

Michael Duffy Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

INDIVIDUAL CARE SERVICES

for

Financial Statements for the Year Ended 31 March 2021

Report of the Trustees and

INDIVIDUAL CARE SERVICES

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for the Year Ended 31 March 2021**

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REGISTERED COMPANY NUMBER: 02666602 (England and Wales)
REGISTERED CHARITY NUMBER: 1008195

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
INDIVIDUAL CARE SERVICES

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
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INDIVIDUAL CARE SERVICES

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INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

This annual report contains a Director's Report as required by Company Law.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to provide support in the community for people with special needs. The primary beneficiaries of this support are people with a learning disability and/or additional physical, sensory or behavioural disabilities.

The support is provided through two key services: long term care provision in small residential care homes; and a community-based registered domiciliary care service providing support to service users in their own homes as well as facilitating access community facilities and activities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity undertakes.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Achievement and performance

A key goal is to ensure the stability and on-going viability of existing services of the charity and identify key areas for future growth and development.

Following the retirement of Helen Hodgetts in June 2020 and as part of this process, the board of trustees, together with the new Managing Director, David Hartley, have undertaken a review of services and have developed a business plan that reflects the commercial needs of the organisation and the future development of the organisation. This business plan is a revision of the plan created covering years 2019 - 2022. Key Performance Indicators have been defined and both fiscal and holistic targets set. The implementation of this plan began in 2020/2021 and will continue for the next five years. A review will be completed at the end of each fiscal year with the board of trustees to ensure targets are being met and to adapt if market trends change.

As part of the incoming Managing Director's review it was felt that all policies and procedures needed to be reviewed and modernised to include updates to best practice and legal developments, this has been completed and will continue to be reviewed annually. Additional policies have been created as a result of the global pandemic, Covid-19, these policies are reviewed weekly due to the dynamic nature of the pandemic and to reflect the government's and CQC's guidance.

The CQC have inspected two residential care homes with the following outcomes:

11 Wembrook, Nuneaton

o This location had a focused inspection and was graded 'Inadequate'. This service has since received additional attention and as a result, the issues have been resolved. The management team is still working closely with the CQC and this property will likely receive a second inspection in 2021.

2 Laurel Drive, Hartshill

o This location also had a spotlight inspection, this property had improved from the last inspection in the area of 'Safe' moving from 'requires improvement' to 'good'.

All relevant professionals and the board have been informed of the inspections and outcomes as per the legal requirement.

Despite the challenges of Covid-19 on the care sector and ICS, the trustees and managing director feel that ICS has delivered a robust result. At the start of the fiscal year of 2020 - 2021 ICS had a number of client losses, these losses could have resulted in a shrinkage however this was detected early in Q2 and aggressive bidding activity was carried out to reduce the impact. As a result of that work, the organisation was able to sustain its gross revenue.

The trustees recognise the changing business environment in which the organisation operates and the challenges the ongoing changes continue to present. Several key factors impact on the future operations of ICS and these are being addressed in future strategy and business planning.

These factors include:

1. The coronavirus Covid-19; giving rise to local and national lockdowns, restricted visiting and risk to life of clients and staff.
2. Changes to the CQC inspection regime which will focus more on how service users feel about the service they receive and how staff feel about working for the organisation.
3. Service commissioners shifting away from residential home placements towards supported living schemes.
4. The financial headwind caused by increasing operating costs combined with reduced spending by Local Authorities and the NHS.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

To ensure that ICS' services are in the best possible position to deal effectively with the future demands and challenges of the care sector, a restructuring of management and supervision roles was undertaken. The introduction of a Care & Accommodation manager to facilitate improvement in new client transitions and quality of information gain in transition. This information is key to placing clients in the right location and supporting clients into ICS' care as smoothly as possible.

Human Resource management has also been insourced, this change from outsourced HRM has resulted in circa 20% more availability of specialist consultation and a specialist with only one organisation needs in mind. This focus has resulted in all policies being reviewed and updated, recruitment and employment criteria being refined, reduction in risk from ex-employee action should an employee fail to be satisfactory. It has also supported in the compliance and governance on mandated training, supervisors, performance and retention.

