
LUTON FRIENDSHIP HOMECARERS
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

LUTON FRIENDSHIP HOMECARERS
(A Company Limited by Guarantee)

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LUTON FRIENDSHIP HOMECARERS
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES WHO SERVED
DURING THE YEAR AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees who served during the year	Bernie Holford Gary Gunter Joyce McLeary Jorville Fetalino Nigel McNeil
Company registered number	3973439
Charity registered number	1081256
Registered office	92 Hastings Street Luton Bedfordshire LU1 5BH
Company secretary	Joyce McLeary
Accountants	Colledge Redfern Chartered Certified Accountants Glantaf Office Llanfallteg Whitland Carmarthenshire SA34 0UT

LUTON FRIENDSHIP HOMECARERS
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the financial statements of the LUTON FRIENDSHIP HOME CARERS for the year 1 April 2018 to 31 March 2019. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

- To provide a service of choice
- Provision of a service to the community where professionalism and quality is paramount
- Ensure our staff feel valued and provide the appropriate training and development opportunities such that high standards are achieved and sustained.
- Strive for and develop through continuous improvement

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Home care is defined as domiciliary services which assist the service user to function as independently as possible and/or continue to live in their own home. Services include routine household tasks within or outside the home, personal care of the client or respite care in support of the client's regular carers. The charity believes that everyone has a right to remain in their own home, regardless of age, illness or infirmity for as long as they can. As a home care provider we will always respect the rights of the service user to confidentiality and privacy. We offer a sensitive care service tailored to meet the service users' specific requirements.

Our service delivery includes but is not limited to:

Personal Care Services

- Assisting in getting in and out of bed
- Assistance with dressing
- Personal hygiene
- Preparing and aiding the service user to eat their meals
- Continence management
- Moving and handling
- Carry out activities under the direction of a nurse, occupational therapist or physiotherapist
- Administration of medication
- Prepare meals (nutritional advice, special diets)
- Other forms of support/care to meet service user's needs as agreed in the care plan

Non-Personal Care Services

- House cleaning and washing up
- Laundry and ironing
- Shopping
- Collecting pensions, benefits, prescriptions

d. Social investment policies

The social investment policy of the charity is to re-invest 50% of its annual cash surplus into its employees (ex-gratia payment, Christmas bonus / lunch and other social events) and tithe paid to the Luton Central Seventh Day Adventist Church. Tithe is normally accrued and paid out in accordance with a business case supporting a worthy cause.

e. Grant-making policies

The charity was created to service the elderly and vulnerable members of society within our community. In the course of satisfying the objectives of the charity and where resources allow, the charity may contribute to local charitable groups/organisations and individuals referred by local government bodies. Applications must be received in writing and are considered by the management committee.

Locally, the charity continues to offer support through the local authority to those requiring emergency short term assistance in the community.

f. Volunteers

The charity is always responsive to volunteers and would welcome such deed, however, there has been no notable volunteers of service during the year.

g. Main activities undertaken to further the company's purposes for the public benefit

From time to time the charity may contribute to other charities which share its ethos. In making such contributions there is no expectation for the charity to accrue any financial gains.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

a. Main achievements of the company

The main achievement of the charity during the year has been:

- To maintain a positive cash surplus on the year's performance
- Expand on its service user base
- Maintain a high level of Quality of Service
- Recruiting and retention of key personnel

These are further detailed lower down in this report.

b. Key performance indicators

The 3 Key Performance Indicators which the charity is focussed on are:

1. Revenue and Growth
2. Cost vs Expenditure
3. Quality Care Quality Commission (CQC) Inspection

The CQC visited us in May 2019 during which they conducted a thorough review of our business. The main issue they found lacking was in our documentation, namely, the lack of quality in our written up care plans. They also found areas where our carer were not all up-to-date with their training. There were lots of positives recorded against us mainly from our service users and their next-of-kins. Whilst we are disappointed not to have gained the "5 Ticks" as we did in 2016 we have embraced their findings have since completed their agreed Corrective Action Plan.

Ratings:

Is the service safe? - Requires improvement

Is the service effective? - Requires improvement

Is the service caring? - Good

Is the service responsive? - Requires improvement

Is the service well-led? - Requires improvement

So in summary, whilst we did not receive the anticipated "5 ticks", there were lots of positive gained from this inspection and it would be fair to say that the overall score did not reflect the excellent narrative received from our Service Users.

