

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2022



The Brendoncare Foundation

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Company no: 01791733

Charity no: 326508



The Brendoncare Foundation

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The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2022

Company number 1791733

Country of incorporation: England and Wales

Charity number 326508

Country of registration: England and Wales

Registered office and operational address
The Old Malthouse
Victoria Road
Winchester
SO23 7DU

Patron Her Royal Highness The Countess of Wessex GCVO

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Joe MacHale	Resigned 31 st August 2021
Philip Dowson	Chair of Board from 1 st September 2021
Lee-Ann Fenge	
Fay Gillott	Chair of Development Committee
Sarah Hobhouse	Chair of Care and Clinical Governance Committee
Ian Jacobs	
Kellyn Lee	Resigned 8 th February 2022
Mark Pullen	Resigned 1 st April 2022
David Parfitt	
Helen Roberts	
David Stern	Resigned 17 th February 2022
Phillip Sykes	Chair of Finance and Audit Committee
Gordon Tillet	Chair of People Committee
Jane Williams	
Katherine Christie	

Vice Patrons	Nick Bosanquet	Sir Anthony Newman-Taylor
	Janet Budd	Lady Elisabeth Ribeiro
	James Hill	Joe MacHale
	Marie-Therese Hill	Simon Theobalds
	The Viscount Lifford	Harvey White (Chair)
	Nick McAndrew	Peter Willan
	Jilly Morton	Martin Williams

Bankers Barclays Bank PLC
50 Jewry Street
Winchester
SO23 8TN

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2022

Solicitors	Coffin Mew LLP Lakeside, North Harbour Portsmouth, Hampshire, PO6 3EN														
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane London EC1Y 0TL														
Senior Leadership Team	<table><tr><td>Chief Executive</td><td>Marianne Wanstall</td></tr><tr><td>Chief Financial Officer</td><td>Rachel McIlroy</td></tr><tr><td>Chief Operating Officer</td><td>Zoe McCallum</td></tr><tr><td>Director of Charitable Impact and Community Services</td><td>Samantha Agnew</td></tr><tr><td>Human Resources Manager</td><td>Emma Hansford until 31st July 2021</td></tr><tr><td>Director of Brand and Customer Experience</td><td>Emma Digance</td></tr><tr><td>Director of People and Culture</td><td>Aileen Ohlson from 4th January 2022</td></tr></table>	Chief Executive	Marianne Wanstall	Chief Financial Officer	Rachel McIlroy	Chief Operating Officer	Zoe McCallum	Director of Charitable Impact and Community Services	Samantha Agnew	Human Resources Manager	Emma Hansford until 31 st July 2021	Director of Brand and Customer Experience	Emma Digance	Director of People and Culture	Aileen Ohlson from 4 th January 2022
Chief Executive	Marianne Wanstall														
Chief Financial Officer	Rachel McIlroy														
Chief Operating Officer	Zoe McCallum														
Director of Charitable Impact and Community Services	Samantha Agnew														
Human Resources Manager	Emma Hansford until 31 st July 2021														
Director of Brand and Customer Experience	Emma Digance														
Director of People and Culture	Aileen Ohlson from 4 th January 2022														

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements for the year ending 31 March 2022.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive Summary

Across our charity, the social care sector and worldwide, the impact of a global pandemic has been significant. Throughout this, our teams have worked heroically to support and care for all those who need us. Together, we remain committed to developing our services to ensure the best possible support for people in later life of today and tomorrow.

In many ways the year has been challenging. People in later life continue to be at greater risk of the impact of coronavirus, with the effect of the pandemic having made a lasting impression on many people's physical and mental health. There has, however, been much cause for positivity. Our early access to the vaccine rollout offered our residents, members and staff a greater level of protection from the virus, and the accompanying freedoms as living with the virus became more normal.

Our many years of experience enabled us to adapt our services to offer greater support to people and we have been delighted to see our community clubs starting to reopen and our residents enjoying regular visits from loved ones, and days out again. At the start of the pandemic we launched a telephone support service and a range of online clubs to support people in later life in our communities through the lockdowns. We have since found a real need for these services to continue beyond covid times with the loneliness and isolation we all felt during the lockdowns being an everyday reality for many older people. We have integrated these services into our core service portfolio and launched an all-inclusive community membership, which encompasses our full range of services - enabling us to meet our members ever-changing needs.

Over the next few years we will continue to focus on providing the highest quality care and well-being experience for our care home and extra care housing residents while tackling the loneliness that those in later life can face whilst living in the community. We will also expand our service portfolio to support those hardest to reach in our communities, ensuring we can support people through every stage of later life.

None of our work is possible without the outstanding commitment we see every day from colleagues and volunteers across Brendoncare, and we express our heartfelt thanks to them all. The pandemic has not been easy on our people both personally and professionally, and we are awed every day by the contributions made. In January 2022 we were pleased to be able to pay a bonus to every colleague across Brendoncare, and our annual pay review made a substantial step towards every team member earning the real living wage. For 2022-23 we have also set aside an additional £50,000 for colleague benefits and £100,000 for training and development to support colleagues in expanding skills, taking on new responsibilities and career development. We have already started by training 30 colleagues as Mental Health First Aiders, to enable better peer support and awareness.

We thank everyone who has provided help and support throughout the year, to allow us to continue to achieve our aims. Thank you for joining us on our journey thus far.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Purpose and Aims

Our mission is to improve the quality of life for older people through the provision of care homes, extra care housing, and social clubs across the South of England.

Brendoncare's goals are:

- Being there – offering the care and support required by care home and mews residents and our members, when they need it.
- Understanding needs – providing individualised responses to needs, led by residents and members.
- Working with others – reaching out to individuals and organisations who share our commitment and with whom we can partner and share expertise.
- Reducing loneliness – creating a family environment of fun and friendship in which everyone can contribute.

The Trustees have taken into account the Charity Commission's guidance on public benefit when reviewing Brendoncare's aims, objectives and activities.

The impact of the pandemic on the lives of the people we exist to serve has led us to review the way in which we support people. We are reducing our geographical area of operation while offering a wider range of services within the communities in which we work, to ensure greater support to people throughout their later life.

This change has led us to review the vision, purpose and values of our organisation and this work will continue through the year.

Activities and Charitable Objectives

During the year Brendoncare has continued to adapt our services to meet the objectives of the charity in light of the COVID-19 pandemic and government guidance.

Brendoncare's principal activities and objectives are:

- Management of care homes in the south of England, to provide quality care in residential settings. In the last year over 500 people received care in our homes.
- Managing and providing financial support to our community services, including our online and face to face volunteer-led community clubs and digital and telephone support, alleviating the impact of loneliness and social isolation for around 1,000 older people.
- Management of five extra care housing services. In the past year we have supported around 140 people in apartments and bungalows.
- The provision of charitable support through our Brendoncare promise to 'Care for Life' in our care homes.

Our Care for Life promise:

In our care homes our Care for Life promise provides security and peace of mind to residents and their families. We promise that we will continue to care for every individual for as long as we are able to meet their care needs, even if a change in financial circumstances means that they are no longer able to pay their full fees.

This promise is a core principle to ensure that once an individual or their family have chosen Brendoncare, they can be assured of our support for as long as it is needed.

For additional reassurance for individuals and families, we make the promise as a condition of our contract. In addition to our excellent reputation as a care provider, this reassurance is also a key factor in many care seekers' decision to choose Brendoncare.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

As a charitable provider, we reinvest any surplus generated into our charitable activities including our care for life promise. Over the last year we have supported over 100 people, at a cost of £800,000.