The HRM position has added benefit to the staff in general as they now feel they have someone they can contact easily for specialist advice.

ICS continued to have a gap in senior leadership in the area of care and the quality of that care delivery, this was identified early in Q1 of 2020 and the trustees agreed the introduction of a Head of Service, specifically targeted with leadership leave influence in quality and delivery of care. This role started in November 2020 and since the appointment of Head of Service, a number of quality issues had been identified. These issues continued through to the end of the fiscal year, however as noted above, improvement was being made. The quality and care issues identified had been routed in specific areas of ICS and as a result of that, a further reshuffle was required.

The redundancy of operations managers and redefining the role, now called Regional Service Manager; this has provided a more connected organisation. The reduction on the Quality and Compliance officer role; this function was redundant as the management team and leadership team have incorporated this element. To provide an accountable leadership team and to reinforce the message that 'quality' is everyone's responsibility.

ICS has also invested in digital auditing and compliance software, Radar Healthcare, to help track and improve quality and compliance. The digitisation of material is another step forward in keeping documents accessible to staff whilst improving security. This project was launched in November 2020 and for compliance is working effectively, however due to the challenges discovered in care, at the end of Q4 2021 it was not being used fully for audits, this is a deliverable for the coming fiscal year.

To ensure the most cost-effective use of resources in relation to business support such as accountancy, payroll and pension management and administration, the trustees continue to outsource these functions. The trustees believe, given the current size of the charity's business, outsourcing provides the best efficiencies in terms of productivity and costs. The arrangement will be kept under review.

To help ensure continued growth in its services, ICS actively maintains relationships with commissioners and other influencers to ensure it receives a steady number of referrals of new packages. ICS has added two areas to its opportunities, Worcestershire, and Staffordshire as part of its strategic expansion planning.

Commissioners and regulatory authorities undertake regular audits of the services provided by ICS. One of the main elements of these audit processes are that staff are appropriately trained to deliver care safely for our service users.

Following a review of the training and development utilised within ICS, it was identified that a consistent and structured approach was needed to ensure that all training provided could be correctly recorded and evidenced for the purposes of staff development and inspection/audit processes undertaken by commissioning and regulatory authorities.

There is now a blended approach to the training structure within ICS providing its staff with their fundamental training and development. ICS staff are now able to access training via on-line remote learning, classroom-based learning and training manuals. Staff and managers also have access to webinars and local authority provided training.

It is essential that staff receive the appropriate training and development to enable them to undertake their duties safely and competently. The training processes that have been developed and implemented provide ICS staff with the necessary competencies, which ensure that services users are provided with safe and robust care. Staff also recognise that training and development is an investment in their career progression within ICS and as such, gain a sense of worth from this investment made by the company.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

In addition to a wider breadth of topics to be covered during induction training, the Care Certificate calls for Service Managers to have a much higher level of engagement with their teams in terms of observing performance, motivation and management.

A key aim of the strategic plan for ICS is to reduce the need for paperwork and to engage with digital innovations wherever possible. This year we have fully embedded Care Planner a "care planning" system which has negated the need for paper staff rota system previously used and allowed ICS to harmonise processes and give access to all managers. Care Planner is also being utilised for online client and personal key data.

Section 172(1) statement

The Trustees of ICS continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Board regularly reviews our principal stakeholders and how we engage with them.

ICS also considers, in good faith, what would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to-

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Financial review

Individual Care Services (ICS) does not actively seek donations, either monetary or in kind. All revenue is generated through contracts with Local Authorities and Health Authorities or directly from service users in the form of 'Direct Payments'. However, Restricted funds of £81,244.31 have been given to ICS as a result of the Covid-19 infection prevention funding from national government. These funds have been used for providing outside meeting areas, supporting with agency costs to prevent staff moving from site to site and to help mitigate some administrative costs. ICS will be asked to demonstrate how the funds have been spent and so this could result in 'clawbacks' in the next fiscal year. For this reason, ICS has maintained a record of spends from this fund.