Notwithstanding this we have strived to complete the corrective action plan and learn from the experience, whilst leveraging from the good work and our reputation for delivering excellent value for money services.

We are anticipating a return visit from the CQC during the coming months.

Quality of Service (QoS) Survey Results

We have changed our approach to measuring our QoS by integrating our Survey Questionnaire with that of our regular Quality Monitoring which is carried every 6 months. This will save time and effort and deliver us an ongoing level of assessment every 6 months without the need to specifically go back to the Service Users asking them what appears to be the same questions.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

Two of the Charity's major successes during the past 12 months have been to:

- i) revise the way we remunerate our staff and carers. This has led to increased hourly and holiday pay.
- ii) drive up our revenue by, where possible, taking on larger Service Delivery work packages i.e. end of life residential care.

Both the above were underpinned with a solid financial performance in that we have experienced significant increases in terms of revenue and surplus. Friendship Homecarers continues to build its reputation through the quality of its service and value for money.

Finance

During this period, the Charity saw a small downturn in its revenue base, to just under a million pound sterling. This being somewhat disappointing given that last year we were celebrating exceeding the £1M mark for the first time. Throughout the year we maintained our Service User base at an average of 62, whilst closing the year with a low of 62. This is down from our average of 68 for the previous year. Yet we continue to do more for our Service Users, through delivering more contact hours which drives revenue.

Performance after Accruals for Tithe, Staff Gratuities and Bonus

	2018 -19	2017 -18	Increase / Decrease	% Growth
Revenue	974,792	1,002,202	27,410	-2.73%
Surplus	13,553	51,931	-37,036	-73.90%

Revenue has decreased by 2.73%, compared to 3.2% increase on the previous year. Our cost base grew during the period mainly due to higher pension & NI contributions and wages for additional senior carer. This has significantly impacted on our surplus which has further declined from 11.1% last year to 73.90%. This has further impacted our margins from 6.5% to 2.8%. Notwithstanding all the above, this is still a good performance given the challenges we faced throughout the year which can be characterised as follows:

- 1) A rise in expenditure from 2.2% the previous year to only 1.15% for this year
- 2) Implementation of uplift in National Living Wage of 3.5% for 2017-18
- 3) Increase pay rates to Carers & Senior Carers
- 4) Full year's cost for additional senior carer
- 5) A hostile competitive environment; 46 domiciliary care companies in our area

1. The rise of 1.15% in expenditure is less than the annual inflation increase for 2018-19. This shows that we have largely managed to keep our cost down throughout the year.

2. The National Minimum Wage (NMW) went up by 33p as of 1st April 2018 from £7.50/hr to £7.83/hr, whilst which was somewhat off-set by an increase in Luton Borough Council (LBC) Direct Payment (DP) hourly rate to account for this and the previous 2 years non-increase.

3. In line with government guidelines Friendship Care had no option other than to increase the minimum wage paid to Carers as outlined above in (2).

4) The first full year of cost for a much needed additional senior carer is to be taken into consideration

5) The market place in and around Luton is very crowded with numerous start up undercutting competitive to gain market share. At any one time there are approximately 46 competitors jostling for position.

The above are attributing factors which have directly impacted our bottom line for the said period.

This continues to indicate that the Charity has been able to keep its cost base down whilst delivering larger care packages at higher margins which further enhance the increasing stability of its income stream. Stabilising the finances of the Charity has been a focus of the Management through driving down cost and improving margins through its pricing. In this period we have seen a number of indicators that suggests that the Charity is in a strong position to grow and continue to provide a good quality service to the vulnerable members of the community in Luton. This is evidenced by our ability to continue to

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic report (continued)

Achievements and performance (continued)

attract a steady number of privately funded service users. This has resulted in a revenue increase of a 13.9% for Private Service Users during this from a decrease of approx. 15% in the previous year; whilst we have experienced a decrease of 10.4% in DP revenue compared to the previous 2 years of circa 7% growth.