Care homes & extra care housing:

Across our care homes we offer a full spectrum of care services to meet individual needs including dedicated dementia care, nursing care, respite stays, residential and end of life care.

In our extra care housing people live independently in their own home but with knowledge that we will be available to provide appropriate support should they need it to help them maintain their independence.

As we develop our services, we are focused on co-locating services to enable people to choose to access the care and support they need while remaining with Brendoncare. At Otterbourne Hill we have apartments that enable couples to stay together when one family member is living with dementia, with our support when needed, to enable them to be as independent as possible. Our onsite nursing and dementia care home means that should circumstances change then we can step in with additional support in a place they already call home.

Similarly, at our Alton care home, alongside nursing care, we also provide residential and nursing dementia care, so that colleagues can continue to support an individual as their dementia progresses all within a familiar environment. We were proud this year to open our first overnight visitor bedroom for families, making more difficult times easier for loved ones by providing a place to stay, but with the space to be private. This is particularly helpful for relatives who live a distance away and for those visiting loved ones as they approach the end of their life.

This year we have implemented a customer relationship management system which enables us to provide better support to people who contact us about our services. It will also provide us with greater insight into the needs of care seekers in our communities, ensuring that our services are able to respond to any unmet needs of those who seek support in later life.

During the year we have seen excellent progress on the construction of our new care home St Giles View, Winchester. The home, opening in the first quarter of 2023, has been designed to Brendoncare's high specifications and includes acoustic monitoring technology (for discreet, safe and attentive night time care) and is rated Breeam 'Excellent', placing it in the top 10% for sustainability for rated UK new builds. Brendoncare's community membership will be available offering additional services for relatives of residents, previous respite residents, volunteers and the local community.

Community services, including Brendoncare Clubs:

Brendoncare Clubs is a subsidiary charity of The Brendoncare Foundation providing community clubs for people in later life across Hampshire and Dorset

Until the pandemic hit in March 2020, Brendoncare ran a network of over 100 community clubs providing fun and friendship, and preventing loneliness and social isolation. The pandemic meant we had to quickly find new ways to reach older people living alone at home. Our service adapted at pace to provide telephone support, digital skills training and online clubs – a crucial lifeline when loneliness and isolation was more challenging for those living alone than ever before. During this unprecedented time we made the decision to provide these services for free.

As 2021 progressed and we began to re-open clubs, it became clear that our online and telephone support service would remain crucial for many of our vulnerable members, and so we have invested to expand our community services at Brendoncare.

During the year we launched Brendoncare community membership to provide all-inclusive access to all our community based services including community clubs, online clubs (such as our live cooking for one events, and our Italian culture club hosted by a volunteer in Rome), information sessions, telephone and digital support, events and discount benefits on respite stays in our care homes. Paying members currently contribute £12 per month to use the services as much as they wish. Many people are also supported through free membership including those on means tested benefits, relatives of Brendoncare residents, those who have stayed in our homes for respite care and all Brendoncare volunteers.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

We currently have around 525 registered members, and this number will continue to increase as we fully re-open our community clubs. We continue to support a further 600 who are yet to return to our services fully as we phase our re-opening.

We work in partnership with other organisations to ensure that those who need us most are able to find us and benefit from the best support available. Our surveys show that for many people in later life, their club is their only or primary source of social contact, and our club members confirm that their club is very important to them and has a big impact on their health & well-being. An example of this has been our partnership this year with Southampton University Hospitals working on a research project that has provided training for some of our volunteers to deliver peer-led exercise and review the viability of this approach more widely.

Brendoncare clubs & community services are an important element in Brendoncare Foundation's aim of impacting as many people in later life as possible. These services therefore receive charitable funding from the Brendoncare Foundation to subsidise the cost of the delivery. That support also includes providing financial assistance to individuals who need extra help to be part of their local club for example by funding membership fees or transport costs. This financial support is through the access fund.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £397,000 (2021: £247,000). This relates to staff time; including fundraising and finance support and advice.

A funding grant is also provided to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year that grant totalled £180,000. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in 2021.

This year, fundraising for Brendoncare Clubs resulted in income of £189,000 (2021: £344,000). 2021 was an exceptional year for income for Brendoncare Clubs, following an outstanding response to an emergency appeal during the pandemic. We would like to thank all those who have supported us in the provision and development of our community services.

Volunteering:

Volunteers are vital members of the Brendoncare team. We value every individual who chooses to generously share their time and skills with us, and we are proud to be recipients of the Investing in Volunteers award, in recognition of our commitment to volunteering at Brendoncare. Volunteers donate not just their time, but also their energy, enthusiasm and skills. Individually and collectively, volunteers enable us to make a real difference to people using our services every day.

During the last year, volunteers in our community services have supported us flexibly as we adapted our services to meet the needs of people in our communities, during the changes in restrictions we all experienced in our own lives. Around 100 volunteers supported people with regular telephone support to ensure we were able to make 10,700 connections to older people during the year, most of whom were living alone at home. A small number of volunteers also supported our digital support and online clubs, bringing people together to combat loneliness, and opening the doors to the opportunities of the internet. As restrictions have lightened and we have been able to open the doors of our clubs, our volunteers have committed to additional training to ensure we have been able to safely bring people back together again.

Our regular care home volunteers were missed by staff and residents alike, as restrictions meant that we had to limit access to our homes. We were delighted to start welcoming people back to our homes in the second half of the year, including regular volunteers who offer friendship and create valuable relationships as well as the many young and talented people who visit us to entertain and share their skills. We are also grateful to those volunteers who support our Central Support Office and those appointed as Trustees.

Charitable focus and fundraising:

The UK population is ageing quickly, with the care and support needs for those in later life outweighing the services available. The pandemic had a greater impact on the lives of older people, and the restrictions on lifestyle for those living in care homes far outweighed those living anywhere else.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Brendoncare is committed to empowering people to live their whole life well. We already impact the lives of over 2,000 people across the South of England, and there is much more to do.

We continue to focus on our charitable programmes, which aim to promote creative solutions to improving the services available to those people in later life in our communities and far beyond:

- Care for life – ensuring older people have access to affordable, high quality health and social care
- Dementia – ensuring all those living with dementia, and their families, have the best possible quality of life throughout their journey
- Community – ensuring everyone in later life feels valued and part of a fun and inclusive community

STRATEGIC REPORT

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

ACHIEVEMENTS AND PERFORMANCE

Operating Review

This year we have built considerably on our knowledge and experience of providing services for people in later life during the Covid-19 global pandemic.

In the 2020-21 financial year our community clubs remained closed all year, and we started the new year in the same position, but with the preparation in place to re-open face to face community clubs as soon as circumstances allowed. We continued to run our community support service to ensure members and volunteers felt supported at all times. Our members received over 10,000 phone calls. Our on-line clubs have become well established and much enjoyed times of the week for members to come together under different circumstances. Around 400 club sessions have been held this way, with over 2,500 on-line attendances. This service remaining in place permanently means that geographical barriers to clubs are broken down and that even those who may not be well enough to leave their homes can attend regularly.

Our new approach to providing a wider range of community services meant we developed a new payment model for those members who contribute each week. From April we consulted on paying for 'Brendoncare Membership' via a simple all-inclusive subscription to all our community services, as well as discount benefits on respite at our care homes. Community Membership launched formally in June 2021 when we started re-opening our clubs. Amongst the first to re-open were Gosport Ping Pong and Fleet & Crookham Welcome, and these clubs are now back to their former success with members attending each week. By the end of the year, we have managed to re-open 34 clubs, with our plans slowed by the arrival of the Omicron variant.