All surplus funds are currently being used to modernise the properties and expand the property portfolio of ICS, this is driven by two factors, the first is the monies in savings are gaining negligible interest when compared to the gains possible in property investment, the second factor is that with the renovation and expansion of the portfolio, ICS is able to offer more services to more clients. As a result of this strategic change, the trustees consider the most appropriate level of free reserves should be not less than £400,000.

The charity has again met its financial objectives in accordance with its corporate planning initiatives and goals. Total income £3,176,088 compared to £3,194,280 in the previous year. The net income this year was however -£49,737 compared to £73,434 in the previous year. Taking into account the Covid-19 pandemic and the challenges surrounding recruitment and subsequent need for agency, alongside the extensive restructuring, this negative surplus was expected and considered a success. The changes and improvements from 2020 - 2021 will have paved the way for ICS to continue to be a financially viable organisation for the years to come.

Property revaluations during the year resulted in gains on revaluation of fixed assets of £345,573. Despite planned expenditure, the balance sheet and financial resources has continued to increase in line with the Charity's corporate plan and objectives. At 31st March 2021, the charity's net assets amounted to £5,485,014 (including revaluation reserve of £1,406,669) compared to £5,189,178 (including revaluation reserve of £1,072,700 at the end of March 2020)

Under the Charity's Memorandum and Articles of Association the Board of Trustees has the power to invest as it thinks fit any monies not immediately required. The Trustees in previous years have adopted a low to medium risk investment strategy, placing funds in short term savings of varying amounts with maturities periodically through the fiscal year. Following review of assets, growth and return on investment, the trustees decided to redirect the funds held in these investment and purchase property.

The Board of Trustees investment policy is to ensure it has cash reserves to cover 3 months expense whilst facilitating forced sales of owned property if needed. It is noted however that in the event that the organisation had a significant reduction in revenue, its staffing costs would also reduce at a comparable ratio. The Trustees continue to review and update this policy, on a regular basis. Due to the current financial situation and investment uncertainty Individual Care Services has £300,000 in cash held in a range of high interest investment accounts with Lloyds Bank Plc. Additional funds of between £250,000 are held in a current account with Lloyds Bank Plc. to meet payroll commitments and other projected short term funding commitments.

Due to the previous mentioned low return on investment, the trustees consider that reducing the amount held on account and investment in property, provides a more sound investment outcome.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Principal risks and uncertainties

ICS has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. External risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, clients and visitors to ICS. There is a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Covid-19

Throughout the Covid pandemic ICS have worked closely with commissioners, trustees, local councils, employees, customers, and relatives, and have followed all advice from the Department of Health and government guidelines. During the pandemic, the senior management team met daily (via Microsoft Teams if not possible face to face) to discuss and plan the actions to be taken during the pandemic. Remote working and the investment in meeting facility and laptops have facilitated a dynamic approach and resulted in seamless delivery of service. The technology put in place to support through what is considered the worst part of the pandemic, will serve ICS well in the future.

Early lockdown measures were introduced in our residential and supporting living settings to restrict visitors to reduce contact with others. Communication with all employees, customers and family/carers have been ongoing to keep all parties informed of guidelines and rationale for actions taken. Whilst ICS has managed two outbreaks, none of these have resulted in fatalities and numbers of cases remain low in ICS, this is attributed to the diligence of the staff and reinforcement of the management team.

Infection control measures have been raised in all areas and all employees have undertaken infection control training including the use of PPE. Stocks of PPE have been closely monitored and replenished where necessary, PPE has been supplied by national government and stocks are high.

Weekly mutual aid meetings with local commissioners have been a vital support for the organisation during the pandemic. Funding streams have been accessed to help with costs of PPE and emergency staff cover; further funding may be available in the coming months to help reduce the financial impact of the pandemic. At the time of reporting all services remain stable.

