

Ellys Extra Care Limited

Trustees' Report and Unaudited Financial Statements

**For The Year Ended
31 March 2019**

ELLYS EXTRA CARE LIMITED

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ELLYS EXTRA CARE LIMITED

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2019

Registered charity name Ellys Extra Care Limited

Charity registration number 703127

Company registration number 02453210

Registered office 10 St Johns Avenue
Heysham
Morecambe
Lancashire
LA3 1EU

The trustees

The trustees who served the charity during the period were as follows:-

Miss S Peters
Mrs M W Irvine

Secretary Miss S Peters

Independent Examiner MHA Moore and Smalley
Chartered Accountants
Priory Close
St Mary's Gate
Lancaster
Lancashire
LA1 1XB

ELLYS EXTRA CARE LIMITED

TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS REPORT AS REQUIRED BY COMPANY LAW) FOR THE YEAR ENDED 31 MARCH 2019

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2019.

Structure, governance and management

Ellys Extra Care is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association. The Directors have incorporated the provisions of the Statement of Recommended Practices (SORP) 'Accounting and Reporting by Charities' into this report and financial statements.

The trustees who served during the year were:

Miss S Peters
Mrs M W Irvine

There are currently two trustees on the board, and a decision would be taken to appoint new trustees if either were to indicate it was their intention to step down. The existing trustees would act as mentors to the new trustees.

The trustees review the major risks the organisation faces as part of the annual business planning process. They have established systems to manage these risks. The trustees are satisfied that the arrangements for managing these risks, combined with the annual review of financial controls and the reserve policy, will ensure that sufficient resources are available to maintain services for the foreseeable future, in the event of adverse conditions.

Objectives and activities

Ellys Extra Care Limited exists, as per its governing document, to promote the quality of life, maintenance of standards and diversity of provision for people with a learning disability.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. In setting objects, the trustees give consideration to the guidance issued by the Charities Commission regarding the provision of public benefit.

The principle activity of Ellys Extra Care Limited in the year under review was concerned with providing housing for adults with a learning disability.

Achievements and performance

People and Employment

The trustees continue to manage the day to day responsibilities of running the organisation.

Ellys Extra Care current employee status remains at zero.

Trustees training, enabling them to maintain professional compliance has been accessed via Business Link, Institute of Directors, CIPD and Association for Real Change.

Ordinary Housing

Clarendon Road has remained fully occupied throughout the 2018/19 financial year.

93 West End Road also has remained full with three tenants. One of the tenant's mobility difficulties has increased over the years. A Grant was applied for and gained to redevelop her ensuite shower and toilet facility. Handrails were also installed at the front door.

ELLYS EXTRA CARE LIMITED

TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS REPORT AS REQUIRED BY COMPANY LAW) FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance (continued)

Haven Lodge – From May 2018 there have been four tenants at Haven Lodge.

Halden Road – One tenant was sectioned in April 2018. Housing Benefit was paid until March 2019 and then ceased due to health professionals being able to confirm whether or not the Individual would ever be able to return to the property. Notice was served. The second tenant moved from the property in December 2018. The property remains empty despite efforts to encourage Lancashire Social Services to utilise it.

Lancashire County Council has published documents proposing the development of flatlet type schemes with an intention to review all supported living schemes of three beds or below. The flatlet type scheme enables an individual to have their own front door, 1-1 staffing as required by their care plan and the sharing of other hours and sleep duties with a larger number of people. LCC have indicated that they will not be financing any of these developments but are expecting Housing Association, Private Developers etc. to undertake them.

This potentially threatens 93 West End Road and Halden Road. The three tenants at 93 West End Road have lived at the property for numerous years, two of them being original tenants from 2003. It is felt that there would be resistance from families if LCC attempts to rehouse them against their wishes. Locally Social Workers indicate that they want to use Halden Road but this is then blocked by senior managers. Should no tenants be identified within the next twelve months then it is likely to be sold.

Fund Raising

There have been no fundraising activities this financial year.

Financial review

The sole source of income is rent from the tenanted properties. With the current period being a transitional one the charity has made a deficit of £4,594 (2018: £5,063). Closing reserves are £388,856 (2018: £393,450).

The trustees monitor the levels of funds coming in via rent from the tenanted properties and agree a programme of works per house each year. Funds are set aside for day to day repairs in addition to the works programme.

Reserves policy

It is a stated objective of the trustees of the charity to try to achieve unrestricted resources equivalent to the cost of three months operations. The current level of reserves of £388,856 is well in excess of this however the majority of this constitutes the fixed assets of the charity of £374,521. Free reserves after the deduction of fixed assets total £14,335, an improvement on 2018 (£9,930).