In early 2021 the country experienced a long lockdown, and sadly visiting in our care homes continued to be restricted, with exceptions just for those with loved ones at the end of their life. By the start of the new financial year, we were able to welcome one named visitor for each resident, and crucially, we welcomed the introduction of the 'Essential Care Giver' role for whom, with regular testing alongside our staff, we were able to welcome to visit in residents' bedrooms more often. While we continually supported residents to contact their family by phone or video calls wherever possible, we never lost sight of the importance of face to face visits and continue to work hard to offer as much time for families to be together as possible. During the year we introduced an online visit booking tool so that families can plan ahead and arrange visits at their convenience. While visiting now has fewer restrictions, we still require testing ahead of each visit to protect everyone living in the home and our colleagues. We continue to aspire to the days before the pandemic when our doors were open and friends and family visited as they pleased.

As well as affecting everyday life in our care homes, the pandemic had a significant impact on the number of people living with us. The impact of lockdowns, visitor limitations, new variants and outbreaks and the increased frailty of some people moving to live with us meant that while occupancy has gradually increased during the year, this has not followed a smooth path and we expect to continue to need to be agile in managing changes in occupancy in our care homes.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

As part of our Trustees' review of the geographical coverage of Brendoncare, during the year we closed Brendoncare Chiltern View in Aylesbury. We supported residents and families as they identified new homes, and colleagues as they moved on to new employment. Our team continued to care for the home's residents to the highest standards until the last resident moved out, and we are grateful for their commitment.

We also expected to sell Brendoncare Woodhayes, Exeter during the year, but the sale was delayed due to the arrival of winter and the Omicron variant. We are now progressing the sale with a like-minded care provider and expect the home to transfer to their ownership early in the new financial year.

We are pleased to report that the build of Brendoncare St Giles View in Winchester is progressing well. The build has been impacted by some delays and is now expected to open to residents in the first quarter of 2023. The residents and our colleagues of Brendoncare Park Road will move to the new home once it is open, and our Park Road site will close. St Giles View is purpose built to the highest standards and will provide excellent facilities, including a new dementia household, and acoustic monitoring technology which will discreetly improve overnight care by listening for the quietest sounds. We are pleased to also be installing acoustic monitoring at Brendoncare Otterbourne Hill – this technology is proven to reduce falls by up to 55% and hospital admissions by 20%.

During the year we agreed to transfer the operation of Brendoncare Ronald Gibson House to a new provider who will run the service in the new home adjacent to the current building. We expect this transfer to take place in October 2022.

Having reviewed our plans to operate in a smaller geographical area, we continue to identify future sites for further Brendoncare services. Any future services will also include provision to be able to offer community membership and all associated support services.

Staff

Our people are essential to the high quality provision in our care homes, extra care housing and community services. Nationally, across the sector, social care vacancies have continued to rise and remain above pre-COVID levels. After vacancies decreased early in the pandemic, vacancies are increasing and stood at 10.3% in April 2022, compared with 6.1% in April 2021. At Brendoncare we are experiencing this challenge, and are having to invest greater effort and resource into recruiting and retaining colleagues.

During the year we have restructured our Senior Leadership Team to create a new post of Director of People and Culture who joined in January 2022. She will focus on creating a culture where all colleagues feel valued, supported, happy in their work and able to contribute to Brendoncare's success.

Brendoncare values the development and involvement of staff, with training and development opportunities that recognise the diversity of our workforce, develop careers and recognises individual aspirations. An additional £100,000 has been committed to staff training in the year ahead.

Towards the end of the financial year we conducted an internal communications review to improve our communications with colleagues. We are committed to consulting and communicating with colleagues so that they can contribute to decisions about how we can deliver the best possible service.

During the year we were pleased to host a staff conference. By holding the same event over three days we were able to bring many colleagues together while continuing to run our care homes and community services. This will now become an annual event, and including the presentation of 'Aiming High' awards to colleagues who have performed exceptionally over the last 12 months.

As an equal opportunities employer, Brendoncare treats every employee, volunteer or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Remuneration Policy

Pay differentials are related to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid member of staff will not exceed 10:1. The ratio is currently 6.18:1.

Pay reviews are undertaken annually, generally at 1 April. The annual review takes into account the following internal factors:

- The financial position and outlook for the business
- The staff turnover rate in general and in specific locations and jobs
- The usage and cost of agency staff
- Any other data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-profit and care sector labour markets
- The National Minimum Wage and the Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Any other data that can inform the review

The People Committee take advice, guidance and information from such outside sources as may be necessary to review the pay of senior staff with substantial strategic responsibilities.

We have set up processes to ensure that we are able to meet the needs of Gender Pay Reporting. We are delighted to report a median gap of -0.87% compared to the national average of 9.8% in our latest report. The full report can be viewed on our website, www.brendoncare.org.uk

Impact and Effectiveness

As a charity, the positive impact that we are able to have on the lives of the people we exist to support is crucial to our choices and decision making. During the year, we restructured the Senior Leadership Team to include the role of Director of Charitable Impact & Community Services, and we will be focusing in this area in more detail in the year ahead.

Brendoncare measures the quality of care delivery through regular internal audits. Care Key Performance Indicators are monitored by the Care and Clinical Governance Committee. During the year all Registered Services (including Domiciliary Care) received a BCF Quality Assurance audit twice as well as monthly provider visits.

Woodhayes received an in person CQC Inspection with a very good result. Froxfield received a telephone monitoring call as per CQC's updated monitoring regime. All registered services receive a monthly risk review by CQC with no areas of concern found. Currently all 12 registered services are rated good by CQC.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31st March 2022 is shown below.

During this period, energy usage totalled 5,498,046 kWh (2021: 6,483,167 kWh) which can be analysed further as follows:

- Electricity – 2,221,872 kWh (2021: 2,401,082)
- Gas – 2,945,690 kWh (2021: 3,529,057)
- Transport – 330,484 kWh (2021: 256,229)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period. Energy usage has decreased due to the closure of Brendoncare Chiltern View during the year.

The figure noted above for transport relates solely to staff use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to staff during the period.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) for the reporting period was 1,113 tonnes (2021: 1,208 tonnes). This works out at a ratio of 3.0 tonnes per bed based on 402 beds available across all Brendoncare sites (2021: 3 tonnes).

Recommendations resulting from the ESOS audit and actions taken to improve energy efficient include:

- Developing a staff energy awareness campaign – including a September switch off with a prize for the best performing home
- Replacing existing lighting with LED energy efficiency lighting
- Fitting insulation to piping and pipe joints where not already in place

We have implemented a hybrid working policy meaning that office based colleagues now work from home on some days each week. Many meetings are now being conducted via Zoom

Our new care home, Brendoncare St Giles View is being built to be rated Breeam excellent, meaning it is in the top 10% for sustainability for UK new builds.

Other

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity.

The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers, residents and members. We agree payment terms with all our business partners.

We recognise that sometimes things go wrong and Brendoncare has established a complaints policy and a process for ensuring all complaints are reviewed and addressed appropriately.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 21. The net assets at the end of the year stood at £18,718,000 (2021: £20,328,000) and principally represents our investment in care home buildings. Of the balance of net assets, £2,662,000 is available as free cash.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The operating result for the year is shown in the table below:

	31 st March 2022	31 st March 2021
Net movement in funds	(£1,610,000)	(£804,000)
Swaps adjustment	(£101,000)	(£49,000)
Other gains/expenses	-	£961,000
Operating (Loss)/ result	(£1,711,000)	£108,000

The loss year on year demonstrates the challenging operating conditions that Brendoncare has faced as a result of the pandemic, starting the year with occupancy around 10% lower compared to usual levels, similar to that experienced by the sector.