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee. The company is registered under the Charities Act, number 1008195. The members of the board of trustees are directors of the charitable company and its trustees for the purposes of company law. They are elected in accordance with the provision of the Articles of Association and meet at least quarterly. A senior management team is appointed by the board of trustees to advise on policy and to manage the day to day operations of the charity. Individual Care Services (ICS) is governed by the Memorandum and Articles of Association, dated 1 November 1991, as amended on 29 March 2000. These articles are reviewed on a regular basis.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr A H Crompton
Mr A A Crompton
Mrs V Crompton
Mr M Hartley (Appointed 19 August 2020)
Mrs L Hartley
Mr G A Smith
Mrs F B Smith (appointed 1 February 2021)
Mr P Ashmore (resigned July 2020)
Mrs Helle Charles
Miss R Thorpe (Appointed 19 August 2020)

Helen Hodgetts retired as Managing Director of the company in June 2020. David Hartley joined ICS as Managing Director in June 2020 and since starting has introduced new technology, modernised filing systems, expanded the client base, entered into new regional markets and completed a full restructure of the organisation to improve quality and accountability. David has the full support of the board of trustees and continues to work towards the growth of the charity.

Trustees are elected at the AGM of the Charity and all members of the Charity are entitled to vote. Any co-opted trustee is required to resign and stand for election at the next AGM. All trustees undergo an individual induction process and are presented with a personal comprehensive induction pack, which includes Charity Commission videos and publications. The Trustees are able to confirm that they have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02666602 (England and Wales)

Registered Charity number
1008195

Registered office
25 Alcester Road
Studley
Warwickshire
B80 7LL

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

Trustees

Mr A H Crompton
Mr A A Crompton
Mrs V Crompton
Mr M Hartley (appointed 19 August 2020)
Mrs L Hartley
Mr G A Smith
Mrs F B Smith (appointed 1 February 2021)
Mr P Ashmore (resigned July 2020)
Mrs Helle Charles
Miss R Thorpe (appointed 19 August 2020)

Managing Director

Mr David Hartley

Auditors

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

Solicitors

Band Hatton Button
Earlsdon Park
53-55 Butts Road
Coventry
West Midlands
CV1 3BH

Accountants

J E Johnson Limited
61 Charlotte Street
St Pauls Square
Birmingham
B3 1PX

Bankers

Lloyds
19 Church Green East
Redditch
B98 8BZ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Individual Care Services for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INDIVIDUAL CARE SERVICES

Report of the Trustees for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~8th September 2021~~ and signed on the board's behalf by:



.....
Mr A A Crompton - Trustee

Report of the Independent Auditors to the Trustees of Individual Care Services

Opinion

We have audited the financial statements of Individual Care Services (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of Individual Care Services

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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. 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.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risk of material misstatement due to fraud or error, and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- we obtained an understanding of the legal and regulatory frameworks applicable to the Charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Charities Act 2011 and the Charities SORP (FRS 102) (effective 1 January 2019) and compliance with Care Quality Commission standards.
- we obtained an understanding of how the Charity is complying with those legal and regulatory frameworks by making inquiries of the Charity's management, and considering available audit information.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud.
- understanding how management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
- challenging assumptions and judgments made by management in its significant accounting estimates
- identifying and testing journals entries as deemed necessary during the audit and, in particular reviewing material journal entries posted with unusual accounting combinations.
- assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Individual Care Services**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Michael Dufty Partnership Limited
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

Date:

INDIVIDUAL CARE SERVICES

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities	3		
Residential care		1,001,811	1,212,988
Domiciliary care		2,167,665	1,974,835
Investment income	2	6,612	6,457
Total		3,176,088	3,194,280
EXPENDITURE ON			
Charitable activity care cost	4	3,225,825	3,120,846
NET INCOME/(EXPENDITURE)		(49,737)	73,434
Other recognised gains/(losses)			
Gains on revaluation of fixed assets		345,573	-
Net movement in funds		295,836	73,434
RECONCILIATION OF FUNDS			
Total funds brought forward		5,189,178	5,115,744
TOTAL FUNDS CARRIED FORWARD		5,485,014	5,189,178

