depreciation charges	18,992	23,450
Dividends, interest and rents from investments	(8)	(6)
Loss/(profit) on sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	8,415	2,996
Increase/(decrease) in creditors	(2,263 )	(4,726)
(Increase)/decrease in investments	<u>79,989</u>	<u>97,247</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(19,480)</u>	<u>4,544</u>
 <b>Analysis of cash and cash equivalents</b>		
Cash in hand	403	1,576
Notice deposits (less than 30 days)	13,361	33,884
Overdraft facility repayable on demand	<u>-</u>	<u>-</u>
<b>Total cash and cash equivalents</b>	<u>13,764</u>	<u>35,460</u>

## DOLANOG RESIDENTIAL HOME

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 STATEMENT OF ACCOUNTING POLICIES

##### **1.1 Basis of accounts preparation**

These accounts are prepared under FRS 102 (Charities) the Charities Act 2011 on the historical cost convention as modified by the adoption of current cost for investment assets and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005. The Charity is a public benefit entity.

##### **1.2 Going Concern**

The accounts are prepared on a going concern basis.

##### **1.3 Change in basis of accounting**

There has been no change to the accounting policies since last year.

##### **1.4 Changes to previous accounts**

No changes have been made to accounts for previous years.

##### **1.5 Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Turnover is the amount derived from the provision of services.

##### **1.6 Donations**

Voluntary income and donations are accounted for as received by the charity. The charity does not receive income from fundraising and no permanent endowments have been received in the period.

##### **1.7 Investments**

Investments held as fixed assets are revalued to market value at the balance sheet date and the gain or loss is recognised in the Statement of Financial Activity.

##### **1.8 Management and administration expenditure**

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity. This includes office costs, staff salaries for administrative staff and accountants fees.

##### **1.9 Depreciation**

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following bases:

Freehold property	Nil
Fittings and equipment – Lift	25% per annum on written down value
Fittings and equipment – Other	15% per annum on written down value

No depreciation is charged against the freehold property on the basis that any charge would be immaterial as sufficient is spent to maintain the property in its current condition and that continuing improvements to the property increase its value as a going concern.

The trustees rely upon the opinion of its insurers that the current insured value of the freehold property

## DOLANOG RESIDENTIAL HOME

is substantially in excess of the carrying value disclosed in the accounts. An initial impairment review carried out by the trustees did not discover any possibility of any material diminution of value. The trustees therefore consider that the cost of a professional valuation would not be in the best interest of the charity.

### 1.10 Taxation

The charity is a registered charity and as such is not liable to either income or corporation tax.

## 2 ANALYSIS OF INVESTMENT INCOME

	2018 £	2017 £
<b>Investment Income</b>		
Bank Interest	8	6
	<u>8</u>	<u>6</u>

All investments are listed on, or valued by reference to, recognised stock exchanges or are held in common investment funds.

Investments are held primarily to provide an investment return for the charity.

## 3 ANALYSIS OF RESOURCES FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
<b>Incoming resources from charitable activities</b>		
Fees received from residents	632,952	654,097
	<u>632,952</u>	<u>654,097</u>

## 4 ANALYSIS OF CHARITABLE ACTIVITIES

	2018 £	2017 £
<b>Charitable activities</b>		
Staff costs	508,771	461,392
Premises and related costs	124,187	211,239
Residents costs	68,148	74,867
Depreciation	18,992	23,450
	<u>720,098</u>	<u>770,948</u>

## 5 ANALYSIS OF GOVERNANCE COSTS

	2018 £	2017 £
<b>Governance costs</b>		
Staff costs – charity secretary	9,897	8,617
Office	5,336	5,886
Legal and Professional	3,758	4,771
Accountancy and payroll	5,756	4,713
Independent Examiners Fee	2,500	2,500
Bank charges	231	256
	<u>27,478</u>	<u>26,743</u>



## DOLANOG RESIDENTIAL HOME

### 6 EMPLOYEES

No trustee expenses have been incurred.

#### 6.1 Staff costs

	2018	2017
	£	£
<b>Staff costs</b>		
Gross wages	463,111	425,342
Employer's national insurance costs	34,787	31,346
NEST Pension	10,877	4,704
	<u>508,775</u>	<u>461,392</u>

#### 6.2 Average number of full-time equivalent employees in the year

	2018	2017
	£	£
<b>Areas in which the employees work</b>		
Charitable activities	26	26
Governance	1	1
	<u>27</u>	<u>27</u>

There were no employees whose emoluments exceeded £60,000

### 7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Lift £	Furniture And Equipment £	Vehicle £	Total £
<b>Cost</b>					
At 1 January 2018	711,321	58,347	350,614	24,232	1,144,514
Additions	-	-	2,224	-	2,224
Disposals	-	-	-	-	-
At 31 December 2018	<u>711,321</u>	<u>58,347</u>	<u>352,838</u>	<u>24,232</u>	<u>1,146,738</u>
<b>Depreciation</b>					
At 1 January 2018	-	26,285	278,154	23,801	328,240
charge for the year	-	8,015	10,869	108	18,992
Eliminated on disposal	-	-	-	-	-
At 31 December 2018	<u>-</u>	<u>34,300</u>	<u>289,023</u>	<u>23,909</u>	<u>347,232</u>
<b>Net Book Value</b>					
At 31 December 2018	<u>711,321</u>	<u>24,047</u>	<u>63,815</u>	<u>323</u>	<u>799,506</u>
At 31 December 2017	<u>711,321</u>	<u>32,062</u>	<u>72,460</u>	<u>431</u>	<u>816,274</u>

## DOLANOG RESIDENTIAL HOME

### 8 FIXED ASSET INVESTMENTS

	£
Market value at beginning of year	252,027
Sold in year	(70,000)
Net loss on revaluation	(9,989)
Market value at end of year	<u>172,038</u>

Nucleus – Listed Investment Portfolio	115,457
Alchemy -Listed Investment Portfolio	<u>56,581</u>
	<u>172,038</u>

### 9 DEBTORS AND PREPAYMENTS

	2018	2017
	£	£
Trade debtors	29,158	37,727
Prepayments	<u>3,254</u>	<u>3,100</u>
	<u>32,412</u>	<u>40,827</u>

### 10 CREDITORS DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	25,955	15,604
Other creditors	-	13,838
Tax and Social Security	<u>13,879</u>	<u>12,655</u>
	<u>39,834</u>	<u>42,097</u>

### 11 RELATED PARTY TRANSACTIONS

There are no related party transactions in this period that require disclosure.