During the year, an investment in marketing and a customer relations team has resulted in increasing occupancy levels, with levels near normal by the end of the financial year. It is clear that the impact of the pandemic remains, with care seekers needing more support to make the decision to move, those needing care staying at home for longer and therefore coming to us with greater needs, and the understandable concerns of family members around visiting restrictions.

We have continued to experience significant pressures on our costs during the year with additional staff costs to cover staff who have had to self-isolate, and costs to employ additional team members to facilitate the vital testing programme required to keep our services safe. The implementation of vaccination as a condition of employment had an enormous impact on resource and costs for Brendoncare. While we have been committed to achieving the highest possible vaccination levels across our workforce, in order to protect everyone who lives and works in our care homes, we appealed to the government to allow time for this, alongside the implementation in the NHS. Ultimately, after spending countless hours to meet with demands of this policy, and dismissing some experienced and committed colleagues, the policy was abolished when it became clear the impact on the NHS would be too great. The negative impact on adult social care providers was significant, and we sincerely hope that more thorough consideration and sensible timelines are applied to future government decision making.

The accounts include receipts totalling £655,000 (2021: £1,142,000) for COVID-19 support and infection control funds provided through the local authorities and NHS. Without this support, the accounts would show an operating loss of £2,366,000.

The Brendoncare Foundation supports our clubs and community services by donating the support services of central office staff, including the fundraising team. A funding grant is also provided to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year that grant totalled £180,000. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in 2021.

During the year, The Brendoncare Foundation has provided charitable support totalling £1,211,000 (2021: £1,043,000), including Care for Life and provision of management services to Brendoncare Clubs.

GOING CONCERN

The Trustees have reviewed the financial performance in the year to 31st March 2022 and also the financial budget to 31st March 2023 as well as financial and cash flow forecasts beyond this date.

Due to the continuing impact of the pandemic the Charity has made a loss in the year to 31st March 2022. It did, however, maintain substantial cash balances of £5,261,000, including cash designated to meet the obligations we have to the leaseholders of the apartments. This cash level is sufficient to meet the operating cash flow needs of the Charity for the coming 12 months and beyond; in the current year there has been a net outflow of £1,850,000 (excluding CBIL drawdown) so even if this level of outflow were to continue, the balance would be sufficient for at least 12 months from the date of signing this report.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The budget for the coming 12 months anticipates an increase in occupancy as the market gains more confidence in the care home sector and we begin to recover from the pandemic. There are clear organisational objectives focussing on how this will be achieved. There are also expected to be further receipts of infection control funds to continue to support some of the additional costs being incurred for the ongoing testing requirements of all staff, residents and visitors.

In agreeing the budget the trustees consider the financial impact of a number of scenarios including:

- 10% reduction to the budgeted occupancy
- 20% reduction to budgeted fundraising income
- 3% increase to budgeted operating costs

They concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur.

Trustees have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it continues to be appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are its principal assets. The changes in fixed assets during the year are set out in note 12.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have any surplus funds, after meeting its charitable support requirements, with which to acquire long-term investment assets other than additions to its care asset base.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments arise from time to time in the development of close care or total care living schemes. No such investments have been made during the financial year.

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31st March 2023 are expected to be £1,800,000 a month (£2,000,000 in the current year). Brendoncare's policy is to maintain cash resources sufficient to meet these operating cash flows for a minimum of 2 months. We are also required by our banking covenants to hold a minimum of £4,000,000 in cash.

Brendoncare's financial position at the end of the year remained strong. Net debt increased to £10,400,000 (2021: £9,573,000) as a result of CBIL loan in the year. Net assets have reduced to £18,718,000 (2021: £20,328,000) due to the operating loss made this year.

Brendoncare's sterling bank debt of £13,597,000 (2021: £12,623,000) has maturity dates between 2023 and 2027 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks the Trustees consider that it is appropriate to mitigate the short-term risks to Brendoncare arising from possible adverse changes in interest rates, through the use of sterling interest rate swaps on a proportion of the borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 73% of Brendoncare's bank debt as at 31 March 2022 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 17.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Reserves Policy

Brendoncare requires significant property assets in order to meet its charitable aims. Of the total reserves of £18,718,000, £13,729,000 represents property assets net of the loan borrowings set against the properties to which they relate (property assets of £27,326,000 less bank loans including swaps adjustment of £13,597,000). These are included as designated reserves to more accurately reflect the funds available in cash or that can be easily liquidated for use to meet the operating needs of the charity.

The Charity holds funds in relation to the sinking fund balances which we are obligated to hold for the leaseholders of the apartments to which they relate, in order to meet our obligations under the lease. These funds are included within designated funds and total £2,538,000.

Brendoncare holds sufficient unrestricted reserves to meet its charitable objectives in the short term. Free cash available for this purpose at 31st March 2022 totalled £2,662,000, (i.e. about 6 weeks operating costs).

Fundraising Practices

As part of our commitment to best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Institute of Fundraising.

We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of noncompliance with the requirements of the fundraising code of practice and no complaints were received by the charity regarding fundraising activities.

Our fundraising policy clearly states all steps that should be followed in order to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance as part of the Board meetings.

FUTURE PLANS

In 2022 we are setting out a new future for Brendoncare; one where we ensure that whoever and however someone comes into contact with Brendoncare – whether as a member, resident, volunteer or colleague – they are able to live their life to the fullest potential, where and how they choose. Our purpose must put people at its heart and make sure that we are empowering, inclusive and understanding.

We plan to:

- address the challenges of growing loneliness and isolation in later life
- help people maintain and benefit from good physical, mental health and well-being
- tackle ageism, the stigma of older age, and foster inter-generational connections
- play our part in providing quality accommodation that is appropriate for people's needs

Our objectives support these goals, as well as our strategic plans:

- Providing services within a clearly defined geography, using our resources and people to reach as many people as possible within that geography
- Connecting our care homes, community services and other accommodation options, so the people we support can easily access our help whenever they need it, and so that assistance can adapt along with their needs
- Investing in buildings and technology to make connecting and communicating easier, allowing us to improve the quality of our services
- Being clear about our charitable objectives and how our charity can have the most impact on our beneficiaries.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Our plans for the year ahead move us forward on all of these points, whilst also taking into account our current challenges:

- The continuing challenges presented by the pandemic of maintaining high occupancy in our care homes. High Covid case levels towards the end of the financial year were a stark reminder of the times we operate in, with the potential of outbreaks limiting our opportunity to welcome new people.
- Significant cost increases (utilities, insurance, inflation, NI, National Living Wage)
- The challenges associated with recruiting colleagues to a sector that was already under resourced before the pandemic.

So: our objectives for the year ahead are:

Driving sustainability; both financial and people-focused, that supports our charitable objectives

- Investing in staff benefits and training for our colleagues
- Improving communications within Brendoncare
- Recruiting more volunteers to help in our services
- Helping more people to live in Brendoncare's homes
- Reviewing how we provide activities to ensure every day is well lived

Creating a foundation for future growth

- Opening St Giles View
- Supporting people in the communities around our clubs and homes, through the continued roll out of Brendoncare community membership
- Transferring Woodhayes and RGH to their new providers
- Getting more feedback from customers & colleagues, and improving because of it
- Developing our vision, values and brand

Investing in technology to support better ways of working

- Installing acoustic monitoring
- Launching the new HR & payroll system
- Using Found CRM system to help people move to our homes
- Measuring our impact on people's lives.