The notes form part of these financial statements

INDIVIDUAL CARE SERVICES

Balance Sheet 31 March 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
FIXED ASSETS			
Tangible assets	9	4,318,541	3,335,111
CURRENT ASSETS			
Debtors	10	268,124	188,017
Prepayments and accrued income		-	131,538
Cash at bank		1,203,128	1,715,247
		1,471,252	2,034,802
CREDITORS			
Amounts falling due within one year	11	(304,779)	(180,735)
		1,166,473	1,854,067
NET CURRENT ASSETS			
		5,485,014	5,189,178
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,485,014	5,189,178
NET ASSETS			
		5,485,014	5,189,178
FUNDS			
Unrestricted funds	12	5,485,014	5,189,178
		5,485,014	5,189,178
TOTAL FUNDS			

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 8th September 2021 and were signed on its behalf by:



 Mr A A Crompton - Trustee

The notes form part of these financial statements

INDIVIDUAL CARE SERVICES

**Cash Flow Statement
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	171,070	191,001
		<hr/>	<hr/>
Net cash provided by operating activities		171,070	191,001
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(686,838)	(78,620)
Sale of tangible fixed assets		3,649	-
		<hr/>	<hr/>
Net cash used in investing activities		(683,189)	(78,620)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(512,119)	112,381
Cash and cash equivalents at the beginning of the reporting period		1,715,247	1,602,866
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,203,128	1,715,247
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

INDIVIDUAL CARE SERVICES

Notes to the Cash Flow Statement for the Year Ended 31 March 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(49,737)	73,434
Adjustments for:		
Depreciation charges	45,331	46,772
Decrease in debtors	51,431	79,265
Increase/(decrease) in creditors	124,045	(8,470)
Net cash provided by operations	<u>171,070</u>	<u>191,001</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank	1,715,247	(512,119)	1,203,128
	<u>1,715,247</u>	<u>(512,119)</u>	<u>1,203,128</u>
Total	<u>1,715,247</u>	<u>(512,119)</u>	<u>1,203,128</u>

The notes form part of these financial statements

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Accounting policy judgements and key sources of estimation uncertainty

Certain of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies

The Trustees/Directors must judge whether all the conditions required for income and costs to be recognised in the Statement of Financial Activities have been met.

Sources of estimation

Depreciation rates are based on estimates of the useful lives and residual values of the assets involved

The carrying value of debtors is assessed and the recoverability of debtors concluded on.

Accrued income and accrued wages are calculated based on the date the charge periods end. The charge periods ended on 15 March 2020 and therefore 16 days of income and wages costs were included in prepayments and accruals respectively.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income primarily consists of long term care provision in small residential care homes; and a community based registered domiciliary care service providing support to service users in their own homes as well as facilitating access community facilities and activities.

Income is charged either in 4 week periods, 13 times per annum, or on a monthly basis, depending on the policy of individual Local authorities and Health authorities.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% straight line on revaluation
Fixtures and fittings	- 25% on reducing balance

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Motor vehicles - 25% on reducing balance

The properties of the charity are regularly maintained and the maintenance costs are charged as an expense to the Statement of Financial Activities. The property valuations are reviewed annually.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Current asset investments included in cash at bank balances are stated at market value.

Pensions

The charitable company operates a defined contribution pension scheme and auto enrolment pensions. Contributions payable to the charitable company's pension scheme and under auto enrolment are charged to the Statement of Financial Activities in the period to which they relate.

2. INVESTMENT INCOME

	2021	2020
	£	£
Interest receivable	<u>6,612</u>	<u>6,457</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Fees received for residential care	Residential care	1,001,811	1,212,988
Fees for domiciliary care	Domiciliary care	<u>2,167,665</u>	<u>1,974,835</u>
		<u>3,169,476</u>	<u>3,187,823</u>

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

4. CHARITABLE ACTIVITY CARE COST

Domiciliary care costs

	2021	2020
	£	£
Staff costs	1,949,615	1,769,930
Other costs	192,931	179,110
Depreciation	6,593	5,662
	<u>2,149,139</u>	<u>1,954,702</u>

Residential care costs

	2021	2020
	£	£
Staff costs	869,582	896,930
Other costs	168,366	228,104
Depreciation	38,738	41,110
	<u>1,076,686</u>	<u>1,166,144</u>

