

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 2018
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 2018

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WELLINGTON COTTAGE CARE TRUST

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

At the start of the year, 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. On the 10 August 2018 the Charity entered a CVA.

On the 10 August 2019, the Charity came out of the CVA after the main property and land was sold with the proceeds used to pay the outstanding bank loan and the redundancy costs.

The Trustees are now considering their options moving forward, with reference to the options available under the Trust document.

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.

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 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02777294 (England and Wales)

Registered Charity number

1019200

Registered office

15 Bridge Road
Wellington
Telford
Shropshire
TF1 1EB

Trustees

B P G Benham	Retired	
D E T Whittingham	Retired	
Mrs M A Cuthbert	Retired	
Mrs C Bethell	Retired	
J D Evans	Retired	
Ms J N Hallam	Retired	
T Gilder	Publisher	- deceased 4.7.19
Mrs H J Lloyd	Retired	
C J Kay	Retired	

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 31st October 2019 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 2018.

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

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

31st October 2019

WELLINGTON COTTAGE CARE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2018

	Notes	Unrestricted funds £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		10,645	-	10,645	51,162
Other trading activities	2	98,539	-	98,539	268,103
Investment income	3	68	-	68	63
Total		<u>109,252</u>	<u>-</u>	<u>109,252</u>	<u>319,328</u>
EXPENDITURE ON					
Raising funds		14,595	-	14,595	15,874
Charitable activities					
Daycare Centre		<u>322,429</u>	<u>-</u>	<u>322,429</u>	<u>287,894</u>
Total		<u>337,024</u>	<u>-</u>	<u>337,024</u>	<u>303,768</u>
NET INCOME/(EXPENDITURE)		<u>(227,772)</u>	<u>-</u>	<u>(227,772)</u>	<u>15,560</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		312,864	130,102	442,966	427,406
TOTAL FUNDS CARRIED FORWARD		<u><u>85,092</u></u>	<u><u>130,102</u></u>	<u><u>215,194</u></u>	<u><u>442,966</u></u>

The notes form part of these financial statements

WELLINGTON COTTAGE CARE TRUST

BALANCE SHEET
At 31st December 2018

	Notes	Unrestricted funds £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
FIXED ASSETS					
Tangible assets	8	269,898	130,102	400,000	563,112
CURRENT ASSETS					
Debtors	9	19,418	-	19,418	24,739
Cash at bank and in hand		8,073	-	8,073	30,143
		<u>27,491</u>	<u>-</u>	<u>27,491</u>	<u>54,882</u>
CREDITORS					
Amounts falling due within one year	10	(66,805)	-	(66,805)	(19,900)
NET CURRENT ASSETS/(LIABILITIES)		<u>(39,314)</u>	<u>-</u>	<u>(39,314)</u>	<u>34,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		230,584	130,102	360,686	598,094
CREDITORS					
Amounts falling due after more than one year	11	(145,492)	-	(145,492)	(155,128)
NET ASSETS		<u>85,092</u>	<u>130,102</u>	<u>215,194</u>	<u>442,966</u>
FUNDS	14				
Unrestricted funds				85,092	312,864
Restricted funds				130,102	130,102
TOTAL FUNDS				<u>215,194</u>	<u>442,966</u>

The notes form part of these financial statements

WELLINGTON COTTAGE CARE TRUST

BALANCE SHEET - CONTINUED

At 31st December 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2018 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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 31st October 2019 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 2018**

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 2018

2. OTHER TRADING ACTIVITIES

	31.12.18	31.12.17
	£	£
Day-care fees	88,660	249,076
Charity shops	9,879	19,027
	<u>98,539</u>	<u>268,103</u>

3. INVESTMENT INCOME

	31.12.18	31.12.17
	£	£
Interest received	68	63
	<u>68</u>	<u>63</u>

4. NET INCOME/(EXPENDITURE)

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

	31.12.18	31.12.17
	£	£
Depreciation - owned assets	4,849	5,847
	<u>4,849</u>	<u>5,847</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the year ended 31st December 2017 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2018 nor for the year ended 31st December 2017 .

6. STAFF COSTS

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

	31.12.18	31.12.17
Charitable activities	15	18
	<u>15</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	51,162	-	51,162
Other trading activities	268,103	-	268,103
Investment income	63	-	63

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the Year Ended 31st December 2018

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
Total	319,328	-	319,328
EXPENDITURE ON			
Raising funds	15,874	-	15,874
Charitable activities			
Daycare Centre	287,894	-	287,894
Total	303,768	-	303,768
NET INCOME/(EXPENDITURE)	15,560	-	15,560
RECONCILIATION OF FUNDS			
Total funds brought forward	297,304	130,102	427,406
TOTAL FUNDS CARRIED FORWARD	312,864	130,102	442,966