PRINCIPAL RISKS AND UNCERTAINTIES

Brendoncare maintains a risk register which is reviewed regularly by the Senior Leadership Team. The major risks to which Brendoncare is exposed are formally reviewed twice a year by the Board, and once annually by each of the Finance and Audit Committee and the Care and Clinical Governance Committee, quarterly in all. Systems are in place to manage those risks, and the implementation and effectiveness of those systems are reviewed regularly.

Key risk:	How managed:
COVID-19: Impact of the ongoing pandemic on the well-being of staff, residents, mews tenants, members and volunteers as well as the impact on costs and reduced occupancy on financial sustainability.	Two years into the pandemic, our teams are now adept at managing services for those in later life within the fluctuating concerns caused by coronavirus. The appropriate use of PPE, testing and infection control measures are embedded into routine practice within Public Health England guidelines.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
	<p>Our care homes are now regularly welcoming visitors within current guidelines, with additional measures in the instance of an outbreak.</p> <p>Progress has been made on improving occupancy with expectations to return to pre-pandemic levels during the new financial year. Customer relations team in place to ensure agility in managing change within current climate.</p> <p>Staff and volunteer communication and well-being is paramount and we are ensuring that all staff have access to any support they may require to support their mental well-being at this time, including our Employee Assistance Programme and the training of 30 colleagues as Mental Health First Aiders.</p> <p>Regular communication is maintained with all those using our services. We continue to signpost to other organisations where additional support and guidance is required.</p>
<p>Service quality: Delivering quality, relevant and accessible services that residents, mews tenants and club members want, at affordable prices, both now and into the future.</p>	<p>During the year we added a Customer Experience function to our leadership team to drive the quality of experience for all those using Brendoncare services, both directly, and for those whose loved ones we support.</p> <p>Informal feedback is welcomed. Our surveys are undertaken with club members, residents and their relatives and extra-care residents in order to provide us with important information about what they would like to see to assist with shaping the future of our services, and to continue to meet the needs of those who use them.</p> <p>During the year we introduced Brendoncare community membership to provide a range of community based services at an affordable price, with charitable support through our access fund for those on low income. The quality of our community membership provision is reviewed at monthly Charitable Impact meetings.</p> <p>In the next year we will embed new organisational values, as part of our programme to develop our people whose everyday contribution underpins the quality of our services.</p>

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
<p>People: Ensuring we have the right people with the right skills throughout the organisation to deliver the quality of services on which residents and club members can depend.</p>	<p>During the year we have welcomed a Director of People and Culture to our leadership team to ensure the people who support are services each day are championed and supported to be the best they can be in their role.</p> <p>In the next year we will continue to invest in our people with a review and development of our employee benefit provision, additional investment in training and the implementation of a new HR & payroll system. We will continue to engage with colleagues, including through our annual all colleague conference.</p> <p>At a time when there are many vacancies in social care we have chosen to invest in centralising our recruitment function to ensure our care homes teams are well appointed with colleagues. We continually monitor recruitment and conduct interviews with leavers to ascertain what we can do better.</p> <p>Ensuring all staff and volunteers receive the required training and inductions to enable them to deliver the quality of service that we expect for residents and club members.</p> <p>In the year ahead we will invest in volunteering as part of our commitment to service quality and charitable impact.</p>
<p>Financial Sustainability: Managing our finances in a challenging environment, to ensure that we can continue to make an impact in the future and can invest in growth.</p>	<p>Occupancy has improved in the last 12 months with the investment in a Customer Relations Team and a CRM system to support the sales process. Performance is regularly reviewed at a home and corporate level through Business Progress Review meetings.</p> <p>Forecasts are prepared and monitored monthly to ensure any financial issues are identified and corrective action can be taken promptly.</p> <p>In the year ahead our focus remains on managing our costs around people, by investing in our permanent workforce and reducing the impact of agency staffing, both financially and on quality. Targets are set and regularly reviewed. We remain focused on maintaining sufficient cash flow during this time of continued uncertainty.</p>

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
Regulatory Compliance: Meeting the requirements of regulators including the CQC, the charity commission, and the fundraising regulator.	<p>Internal quality audits are performed regularly for all services to ensure they meet the standards required by CQC.</p> <p>Internal policies and procedures for data protection, fundraising, health and safety and other areas are reviewed regularly to ensure regulatory compliance is maintained. Reporting and sharing learning from data breaches is embedded in practise.</p> <p>New systems implemented or in planning to improve data management and compliance.</p>
Reputation: Demonstrating the values of Brendoncare and meeting ethical expectations of residents, club members, housing tenants, families, staff, volunteers and donors. Responding effectively to incidents that can damage reputation.	<p>We regularly seek feedback on our services through surveys and external reviews.</p> <p>We have a documented complaints procedure in place to ensure that, should the need arise, they are appropriately addressed.</p> <p>Staff are regularly reminded of their responsibilities with regard to safeguarding and whistle-blowing policies.</p> <p>Trustee training on safeguarding is conducted, and regular reviews in this area involving trustees and the leadership team drive training and policy reviews.</p>
Managing change: Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills. Driving Transformation in response to both external changes (market expectations, NHS and Social Care reforms) and the internal needs such that we drive up service quality, drive down costs and provide the services most appropriate for those we serve.	<p>Annual and longer term plans are documented and shared with staff to enable Brendoncare to manage and support any necessary change.</p> <p>Project plans are documented for any significant changes to existing services. Project management software implemented to aid communication and collaboration.</p>

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011.

The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare. During the year, we had a mix of online via video conferencing and in person meetings.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, and People (formerly Remuneration). Responsibility for day to day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The Board met ten times in the year whilst, the Committees met as follows during the year to 31st March 2022:

- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – six meetings
- Development Committee – seven meetings
- People Committee – two meetings

As part of its governance procedures, the Board regularly reviews the skills mix of the Board and plans for any future retirements.

A Trustee appointed by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by Brendoncare's staff, and attend regular development sessions, provided by staff and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings.

In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic 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 which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP were reappointed as the charitable company's auditor and have expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 23rd August 2022 and signed on their behalf by



Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Brendoncare Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

Independent auditor's report

To the members of

The Brendoncare Foundation

material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent auditor's report

To the members of

The Brendoncare Foundation

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The Brendoncare Foundation

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)
20 September 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from:							
Donations and legacies	2	113	148	261	231	197	428
Coronavirus Job Retention Scheme	2	49	-	49	172	-	172
Charitable activities							
Care Homes and Housing with Care	3	23,339	-	23,339	24,106	-	24,106
Friendship and well-being clubs	3	28	-	28	15	-	15
Coronavirus support grants	3	-	655	655	61	1,081	1,142
Investments	4	-	-	-	4	-	4
Total income		23,529	803	24,332	24,589	1,278	25,867
Expenditure on:							
Raising funds	5	209	-	209	266	-	266
Charitable activities							
Care Homes and Housing with Care	5	24,389	821	25,210	23,778	1,245	25,023
Friendship and well-being clubs	5	533	91	624	293	177	470
Other expenditure	7	-	-	-	961	-	961
Total expenditure		25,131	912	26,043	25,298	1,422	26,720
Net income/(expenditure) for the year and Net income before other recognised gains and losses	6	(1,602)	(109)	(1,711)	(709)	(144)	(853)
Valuation of interest rate swaps	18	101	-	101	49	-	49
Net movement in funds		(1,501)	(109)	(1,610)	(660)	(144)	(804)
Reconciliation of funds:							
Total funds brought forward		16,830	3,498	20,328	17,490	3,642	21,132
Total funds carried forward		15,329	3,389	18,718	16,830	3,498	20,328