Aggregate amounts

	<u>3,225,825</u>	<u>3,120,846</u>
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5. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	48,196	46,773
Profits on disposal	(2,864)	-
	<u>45,332</u>	<u>46,773</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	2,819,197	2,666,860
	<u>2,819,197</u>	<u>2,666,860</u>

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

	2021	2020
Charitable activities	109	110
Management and administration	6	6
	<u>115</u>	<u>116</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
	<u>2</u>	<u>1</u>

Wages and salaries above includes agency workers £158,668 (2020 - £120,618)

Employers national insurance contributions included in wages and salaries above totalled £190,095 (2020 - £177,411).

The company operates a money purchase pension scheme and it contributes in respect of those staff entitled to join. Pensions auto enrollment is available for the remaining staff.

Total pension costs in the year were £81,593 (2020 - £87,076). Pension costs are included in staff costs. Pension commitments included in accrued expenses are £nil (2020 - £nil).

Contributions totalling £23,369 (2020 - £26,083) including salary sacrifice were made to defined contribution pension schemes on behalf of 2 employees whose emoluments exceed £60,000.

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

8. SUPPORT COSTS

Support costs

Cost type	Total £
Payroll costs	170,338
Other costs	72,259
Depreciation	<u>9,066</u>
	<u>251,663</u>

Allocation of support costs

	Payroll costs £	Other costs £	Depreciation £	Total £
Domiciliary care	115,830	49,136	6,165	171,131
Residential care	<u>54,508</u>	<u>23,123</u>	<u>2,901</u>	<u>80,532</u>
	<u>170,338</u>	<u>72,259</u>	<u>9,066</u>	<u>251,663</u>

Support costs have been allocated 68% to Domiciliary Care and 32% to Residential care.

Governance costs includes payments to the auditors of £5,000 (2020 £5,000) for audit fees.

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2020	3,643,606	65,444	144,830	3,853,880
Additions	669,267	17,571	-	686,838
Disposals	-	-	(65,491)	(65,491)
Revaluations	(31,873)	-	-	(31,873)
At 31 March 2021	<u>4,281,000</u>	<u>83,015</u>	<u>79,339</u>	<u>4,443,354</u>
DEPRECIATION				
At 1 April 2020	341,766	53,003	124,000	518,769
Charge for year	35,680	7,504	5,012	48,196
Eliminated on disposal	-	-	(64,706)	(64,706)
Revaluation adjustments	(377,446)	-	-	(377,446)
At 31 March 2021	<u>-</u>	<u>60,507</u>	<u>64,306</u>	<u>124,813</u>
NET BOOK VALUE				
At 31 March 2021	<u>4,281,000</u>	<u>22,508</u>	<u>15,033</u>	<u>4,318,541</u>
At 31 March 2020	<u>3,301,840</u>	<u>12,441</u>	<u>20,830</u>	<u>3,335,111</u>

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

9. TANGIBLE FIXED ASSETS - continued

Comparable historical cost for the land and buildings included at valuation:

	2021	2020
	£	£
Cost	3,152,433	2,483,166
Accumulated depreciation	278,102	254,026
As at 31 March 2021	2,874,331	2,229,140

This represents properties included above at the following valuation.

	2021	2020
	£	£
Revaluation	4,281,000	3,643,606
Accumulated depreciation	0	341,766
As at 31 March 2021	4,281,000	3,301,840

All other tangible fixed assets are stated at historical cost.

The freehold properties owned by the company were valued by G A Smith who is a Chartered Surveyor, a trustee of the charity, on an open market basis. The valuation was undertaken at 31 March 2021 and in the opinion of the Trustees this valuation is considered to be reasonable.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	253,801	170,589
Other debtors	14,323	17,428
	268,124	188,017

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	129,549	3,798
Social security and other taxes	46,538	47,073
Accrued expenses	128,692	129,864
	<u>304,779</u>	<u>180,735</u>

12. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General fund	4,116,478	(49,737)	11,604	4,078,345
Revaluation reserve	1,072,700	345,573	(11,604)	1,406,669
	<u>5,189,178</u>	<u>295,836</u>	<u>-</u>	<u>5,485,014</u>
TOTAL FUNDS	<u>5,189,178</u>	<u>295,836</u>	<u>-</u>	<u>5,485,014</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	3,176,088	(3,225,825)	-	(49,737)
Revaluation reserve	-	-	345,573	345,573
	<u>3,176,088</u>	<u>(3,225,825)</u>	<u>345,573</u>	<u>295,836</u>
TOTAL FUNDS	<u>3,176,088</u>	<u>(3,225,825)</u>	<u>345,573</u>	<u>295,836</u>

Comparatives for movement in funds

	At 1.4.19	Net movement in funds	Transfers between funds	At 31.3.20
	£	£	£	£
Unrestricted funds				
General fund	4,031,440	73,434	11,604	4,116,478
Revaluation reserve	1,084,304	-	(11,604)	1,072,700
	<u>5,115,744</u>	<u>73,434</u>	<u>-</u>	<u>5,189,178</u>
TOTAL FUNDS	<u>5,115,744</u>	<u>73,434</u>	<u>-</u>	<u>5,189,178</u>

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,194,280	(3,120,846)	73,434
TOTAL FUNDS	<u>3,194,280</u>	<u>(3,120,846)</u>	<u>73,434</u>

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

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	4,031,440	23,697	23,208	4,078,345
Revaluation reserve	1,084,304	345,573	(23,208)	1,406,669
	<u>5,115,744</u>	<u>369,270</u>	<u>-</u>	<u>5,485,014</u>
TOTAL FUNDS	<u>5,115,744</u>	<u>369,270</u>	<u>-</u>	<u>5,485,014</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	6,370,368	(6,346,671)	-	23,697
Revaluation reserve	-	-	345,573	345,573
	<u>6,370,368</u>	<u>(6,346,671)</u>	<u>345,573</u>	<u>369,270</u>
TOTAL FUNDS	<u>6,370,368</u>	<u>(6,346,671)</u>	<u>345,573</u>	<u>369,270</u>

INDIVIDUAL CARE SERVICES

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

13. CAPITAL COMMITMENTS

Capital commitments existed at the year end to purchase two properties for a combined total of £425,000.

14. RELATED PARTY DISCLOSURES

During the year the company purchased services from a business in which directors/trustees had an interest. The value of these services and the directors/trustees concerned are as follows:

Two trustees, Mr A H Crompton and Mr A A Crompton are directors of A A Frances & Sons Limited. This company carried out most of the maintenance and refurbishment work at the residential homes. The following transactions were undertaken on a normal commercial basis.

Resources expended of £41,219 (2020 -£81,156). In addition there are capitalised costs of £190,068 (2020 - £75,607)

Within trade creditors and accruals is a balance of £95,298 (2020 - £34,469) in respect of this company.

During his period of his employment, the charity made loans available to Mr J Edwards (a Chief Executive Officer of the charity who resigned during a previous period). The loan debtor at the period end was £13,228 (2020 - £17,428). This is being repaid at £350 per month.

15. ULTIMATE CONTROLLING PARTY

There was no controlling party during the year.

16. GOING CONCERN

The Charity's financial statements are prepared on a going concern basis. There are no material uncertainties about the Charity's ability to continue.

INDIVIDUAL CARE SERVICES

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Investment income		
Interest receivable	6,612	6,457
Charitable activities		
Fees received for residential care	1,001,811	1,212,988
Fees for domiciliary care	2,167,665	1,974,835
	3,169,476	3,187,823
Total incoming resources	3,176,088	3,194,280
EXPENDITURE		
Domiciliary care costs		
Staff costs	1,949,615	1,769,930
Other costs	192,931	179,110
Depreciation of tangible fixed assets	6,593	5,662
	2,149,139	1,954,702
Residential care costs		
Staff costs	869,582	896,930
Other costs	168,366	228,104
Depreciation of tangible fixed assets	38,738	41,110
	1,076,686	1,166,144
Total resources expended	3,225,825	3,120,846
Net (expenditure)/income	(49,737)	73,434