As such the trustees are conscious that the Charity's free reserves need to be strengthened in order to ensure that the charity is able to continue its operations without impacting on its fixed asset holdings which are essential to the charity's objectives.

Plans for the future

Plans for 2019/20 are as follows:

To provide good quality housing accommodation by ensuring that the properties are well maintained.

To monitor developments regarding LCC's proposals to encourage flatlet type schemes as outlined above.

ELLYS EXTRA CARE LIMITED

TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS REPORT AS REQUIRED BY COMPANY LAW) FOR THE YEAR ENDED 31 MARCH 2019

Statement of Trustee's responsibilities

The trustees (who are also the directors of Ellys Extra Care Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charitable company and the income and expenditure of the charitable company 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 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 accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

On behalf of the board of trustees



.....
Miss S Peters

Trustee

Dated: 03/12/2019

ELLYS EXTRA CARE LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ELLYS EXTRA CARE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

I report on the accounts of the company for the year ended 31 March 2019 which are set out on pages 6 to 15.

Responsibilities and basis of report

As the charity 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 company'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 that in any material respect:

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.

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.

MHA Moore and Smalley

Richard Hall FCCA
MHA Moore and Smalley
Chartered Accountants
Priory Close
St Mary's Gate
Lancaster
LA1 1XB

04/12/2019
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ELLYS EXTRA CARE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income from:					
Investments	3	2	-	2	1
Charitable activities	4	68,226	-	68,226	63,982
Total		68,228	-	68,228	63,983
Expenditure on:					
Charitable activities	5	72,822	-	72,822	69,046
Total		72,822	-	72,822	69,046
Net income/(expenditure)		(4,594)	-	(4,594)	(5,063)
Transfers between funds		310	(310)	-	-
Net movement in funds		(4,284)	(310)	(4,594)	(5,063)
Reconciliation of funds:					
Total funds brought forward		393,140	310	393,450	398,513
Total funds carried forward	12	388,856	-	388,856	393,450

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

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

The notes on pages 8 to 15 form part of these financial statements.

ELLYS EXTRA CARE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	9		374,521		383,520
Current assets					
Debtors	10	16,731		10,879	
Cash at bank and in hand		170		1,957	
			16,901		12,836
Creditors: amounts falling due within one year	11	(2,566)		(2,906)	
Net current assets			14,335		9,930
Total assets less current liabilities			388,856		393,450
Net assets			388,856		393,450
Funds:					
Unrestricted funds	12	388,856		393,140	
Restricted income funds	12	-		310	
Total funds			388,856		393,450

The financial statements have been prepared in accordance with the provisions for small companies.

For the period ended 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

The trustees have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and the trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts were approved by the trustees and authorised for issue on and are signed on their behalf by: 03/12/2019

Miss S Peters
Trustee

Company Registration Number: 02453210

The notes on pages 8 to 15 form part of these financial statements.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Legal form

The charity constitutes a limited company, limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The address of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' report and charity administrative details pages in these financial statements.

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared in accordance with the accounting policies set out in note to the accounts and comply with the charity's governing document, the Charities Act 2011 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).

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of the accounts on a going concern basis

At the balance sheet date the Charity has cash funds of just £170 and net current assets of only £14,463, relying on the support of a Trustee through a debtor balance. In approving these financial statements, the Trustees have considered a period of 12 months from the signing of the accounts and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Day Care fees and housing benefit are credited to the statement of financial activities in the period in which they are earned. If any fees are received in advance of the period to which they relate they will be reflected in deferred income within the balance sheet.

Investment income represents bank interest receivable and is recognised on receipt.

No income is shown net of expenditure.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those which assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly to support the objectives of the charity. Where costs cannot be directly attributed to a particular heading, they have been allocated on a basis consistent with the use of the resources.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	-	2% straight line
Office Equipment	-	15% reducing balance

Freehold land is not depreciated.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash is a basic financial asset and includes cash in hand and deposits held at call with banks.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Accumulated funds

Unrestricted funds - these are available for us at the discretion of the trustees in furtherance of the general activities of the charity

Restricted funds - these are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of any restricted funds are set out in the notes to the accounts where applicable.

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 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 offset 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.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 receipts 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.

De-recognition of financial liabilities

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

Taxation

The charity is recognised by the Inland Revenue as a UK Charity and is entitled to exemptions from corporation tax.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

In the opinion of the Trustees' there have been no significant judgements made in the process of applying the above accounting policies.