8. TANGIBLE FIXED ASSETS

	Land & building £	Furniture and Equipment £	Motor vehicles £	Totals £
COST				
At 1st January 2018	726,881	129,426	25,838	882,145
Disposals	-	(129,426)	(25,838)	(155,264)
Impairments	(132,314)	-	-	(132,314)
At 31st December 2018	594,567	-	-	594,567
DEPRECIATION				
At 1st January 2018	194,567	101,257	23,209	319,033
Charge for year	-	4,192	657	4,849
Eliminated on disposal	-	(105,449)	(23,866)	(129,315)
At 31st December 2018	194,567	-	-	194,567
NET BOOK VALUE				
At 31st December 2018	400,000	-	-	400,000
At 31st December 2017	532,314	28,169	2,629	563,112

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2018

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade debtors	2,402	24,739
Other debtor	17,016	-
	<u>19,418</u>	<u>24,739</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Bank loans and overdrafts (see note 12)	9,900	9,900
Accrued expenses	56,905	10,000
	<u>66,805</u>	<u>19,900</u>

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

	31.12.18	31.12.17
	£	£
Bank loans (see note 12)	145,492	155,128

12. LOANS

An analysis of the maturity of loans is given below:

	31.12.18	31.12.17
	£	£
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>105,892</u>	<u>115,528</u>

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2018

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.18 £	31.12.17 £
Bank loans	<u>155,392</u>	<u>165,028</u>

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

14. MOVEMENT IN FUNDS

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	255,146	(227,772)	27,374
Repair Fund	<u>57,718</u>	<u>-</u>	<u>57,718</u>
	312,864	(227,772)	85,092
Restricted funds			
Specific Expenditure	<u>130,102</u>	<u>-</u>	<u>130,102</u>
TOTAL FUNDS	<u>442,966</u>	<u>(227,772)</u>	<u>215,194</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	109,252	(337,024)	(227,772)
TOTAL FUNDS	<u>109,252</u>	<u>(337,024)</u>	<u>(227,772)</u>

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2018

14. MOVEMENT IN FUNDS - continued

Comparatives for 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
	<u>297,304</u>	<u>15,560</u>	<u>312,864</u>
Restricted Funds			
Specific Expenditure	130,102	-	130,102
	<u>427,406</u>	<u>15,560</u>	<u>442,966</u>
TOTAL FUNDS	<u>427,406</u>	<u>15,560</u>	<u>442,966</u>

Comparative 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
	<u>319,328</u>	<u>(303,768)</u>	<u>15,560</u>
TOTAL FUNDS	<u>319,328</u>	<u>(303,768)</u>	<u>15,560</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.17 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	239,586	(212,212)	27,374
Repair Fund	57,718	-	57,718
Restricted funds			
Specific Expenditure	130,102	-	130,102
TOTAL FUNDS	<u>427,406</u>	<u>(212,212)</u>	<u>215,194</u>

WELLINGTON COTTAGE CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31st December 2018

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	428,580	(640,792)	(212,212)
TOTAL FUNDS	<u>428,580</u>	<u>(640,792)</u>	<u>(212,212)</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 2018.

WELLINGTON COTTAGE CARE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2018

	31.12.18 £	31.12.17 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and fund raising	10,645	51,162
Other trading activities		
Day-care fees	88,660	249,076
Charity shops	9,879	19,027
	<hr/> 98,539	<hr/> 268,103
Investment income		
Interest received	<hr/> 68	<hr/> 63
Total incoming resources	109,252	319,328
 EXPENDITURE		
Other trading activities		
Rent, water and insurance	12,036	12,748
Lighting and heating	808	811
Telephone	4	233
Printing stationery and adverts	35	78
Repairs and renewals	768	625
Sundry expenses	644	1,079
Accountancy charges	300	300
	<hr/> 14,595	<hr/> 15,874
 Charitable activities		
Wages	125,330	180,053
Insurance and water rates	9,870	12,118
Light and heat	11,891	11,953
Telephone	852	1,386
Printing, stationery and adverts	1,387	2,819
Repairs and renewals	4,496	12,583
Sundries	6,742	12,098
Craft materials	119	633
Meals and groceries	10,001	26,593
Minibus expenses	2,616	5,949
Professional fees	4,572	2,866
Bad debts written off	-	92
Profit on disposal of assets	(4,677)	-
Accountancy	1,248	1,399
Depreciation of equipment	4,192	4,971
Carried forward	178,639	275,513

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 2018

	31.12.18 £	31.12.17 £
Charitable activities		
Brought forward	178,639	275,513
Depreciation of minibus	657	876
Impairment of Land & Building	132,314	-
Bank charges	472	558
Bank loan interest	10,347	10,947
	<hr/> 322,429	<hr/> 287,894
Total resources expended	337,024	303,768
	<hr/>	<hr/>
Net (expenditure)/income	<u><u>(227,772)</u></u>	<u><u>15,560</u></u>

This page does not form part of the statutory financial statements