

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

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2022  
for  
INDIVIDUAL CARE SERVICES**

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

## INDIVIDUAL CARE SERVICES

### Contents of the Financial Statements for the Year Ended 31 March 2022

	<b>Page</b>
<b>Report of the Trustees</b>	1 to 8
<b>Report of the Independent Auditors</b>	9 to 11
<b>Statement of Financial Activities</b>	12
<b>Balance Sheet</b>	13
<b>Cash Flow Statement</b>	14
<b>Notes to the Cash Flow Statement</b>	15
<b>Notes to the Financial Statements</b>	16 to 24
<b>Detailed Statement of Financial Activities</b>	25

## **INDIVIDUAL CARE SERVICES**

### **Report of the Trustees for the Year Ended 31 March 2022**

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 2022. 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 2022

#### 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.

At the start of the fiscal year 2021 - 2022 the Board of Trustees and the Managing Director completed a review of the business plan and forecasting within it. The overall strategic direction remained the same and whilst the fiscal results of 2020 - 2021 had demonstrated a loss of circa £50,000 before renovations, this was in the large part due to necessary financial adjustments identified by the auditors from the previous year and it was felt that had the adjustments not been made, the charity would have turned a surplus. With this in mind, the Trustees and Managing Director felt that the business plan (2020 - 2025) should remain the same, indications where such that the charity should recover and hit the forecasted numbers in 2021 - 2022.

Following the CQC inspections of 11 Wembrook, Nuneaton and 2 Laurel Drive, Hartshill in Q4 2020 - 2021 ICS Supported Living services was inspected in Q1 2021 - 2022, this inspection resulted in significant issues being identified in all areas, the result of which was that ICS elected to impose a voluntary stop on taking new clients across the organisation.

##### 11 Wembrook, Nuneaton

o The outcome of the Q4 2020 - 2021 inspection as 'Inadequate' was improved following a reinspection in Q2 2021 - 2022. ICS had returned the home to 'Good', however as part of ICS' strategic planning, this property was deregistered, and redevelopment work begun to utilise as a Supported Living setting.

##### Supported Living

o This registration in Q1 2021 - 2022 had received an 'Inadequate' rating following inspection by the CQC. The result was across all areas and resulted in the Managing Director imposing a voluntary stop on all new clients to facilitate the Head of Service to resolve issues.

ICS instructed an external consultant to review the report with the Managing Director and Head of Service to identify route courses of issues and create an action plan to resolve.

ICS employed a fixed contract consultant to provide specific recovery support to the organisation, this was with the view that the longer the voluntary stop was in place, the more risk and damage to the charity.

In Q3 2021 - 2022 the CQC reinspected the Supported Living registration, the result of this was that all of the five Key Lines of Enquires (KLOEs) had improved, the overall result was that ICS was rated at 'Good' again with many compliments from the CQC and Local Authorities about the timely recovery.

In Q3 2021 - 2022 the voluntary stop was lifted and ICS was able to resume bidding for new clients.

Throughout the CQC inspections and subsequent work, the Local Authority, CQC, Clients, Families and the Board have been informed of the inspections and outcomes as per the legal requirement, the Managing Director and Head of Service presented to all parties' regular updates and reassurance of progress.

Following the recovery works it was identified that oversight of the 'care' side of the business was lacking, since Q1 2021 - 2022 ICS has introduced quarterly leadership audits for all services, monthly management level audits for all services and fully embedded Radar Healthcare compliance software. Key Performance Indicators have been introduced into managers and the leadership for the Care side of the business to hold the respective managers and leaders to account in areas of Business Compliance, Training Compliance and Audit results. This is reported to the Board and within the leadership meetings, this has resulted in maintaining the highest of standards.

ICS will instruct an external mock CQC inspection of the Supported Living registration in 2021 - 2022 to ensure a non-bias measure of quality.