In summary, this has been a good performance by the Charity as it continues to consolidate its place in the market through building of its reputation for delivering excellent value for money services and ensuring we have the right people in place to do so.

d. Factors relevant to achieve objectives

The factors bearing down on our ability to achieve our objectives were as follows:

- The prevailing market place, namely very high level of competition, due to crowded market place
- Availability & retention of resources, namely carers
- Ability to attract new service users
- Rising cost and decreasing margins

e. Fundraising activities and income generation

No specific fund raising activities have been undertaken by the charity. The charity's principal funding is through the activities of the organisation and this is support by ongoing advertisement and marketing.

Any donations received will not accrue any entitlement to the decision-making authority of the charity. External funding will not divert the charity from its agreed aims and objectives. Any donations will normally be acknowledged in public reports and accounts.

The charity also recognises that there are other methods of raising funds, which have not yet been fully explored, these include social events and sponsors.

f. Investment policy and performance

By the very nature of the charity's business there has been no formulated material investment policy. Having said that, the charity has acquired and invested in the freehold of its headquarter building, namely 92 Hastings Street. This has increased in value by approximately 45% since acquisition in November 2015.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity's reserve policy is to maintain enough cash to pay two months debts including, salaries, utilities, supplies and other monthly expenditures.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic report (continued)

Financial review (continued)

c. Material investments policy

By the very nature of the charity's business there has been no formulated material investment policy. Having said that, the charity has acquired and invested in the freehold of its headquarter building, namely 92 Hastings Street. If in future, developments require similar investments, then the trustees would deliberate and decide as appropriate.

d. Principal risks and uncertainties

The principal risks faced by the charity is twofold:

- a) Our ability to recruit and retain key personnel's, in particular carers, to deliver quality services to our service users
- b) Our ability to attract new service users at the right time, thus maintain a steady stream of income/revenue

e. Financial risk management objectives and policies

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to such risks.

f. Principal funding

The principal funding of the charity is gained from the business it conducts delivering care to our Service Users in and around the community.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 14 April 2000.

The company is constituted under a Memorandum of Association dated 14 April 2000 and is a registered charity number 1081256.

The principal object of the company is to contribute positively to its local community by offering a home care service which is driven by a high standard of quality; and the need to meet the local diverse ethnic mix.

Whilst there have been no changes in the objectives since the last annual report, the charity is current reviewing and updating the Memorandum of Association and Articles of Association (currently based on the Companies Act 1985) to bring them in line with the most up-to-date documentations.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The management committee meet quarterly with the Trustees to monitor, develop and promote the activities and objectives of the charity. Ad hoc meetings are called as and when the need arises.

The Business Manager and Care Manager oversee the day to day running of the charity. Decisions are made in accordance with the charity's policies, procedures and code of conduct. If the Business Manager does not possess the authority to approve certain decisions, then recommendations are made to the management committee, and if needed, to the board of Trustees.

d. Policies adopted for the induction and training of Trustees

The charity's recruitment of Trustees is undertaken, mainly through recommendations and "word of mouth". Candidates are assessed and if deemed suitable are followed upon with interview, references and DBS check. The successful applicant(s) is then taken on after the receipt of suitable references and DBS clearance followed by induction through half-day session during which training requirements is also assessed. Agreed training will be undertaken subject to mutual agreement on date and time.

e. Pay policy for key management personnel

The Charity's pay policy for key management personnel is to endeavour to remunerate in line with market trend whilst being cognizant of our charitable status in that we may never attain compatibility with the public/private sector.

Plans for future periods

The following continue to be key high-level priorities set for the next period ending March 2020:

- Broaden the charity's services portfolio to include the delivery of services for living-in care services to adults and palliative care.
- Continue review of charity's governing documents
- Seek new opportunities for growth
- Continuing to implement best practice in accordance with ' General Data Protection Regulation (GDPR) (EU) 2016/679

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:



Bernie Holford

LUTON FRIENDSHIP HOMECARERS
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Independent Examiner's Report to the Trustees of Luton Friendship Homecarers ('the company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2019.