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

The Brendoncare Foundation

Balance sheets

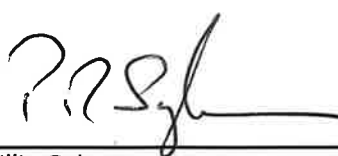
Company no. 01791733

As at 31 March 2022

		The group		The charity	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets:					
Tangible assets	12	34,238	35,012	34,158	34,918
		34,238	35,012	34,158	34,918
Current assets:					
Debtors due within one year	15	1,869	1,848	1,863	1,863
Cash at bank and in hand		5,261	5,111	5,209	4,971
		7,130	6,959	7,072	6,834
Liabilities:					
Creditors: amounts falling due within one year	16	(6,307)	(5,971)	(6,395)	(5,953)
Net current assets		823	988	677	881
Total assets less current liabilities		35,061	36,000	34,835	35,799
Creditors: amounts falling due after one year	17	(16,223)	(15,451)	(16,223)	(15,457)
Interest rate swap liability	18	(120)	(221)	(120)	(221)
Total net assets	20	18,718	20,328	18,492	20,121
Funds:	21				
Restricted income funds		3,389	3,498	3,298	3,421
Unrestricted income funds:					
Designated funds		13,624	14,904	13,624	14,774
General funds		2,662	2,684	2,527	2,684
Interest rate swap reserve		(956)	(758)	(956)	(758)
Total unrestricted funds		15,329	16,830	15,194	16,700
Total funds		18,718	20,328	18,492	20,121

Approved by the Trustees on 23 August 2022 and signed on their behalf by


Philip Dowson
Chairman


Phillip Sykes
Trustee

Consolidated statement of cash flows

For the year ended 31 March 2022

Reconciliation of net income to net cash flow from operating activities

	2022		2021	
	£'000	£'000	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,610)		(804)	
Depreciation charges	1,563		1,582	
Swaps valuation movement	101		(49)	
Impairment of fixed assets	-		141	
Increase/(decrease)/ in debtors	(21)		71	
Increase/(decrease) in creditors	(116)		491	
Net cash provided by operating activities		(83)		1,432
Cash flows from investing activities:				
Purchase of fixed assets	(762)		(905)	
Assets under construction	(27)		(35)	
Net cash used in investing activities		(789)		(940)
Cash flows from financing activities:				
Finance lease payment	(52)		(55)	
Repayments of borrowing	(926)		(925)	
Cash inflows from new borrowing	2,000		-	
Net cash provided used in financing activities		1,022		(980)
Change in cash and cash equivalents in the year		150		(488)
Cash and cash equivalents at the beginning of the year		5,111		5,599
Cash and cash equivalents at the end of the year		5,261		5,111

Analysis of cash and cash equivalents and of net debt

	at 1 April 2021 £'000	Cash flows £'000	Other non-cash changes £'000	at 31 March 2022 £'000
Cash at bank and in hand	5,111	150	-	5,261
Total cash and cash equivalents	5,111	150	-	5,261
Loans falling due within one year	924	300	-	1,224
Loans falling due after more than one year	11,749	774	(101)	12,422
Finance lease falling due within one year	(3)	-	8	5
Finance lease falling due after more than one year	2,014	(52)	49	2,011
Total borrowings	14,684	1,022	(44)	15,662
Net debt	(9,573)	(872)	44	(10,401)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Enterprises Limited and Brendoncare Clubs on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any 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 reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

e) Income

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Coronavirus job retention scheme income and other coronavirus support income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. There is more information about their contribution in the Report of the Trustees.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

1 Accounting policies (continued)

k) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

l) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

n) Debtors

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

o) Cash at bank and in hand and current asset investments

Cash at bank and cash 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.

p) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

q) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates

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.

r) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment pension scheme after two months' service.

The group also operates a defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

s) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Designated Funds in these accounts.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Gifts	108	110	218	227	197	424
Legacies	5	-	5	4	-	4
Hampshire County Council Grant	-	38	38	-	-	-
Sub-total	113	148	261	231	197	428
Coronavirus Job Retention Scheme	49	-	49	172	-	172
	162	148	310	403	197	600

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Care Homes and Housing with Care						
Care fee income	22,800	-	22,800	23,612	-	23,612
Sinking fund income	251	-	251	188	-	188
Other ancillary services	288	-	288	306	-	306
Sub-total	23,339	-	23,339	24,106	-	24,106
Friendship and well-being clubs						
Club subscriptions	18	-	18	-	-	-
Other ancillary services	10	-	10	15	-	15
Sub-total	28	-	28	15	-	15
Coronavirus Support Grants						
Local authority funding grants	-	655	655	61	1,081	1,142
Sub-total	-	655	655	61	1,081	1,142
Total income from charitable activities	23,367	655	24,022	24,182	1,081	25,263

4 Income from investments

	2022 Total £'000	2021 Total £'000
General fund deposits	-	4
	-	4

All income is unrestricted.

5a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Other expenditure £'000	Governance £'000	2022 Total £'000	2021 Total £'000
Staff costs	151	14,982	302	-	54	15,489	15,910
Staff support costs	44	1,332	123	-	-	1,499	1,439
Agency and consultancy	-	2,346	-	-	-	2,346	2,423
Total staff costs (note 8)	195	18,660	425	-	54	19,334	19,772
Repairs & maintenance	-	948	2	-	-	950	1,302
Food and household goods	-	836	3	-	-	839	883
Utilities	-	744	3	-	-	747	664
Interest payable	-	386	-	-	-	386	400
Training costs	2	100	2	-	-	104	121
Stationery and communication costs	1	121	6	-	-	128	119
Transport and travel costs	-	16	16	-	-	32	18
Chemist and medical supplies (PPE)	-	207	-	-	-	207	327
Insurance	-	149	1	-	-	150	136
Regulatory costs	-	73	-	-	-	73	79
Activity costs	-	49	23	-	-	72	39
Staff recruitment	-	120	-	-	-	120	29
Legal and professional	-	49	-	-	-	49	284
Marketing costs	-	21	-	-	-	21	20
Reversal of bad debt provision	-	-	-	-	-	-	(90)
Other costs	11	91	15	-	-	117	53
Disposal/impairment of fixed assets	-	-	-	-	-	-	141
Audit and accountancy	-	-	-	-	39	39	35
	209	22,570	496	-	93	23,368	24,332
Premises and equipment support costs	-	1,031	81	-	-	1,112	806
Depreciation	-	1,205	15	-	-	1,220	1,436
Depreciation in support costs	-	319	24	-	-	343	146
	-	1,524	39	-	-	1,563	1,582
Governance costs	-	85	8	-	(93)	-	-
Total expenditure 2022	209	25,210	624	-	-	26,043	-
Total expenditure 2021	266	25,023	470	961	-	-	26,720