## INDIVIDUAL CARE SERVICES

### Report of the Trustees for the Year Ended 31 March 2022

As a result of the voluntary stop ICS had to remove itself from the bidding process of clients. This withdrawal resulted in circa 20 bids being cancelled and the missed opportunity they represented. It is estimated that the financial impact of this was £500,000 of missed revenue from new clients, the financial impact on the organisation's reputation is not possible to estimate, however following the lifting of the stop the recovery was notably slower.

The Trustees recognise the challenging business environment in which the organisation operates in, and the challenges ICS faced with the CQC inspection result and the continuing impact of Covid-19, 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; Throughout the year ICS has managed this crisis incredibly well, with limited outbreaks, and no deaths, ICS has seen higher than desirable agency utilisation as a result of mandatory support worker isolation periods when testing or exposed to people testing positive with Covid - 19. At the end of the year Covid-19 restrictions were still in place, although lifting or relaxing of those restrictions is on the horizon. ICS is preparing for the winter of 2022 to see increased restrictions. ICS through 2022 - 2023 will work to build its own bank staff team to try and mitigate future agency need.
2. The CQC is utilising a more data driven approach, this will result in fewer inspections, but does mean that ICS could operate for prolonged periods without regulator intervention, ICS is at risk of slipping standards and complacency. To mitigate this ICS has already introduced a robust auditing program and will continue to focus on standards, ICS will utilise an external consultant to complete a full mock inspection as part of its robust quality assurance testing.
3. Service commissioners shifting away from residential home placements towards supported living schemes. ICS is focusing its reserves and investment on growing Supported Living and the additional benefits of clients selecting ICS as a provider. This will likely include the introduction of ICS' own holiday location for its clients to rent and the possibility of offering respite to new client opportunities.
4. The financial headwind caused by increasing operating costs combined with reduced spending by Local Authorities and the NHS. ICS has completed the organisational restructuring and will focus on improving administration costs in 2022 - 2023. The improvements will include digitisation of the care and business documentation, increase in bank staff to reduce agency and the redistribution of investment into areas of increased profit. ICS managers will be able to manage more clients with the growth in digital processes.

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. In 2020 - 2021 ICS added two areas to its opportunities, Worcestershire, and Staffordshire as part of its strategic expansion planning. In 2021 - 2022 ICS has gained just two new clients from Staffordshire, whilst Staffordshire offers opportunities in the future, the care model utilised in this county is largely focused on 'core' hours, this results in low fee-paying clients and what is felt by ICS to be a significant reduction in independence. Staffordshire's model conflicts with the values of ICS and as such ICS will continue to monitor tenders for opportunities but will not seek to force expansion into this county. Worcestershire operates much like Solihull and ICS will likely open to this county in 2022 - 2023, however as a result of the CQC inspection in 2021, has yet to test the counties operations and support.

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.

## INDIVIDUAL CARE SERVICES

### Report of the Trustees for the Year Ended 31 March 2022

There is now a blended approach to the training structure within ICS providing its staff with their fundamental training and development. ICS staff are 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. Managers are increasingly being supported to complete Train the Trainer events to reduce external costs.

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.

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.

ICS has set the target for all managers in the 'care' area of the business to have the level 5 in Leadership and Management in Social Care, this is to improve management practice and overall quality.

#### **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 2022

#### 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 £47,535 have been given to ICS as a result of the Covid-19 infection prevention funding from national government. These funds have been used to support 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. The funds given in 2020 - 2021 have seen no 'clawback' action to date.

All surplus funds are currently being used to modernise the properties and expand the property portfolio of ICS, 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 for 2021 - 2022 is £3,895,143 compared to £3,169,476 in the previous year, a growth of over £700,000.

The net income this year was £100,201 compared to (£49,737) in the previous year. Taking into account the voluntary stop, the continued Covid-19 pandemic and the challenges surrounding recruitment and subsequent need for agency, alongside the renovation investment of £140,873 back into the organisation, the generation of £100,201 surplus is considered a very successful year for ICS. The changes and improvements from 2021 - 2022 will have help ICS to continue to be a financially viable organisation for the years to come.