Responsibilities and Basis of Report

As the Trustees of the company (and 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 the company's accounts 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 the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, 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.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Signed:

David Colledge

Colledge Redfern

Dated: 11 December 2019

FCCA

LUTON FRIENDSHIP HOMECARERS
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Charitable activities	3	974,545	974,545	1,002,129
Investments	4	247	247	73
Total income		<u>974,792</u>	<u>974,792</u>	<u>1,002,202</u>
Expenditure on:				
Charitable activities	5	961,239	961,239	943,720
Other expenditure	6	-	-	6,551
Total expenditure		<u>961,239</u>	<u>961,239</u>	<u>950,271</u>
Net movement in funds		<u>13,553</u>	<u>13,553</u>	<u>51,931</u>
Reconciliation of funds:				
Total funds brought forward		427,471	427,471	375,540
Net movement in funds		13,553	13,553	51,931
Total funds carried forward		<u>441,024</u>	<u>441,024</u>	<u>427,471</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 19 form part of these financial statements.

LUTON FRIENDSHIP HOMECARERS
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REGISTERED NUMBER: 3973439

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	150,818	151,090
		<u>150,818</u>	<u>151,090</u>
Current assets			
Debtors	10	175,404	129,405
Cash at bank and in hand		214,830	254,907
		<u>390,234</u>	<u>384,312</u>
Creditors: amounts falling due within one year	11	(100,026)	(107,929)
Net current assets		<u>290,208</u>	<u>276,383</u>
Total assets less current liabilities		<u>441,026</u>	<u>427,473</u>
Net assets excluding pension asset		<u>441,026</u>	<u>427,473</u>
Total net assets		<u><u>441,026</u></u>	<u><u>427,473</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		441,026	427,473
Total funds		<u><u>441,026</u></u>	<u><u>427,473</u></u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 11 December 2019 and signed on their behalf by:


Bernie Holford

The notes on pages 14 to 19 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(40,078)	17,807
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(40,078)	17,807
Cash and cash equivalents at the beginning of the year	254,908	237,101
Cash and cash equivalents at the end of the year	214,830	254,908

The notes on pages 14 to 19 form part of these financial statements

LUTON FRIENDSHIP HOMECARERS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Luton Friendship Homecarers is registered as a charitable company limited by guarantee, registration number 3973439. The registered address is 92 Hastings Street, Luton, Bedfordshire, LU1 5BH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Luton Friendship Homecarers meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following bases:

Plant and machinery	- 20%
Fixtures and fittings	- 5%
Office equipment	- 25%
Computer equipment	- 20%

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

3. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Income from charitable activities - Care for elderly and housebound	974,545	974,545	1,002,129

4. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income	247	247	73

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Care for elderly and housebound	961,239	961,239	943,720

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Other expenditure

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations payable to other charities	-	-	6,551

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Care for elderly and housebound	930,724	30,515	961,239	943,720
<i>Total 2018</i>	922,019	21,701	943,720	

8. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the company. It was agreed by the board that Mr McNeil would be paid remuneration for the provision of business consultancy services, by way of a board meeting at which he was not present. The value of Trustees' remuneration and other benefits was as follows:

	2019 £	2018 £
Nigel McNeil Remuneration	23,562	23,100

During the year ended 31 March 2019, no Trustee expenses have been incurred (2018 - £NIL).

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FOR THE YEAR ENDED 31 MARCH 2019**

9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2018	150,000	21,288	171,288
At 31 March 2019	150,000	21,288	171,288
Depreciation			
At 1 April 2018	-	20,198	20,198
Charge for the year	-	272	272
Other unallocated	-	(1)	(1)
At 31 March 2019	-	20,469	20,469
Net book value			
At 31 March 2019	150,000	819	150,819
At 31 March 2018	150,000	1,090	151,090

10. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	169,179	123,671
Other debtors	3,847	3,856
Prepayments and accrued income	2,378	1,878
	175,404	129,405

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,511	4,766
Other taxation and social security	11,810	12,381

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11. Creditors: Amounts falling due within one year (continued)

	2019 £	2018 £
Other creditors	51,215	47,097
Accruals and deferred income	34,490	43,685
	<u>100,026</u>	<u>107,929</u>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	13,553	51,931
Adjustments for:		
Depreciation charges	272	364
Increase in debtors	(45,999)	(23,900)
Decrease in creditors	(7,904)	(10,588)
Net cash provided by/(used in) operating activities	<u>(40,078)</u>	<u>17,807</u>

13. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	214,830	254,908
Total cash and cash equivalents	<u>214,830</u>	<u>254,908</u>

14. Related party transactions

During the year there have been no transactions with any related parties.