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Charitable activities		Other expenditure £'000	Governance £'000	2021 Total £'000
		Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000			
Staff costs	212	15,151	240	260	47	15,910
Staff support costs	44	1,286	109	-	-	1,439
Agency and consultancy	-	2,423	-	-	-	2,423
Total staff costs (note 8)	256	18,860	349	260	47	19,772
Repairs & maintenance	-	838	4	460	-	1,302
Food and household goods	-	881	2	-	-	883
Utilities	-	661	3	-	-	664
Interest payable	-	400	-	-	-	400
Training costs	1	119	1	-	-	121
Stationery and communication costs	1	111	7	-	-	119
Transport and travel costs	-	15	3	-	-	18
Chemist and medical supplies (PPE)	-	327	-	-	-	327
Insurance	-	135	1	-	-	136
Regulatory costs	-	79	-	-	-	79
Activity costs	-	31	8	-	-	39
Staff recruitment	-	29	-	-	-	29
Legal and professional	-	184	-	100	-	284
Marketing costs	-	20	-	-	-	20
Reversal of bad debt provision	-	(90)	-	-	-	(90)
Other costs	8	36	9	-	-	53
Disposal/impairment of fixed assets	-	-	-	141	-	141
Audit and accountancy	-	-	-	-	35	35
	266	22,636	387	961	82	24,332
Premises and equipment support costs	-	754	52	-	-	806
Depreciation	-	1,422	14	-	-	1,436
Depreciation in support costs	-	136	10	-	-	146
	-	1,558	24	-	-	1,582
Governance costs	-	75	7	-	(82)	-
Total expenditure 2021	266	25,023	470	961	-	26,720

Notes to the financial statements

For the year ended 31 March 2022

6 Net income for the year

This is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Depreciation	1,563	1,582
Interest payable	285	351
Impairment of assets (see note 7)	-	141
Operating lease rentals:		
Property	32	149
Other	3	2
Auditor's remuneration (excluding VAT):		
Audit	34	29
Other services	8	6

7 Other expenditure (prior year)

At 31 March 2021, an announcement had been made to close Chiltern View care home in Aylesbury. Costs of £961,000 were accrued in the accounts for the year ended 31 March 2021 in relation to the expected costs of the closure including redundancy costs, dilapidations, legal fees and asset write offs.

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management

Staff costs were as follows:

	2022	2021
	£'000	£'000
Salaries and wages	15,238	15,404
Redundancy and termination costs (see note 7)	12	260
Social security costs	1,389	1,331
Pension contributions	349	354
Agency staff costs	2,346	2,423
	19,334	19,772

The company operates a defined contribution pension scheme. At the year end, payments totalling £66,000 (2021: £66,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £534,070 (2021: £525,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £9,828 (2021: £7,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,756 (2021: £1,000) incurred by four (2021: one) members relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31 March 2022

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2022 No.	2021 No.
£110,000 - £120,000	1	-
£100,000 - £110,000	2	2
£90,000 - £100,000	-	1
£80,000 - £90,000	-	2
£70,000 - £80,000	4	-
£60,000 - £70,000	2	-

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds	6	6
Care homes	698	710
Friendship and well-being clubs	11	10
Volunteering	1	1
Support and governance	42	40
	758	767

10 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2021: £nil). There were no other related party transactions.

11 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

12 Tangible fixed assets

The group

	Freehold property £'000	Long leasehold £'000	Assets under construction £'000	Fixtures, fittings and equipment and leasehold improvements £'000	Computer equipment & software £'000	Total £'000
Cost						
At the start of the year	33,122	2,000	341	9,629	932	46,024
Additions in year	235	-	27	485	42	789
Disposals in year	-	-	-	(319)	-	(319)
At the end of the year	<u>33,357</u>	<u>2,000</u>	<u>368</u>	<u>9,795</u>	<u>974</u>	46,494
Depreciation						
At the start of the year	5,411	103	-	4,991	507	11,012
Charge for the year	620	40	-	704	199	1,563
Eliminated on disposal	-	-	-	(319)	-	(319)
At the end of the year	<u>6,031</u>	<u>143</u>	<u>-</u>	<u>5,376</u>	<u>706</u>	12,256
Net book value						
At the end of the year	<u>27,326</u>	<u>1,857</u>	<u>368</u>	<u>4,419</u>	<u>268</u>	34,238
At the start of the year	<u>27,711</u>	<u>1,897</u>	<u>341</u>	<u>4,638</u>	<u>425</u>	35,012

The closing balance of assets under construction relates to the costs incurred for the redevelopment of The Old Parsonage site.

Land with a value of £6,496,000 (2021: £6,496,000) is included within freehold property and not depreciated; although regular impairment reviews are carried out.

Long leasehold property consists of 7 apartments sold to The Edward Gostling Foundation under a finance lease arrangement.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise 99% of the Group's tangible fixed assets shown in the above table.

13 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. The company did not trade in this or the previous financial year and therefore there is not turnover or costs of sales in either year. A summary of the results of the subsidiary is shown below:

	Brendoncare Enterprises	
	2022	2021
	£'000	£'000
Administrative expenses	-	-
Operating profit/(loss)	-	-
Taxation	-	-
Profit/(loss) for the financial year	-	-
Retained earnings		
Total retained earnings brought forward	12	12
Profit/(loss) for the financial year	-	-
Retained earnings	12	12
The aggregate of the assets, liabilities and funds was:		
Assets	12	12
Funds	12	12

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2022

13 Subsidiary undertakings (continued)

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs					2021 Total £'000
	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	
Income						
Donations and legacies	480	106	586	435	156	591
Charitable activities	28	-	28	16		16
Total income	508	106	614	451	156	607
Expenditure						
Raising funds	99	-	99	143	-	143
Charitable activities	423	91	514	227	177	404
Total expenditure	522	91	613	370	177	547
Net (expenditure)/income for the year	(14)	15	1	81	(21)	60
Reconciliation of funds:						
Total funds brought forward	115	76	191	34	97	131
Total funds carried forward	101	91	192	115	76	191
					2022 £'000	2021 £'000
Funds						
Assets					217	231
Liabilities					(25)	(40)
Net Assets					192	191

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £397,000 (2021: £247,000).

14 Parent Charity (The Brendoncare Foundation)

The Brendoncare Foundation's gross income and the results for the year are disclosed as follows:

	2022 £'000	2021 £'000
Gross income	24,117	25,508
Result for the year	(1,503)	(863)

Notes to the financial statements

For the year ended 31 March 2022

15 Debtors

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	1,469	1,518	1,469	1,517
Amounts owed by subsidiaries	-	-	-	23
Other debtors	9	3	9	3
Prepayments and accrued income	391	327	385	320
	1,869	1,848	1,863	1,863

16 Creditors: amounts falling due within one year

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	1,224	924	1,224	924
Trade creditors	1,115	884	1,105	882
Amounts owed to subsidiaries	-	-	90	-
Taxation and social security	297	305	297	305
Other creditors	1,029	977	1,023	970
Accruals and deferred income	2,642	2,881	2,656	2,872
	6,307	5,971	6,395	5,953

17 Creditors: amounts falling due after one year

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amount due between two and five years:				
Bank loans	5,740	4,333	5,740	4,333
Deferred income	24	24	24	24
	5,764	4,357	5,764	4,357
Amounts due after five years:				
Bank loans	6,633	7,145	6,633	7,145
Loans from NHS	50	50	50	50
Amounts due under finance leases	2,011	2,014	2,015	2,014
Deferred income	1,885	1,885	1,881	1,891
	16,343	15,451	16,343	15,457
Secured creditors included in Notes 16 and 17	15,299	14,105	15,299	14,105

Brendoncare purchased the Springfield site, Tooting, from the National Health Service for £1.6 million in 1989, wholly funded by a capital grant from the NHS. The NHS also made a grant towards building Ronald Gibson House on that site, bringing the capital grants to £1.75 million in total, secured by a charge on the property. As explained in Note 19, these grants have been treated as deferred income.

17 Creditors: amounts falling due after one year (continued)

Bank loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms (mostly related to LIBOR) and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2024 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2021/22	2020/21
Principal	£10,000	£8,500
Interest rate	3.0%	3.0%

In £'000	Expires within 1-5 years	Notional principal £10,000	Fair value asset -	Fair value liability £120
Pay fixed for variable (3 month LIBOR)				

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

Coronavirus Loan

In July 2021, Brendoncare drew down a £2m floating rate basis Coronavirus Business Interruption Loan repayable in July 2027 secured by a legal charge over specified property.