There have been no key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	2	-	2	1
	2	-	2	1

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Day care fees and housing benefit	68,226	-	68,226	63,982
	68,226	-	68,226	63,982

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Expenditure on charitable activities

	Provision of care services £	Total 2019 £	Total 2018 £
Depreciation	9,634	9,634	9,683
Rent, service, rates and water	48,015	48,015	46,337
Light and heat	7,179	7,179	1,886
Repairs and maintenance	1,712	1,712	4,682
Insurance	1,652	1,652	1,574
Household expenditure	-	-	294
Telephone and postage	1,849	1,849	1,391
Printing and stationery	-	-	81
Miscellaneous purchases	341	341	-
Support and governance costs (note 6)	2,440	2,440	3,118
	72,822	72,822	69,046

Of the above expenditure £nil (2018: £160) was made against restricted funds.

6 Support costs

	Total 2019 £	Total 2018 £
Sundry expenses	280	210
Independent examination fees	2,160	2,880
Bank charges	-	28
	2,440	3,118

7 Trustee remuneration (including key management personnel)

None of the trustees (or any persons connected with them) received any direct remuneration or reimbursed expenditure during the year. No trustee made any donation to the charity in the year.

A sole-trader business of S Peters, Trustee, received income from the charity during the year as fully detailed in the related party note to these financial statements on page 15.

The trustees are considered to be the key management personnel of the company. As such, no amounts were paid to key management personnel in the current or prior year.

The charity had no employees during the current or prior period.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Net income/(expenditure)

	2019	2018
	£	£
Net income/(expenditure) is after charging/(crediting):		
Depreciation	9,634	9,683
Independent examiner's remuneration; - independent examination fee	2,160	2,880

9 Net income/(expenditure)

	Land and buildings £	Equipment & Fittings £	Totals £
Cost			
At 1 April 2018	436,845	2,772	439,617
Additions	-	635	635
Disposals	-	-	-
At 31 March 2019	436,845	3,407	440,252
Depreciation			
At 1 April 2018	55,179	918	56,097
Charge for the year	9,356	278	9,634
Eliminated on disposals	-	-	-
At 31 March 2019	64,535	1,196	65,731
Net book value			
At 31 March 2019	372,310	2,211	374,521
At 1 April 2018	381,666	1,854	383,520

10 Debtors

	2019	2018
	£	£
Other debtors	16,624	10,778
Prepayments and accrued income	107	101
	16,731	10,879

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Creditors: falling due within one year

	2019 £	2018 £
Accruals	2,566	2,906
	<u>2,566</u>	<u>2,906</u>

12 Analysis of funds: Current year

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds					
General fund	393,140	68,228	(72,822)	310	388,856
Restricted fund	310	-	-	(310)	-
Total funds	393,450	68,228	(72,822)	-	388,856

The restricted fund is donated income for use for the benefit of the tenants. The amount was spent on a trip to Chester Zoo in the year and has been transferred to unrestricted funds.

13 Analysis of funds: Prior year

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted funds					
General fund	398,043	63,983	(68,886)	-	393,140
Restricted fund	470	-	(160)	-	310
Total funds	398,513	63,983	(69,046)	-	393,450

14 Commitments under operating leases

The charity incurs annual operate lease charges of £8,000 for the rental of a property from a related party entity, Haven Lodge. At 31 March 2019 the Charity was committed to a further £22,000 (2018: £30,000) of rental charges under the most recent agreement.

ELLYS EXTRA CARE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Related party transactions and control

The charity was under the control of the Board of Trustees during the current and prior period.

In the prior year, a Trustee S Peters was due £5,500 from the charity at the start of the financial period. This amount was fully repaid within that year and no interest was charged on the loan.

S Peters also operates as a sole trader, trading as "Haven Lodge". During the year, Haven Lodge charged Ellys Extra Care Limited rent totalling £8,000 (2018: £8,000). Housing benefit income of £62,286 (2018: £58,040) was received by Haven Lodge on behalf of Ellys Extra Care Limited. Management fees were charge to and expenses incurred on behalf of Ellys Extra Care Limited totalling £38,453 (2018: £36,843) and costs were incurred by Ellys on behalf of Haven Lodge of £2,150 (2018: £1,922).

As a result of the above transactions, and following other cash repayments, £16,752 (2018: £10,778) is included in other debtors at the year end.

There are no further disclosable related party transactions in the year.

16 Company limited by guarantee

The company is limited by guarantee. In the event of the company being wound up or dissolved, each of the members undertakes to contribute such amounts as may be required, not exceeding £1, for payment of debts or liabilities.