Finance leases

Finance leases are secured over the assets to which they relate.

18 Interest rate swap liability

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Opening balance	221	270	221	270
Fair value movement	(101)	(49)	(101)	(49)
	120	221	120	221

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

19 Deferred income

Deferred income comprises fee income paid in advance, deferred gain on the disposal of the apartments at Otterbourne Hill and the NHS grant as detailed in note 17.

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,431	2,016	2,431	2,016
Amount released to income in the year	(521)	(102)	(521)	(102)
Amount deferred in the year	498	517	498	517
Balance at the end of the year	2,408	2,431	2,408	2,431

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	30,911	3,327	34,238
Net current assets/(liabilities)	2,662	(1,602)	62	1,122
Long term liabilities	-	(16,642)	-	(16,642)
Net assets at the end of the year	2,662	12,667	3,389	18,718

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	31,551	3,461	35,012
Net current assets/(liabilities)	2,684	(1,733)	37	988
Long term liabilities	-	(15,672)	-	(15,672)
Net assets at the end of the year	2,684	14,146	3,498	20,328

21a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers and other income and expenses £'000	At the end of the year £'000
Restricted funds:					
Alton	46	-	(2)	-	44
Tooting	681	-	(32)	-	649
East Grinstead	864	-	(26)	-	838
Knightwood	334	-	(7)	-	327
Otterbourne Hill	1,350	-	(28)	-	1,322
Other funds	223	803	(817)	-	209
Total restricted funds	3,498	803	(912)	-	3,389
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,002	-	(27)	-	975
Sinking funds	3,060	251	(58)	-	3,253
Operations fund	10,842	23,278	(24,847)	123	9,396
Total designated funds	14,904	23,529	(24,932)	123	13,624
General funds	2,684	-	-	(22)	2,662
Total unrestricted funds	17,588	23,529	(24,932)	101	16,286
Interest rate swap reserve	(758)		(98)	(101)	(957)
Total funds	20,328	24,332	(25,942)	-	18,718

Notes to the financial statements

For the year ended 31 March 2022

21b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	47	-	(1)	-	46
Tooting	712	-	(31)	-	681
East Grinstead	891	-	(27)	-	864
Knightwood	340	-	(6)	-	334
Otterbourne Hill	1,379	-	(29)	-	1,350
Other funds	273	1,278	(1,328)	-	223
Total restricted funds	3,642	1,278	(1,422)	-	3,498
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,031	-	(29)	-	1,002
Sinking funds	2,928	187	(55)	-	3,060
Operations fund	10,987	24,402	(25,074)	527	10,842
Total designated funds	14,946	24,589	(25,158)	527	14,904
General funds	3,260	-	-	(576)	2,684
Total unrestricted funds	18,206	24,589	(25,158)	(49)	17,588
Interest rate swap reserve	(716)	-	(91)	49	(758)
Total funds	21,132	25,867	(26,671)	-	20,328

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. The balances are as follows:

- Alton Fund - The balance on 31 March 2022, after depreciation, stood at £44,000 (2021: £46,000), and was fully invested in fixed assets for the Home.
- Ronald Gibson House Fund, Tooting - The balance on 31 March 2022 stood at £649,000 (2021: £681,000), all of which has been used to finance the development of the Home.
- Stildon Fund, East Grinstead - The balance on 31 March 2022 stood at £838,000 (2021: £864,000), which has been used for the development of the Home.
- Knightwood Fund - The balance on 31 March 2022 stood at £327,000 (2021: £334,000), and was fully invested in fixed assets for the Home.
- Otterbourne Hill Fund - The balance on 31 March 2022 stood at £1,322,000 (2021: £1,350,000) which was fully invested in the construction of the new care home.

21b Movements in funds (continued)

- f) Other funds:
During the year Brendoncare Clubs received a grant of £38,000 (2021:£89,000) from the National Lottery Community Fund towards the Community Support Services. This is included within other funds.

Grants of £25,000 and £15,000 have been received from the Gerald Palmer Eling Trust and Sun Life of Canada Trust towards the Community Support Service and reopening of Clubs respectively.

As a result of the COVID-19 pandemic, Brendoncare has received local authority and NHS support by way of COVID grants and infection control funds to support with mitigating the financial impact of the pandemic. These grants included restricted funds totalling £655,000 (£2021: £1,081,000) included in other funds.

Purposes of designated funds

Designated funds are those relating to the properties used to generate income for The Brendoncare Foundation, which have not been restricted in any other way. Without these properties, Brendoncare would be unable to meet its charitable aims.

- g) Paul Woodhouse Fund - This fund comprises the net balance of the Paul Woodhouse Fund amounting to £975,000 (2021: £1,031,000). In the event of disposal of any of the properties in which the Paul Woodhouse Fund was invested, the Trustees would intend to re-invest in further capital development the share of any proceeds attributable to that fund. The fund has reduced by £27,000 in the year as a result of depreciation charged.
- h) Sinking funds - these funds relate to the reserves for any capital repairs required to the leasehold apartments. The balances on 31 March 2022 stood at £1,513,000 (2021: £1,463,000) for Mary Rose Mews £649,000 (2021: £647,000); for Old Parsonage Court £827,000 (2021: £703,000); for Knightwood Mews and £265,000 (2021: £247,000) for Stildon Mews.
- i) Operations Fund - The remaining fixed assets of Brendoncare, which are almost entirely devoted to delivery of its charitable activities, along with the cash, other assets and liabilities required to support these operations activities, are designated as they will remain invested for this purpose. This fund includes the remaining income and expenditure of Brendoncare that are not otherwise restricted or designated. The liabilities include bank loans and capital grants and loans from the National Health Service which, in substance, are only repayable in the event that the related care home ceases to be owned and operated by Brendoncare (see note 17). The balance of this fund on 31 March 2022 was £9,204,000 (2021: £10,842,000).

General funds

- j) The balance of this fund on 31 March 2022 stood at £2,356,000 (2021: £2,684,000). It comprises surplus cash balances which are retained for future investment in care homes. All fixed assets that have not been funded by restricted funds are in designated funds.

k) Interest rate swap reserve

The balance of this fund on 31 March 2022 stood at a deficit of £956,000 (2021: deficit £758,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

22 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	5	77	2	3
One to five years	20	20	5	7
Over five years	35	40	-	-
	60	137	7	10

Notes to the financial statements

For the year ended 31 March 2022

22 Operating lease commitments (continued)

The Charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	-	24	2	3
One to five years	-	-	5	7
Over five years	-	-	-	-
	-	24	7	10

23 Capital commitments

At the balance sheet date, the group had capital commitments of £483,122 (2021: £nil) in relation to St Giles View equipment.

24 Contingent assets or liabilities

As referred to in note 17, the purchase of the freehold site and part of the construction costs of Ronald Gibson House in Tooting were funded by capital grants made by the NHS in 1989. The contractual arrangements to which Brendoncare was a party in 1989 provided that in certain circumstances Brendoncare would be obliged to repay to the NHS a proportion of the current value of Ronald Gibson House at the time of any such claim.

£1.75 million is included in creditors as deferred income, reflecting that proportion of the net book value of the freehold that might become repayable. If the current value were to exceed the net book value at the time of such a claim, then the increase in asset value would fund the contingent liability thus arising.

25 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26 Post balance sheet event

Since the year the sale of Brendoncare Woodhayes has completed with proceeds, of £1.2m being received.