Despite planned expenditure, the balance sheet and financial resources has continued to increase in line with the Charity's corporate plan and objectives. As of 31st March 2022, the charity's net assets amounted to £5,585,215 compared to £5,485,014 as of 31st March 2021.

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. This will continue to be the strategy of the Board for 2022 - 2023 and beyond.

ICS will likely explore the utilisation of mortgages in the coming years to support growth and capitalise on the asset value of the property portfolio it has.

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.

## INDIVIDUAL CARE SERVICES

### Report of the Trustees for the Year Ended 31 March 2022

#### 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 continued 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 to discuss and plan the actions to be taken during the pandemic.

Infection control measures have been maintained 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.

#### 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 (resigned 6 September 2021)  
Mr M Hartley  
Mrs L Hartley  
Mr G A Smith  
Mrs F B Smith  
Mrs Helle Charles  
Miss R Thorpe

David Hartley continued with ICS as Managing Director and has grown the organisation, led the organisation through Covid-19, resolved the quality issues identified by the CQC and delivered a growth of 23% with a net surplus of 3%. David continues to drive the organisation in modernisation through technological innovations and environmental impact reduction (going paperless). David has worked hard to raise the profile of ICS following the CQC re-inspection in December 2021 and has begun work on taking ICS from Good to Outstanding in the next two years. David has the full support of the board of trustees and continues to work towards the growth of the charity focusing on the core values of ICS.

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.

## INDIVIDUAL CARE SERVICES

### Report of the Trustees for the Year Ended 31 March 2022

#### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**  
02666602 (England and Wales)

**Registered Charity number**  
1008195

**Registered office**  
25 Alcester Road  
Studley  
Warwickshire  
B80 7LL

#### **Trustees**

Mr A H Crompton  
Mr A A Crompton  
Mrs V Crompton (resigned 6 September 2021)  
Mr M Hartley  
Mrs L Hartley  
Mr G A Smith  
Mrs F B Smith  
Mrs Helle Charles  
Miss R Thorpe

**Managing Director**  
Mr David Hartley

#### **Auditors**

Michael Duffy 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

## INDIVIDUAL CARE SERVICES

### Report of the Trustees for the Year Ended 31 March 2022

#### 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).

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 16 August 2022 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 2022 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 2022 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](http://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

16 August 2022

**INDIVIDUAL CARE SERVICES**

**Statement of Financial Activities  
for the Year Ended 31 March 2022**

	Notes	2022 Unrestricted funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>	3		
Residential care		1,008,715	1,001,811
Domiciliary care		2,886,428	2,167,665
Investment income	2	1,375	6,612
<b>Total</b>		3,896,518	3,176,088
<b>EXPENDITURE ON</b>			
Charitable activity care cost	4	3,796,317	3,225,825
<b>NET INCOME/(EXPENDITURE)</b>		100,201	(49,737)
<b>Other recognised gains/(losses)</b>			
Gains on revaluation of fixed assets		-	345,573
<b>Net movement in funds</b>		100,201	295,836
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		5,485,014	5,189,178
<b>TOTAL FUNDS CARRIED FORWARD</b>		5,585,215	5,485,014

The notes form part of these financial statements

## INDIVIDUAL CARE SERVICES

### Balance Sheet 31 March 2022

	Notes	2022 Unrestricted funds £	2021 Total funds £
<b>FIXED ASSETS</b>			
Tangible assets	9	4,898,546	4,318,541
<b>CURRENT ASSETS</b>			
Debtors	10	351,047	268,124
Cash at bank		775,489	1,203,128
		1,126,536	1,471,252
<b>CREDITORS</b>			
Amounts falling due within one year	11	(439,867)	(304,779)
<b>NET CURRENT ASSETS</b>		686,669	1,166,473
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,585,215	5,485,014
<b>NET ASSETS</b>		5,585,215	5,485,014
<b>FUNDS</b>	12		
Unrestricted funds		5,585,215	5,485,014
<b>TOTAL FUNDS</b>		5,585,215	5,485,014

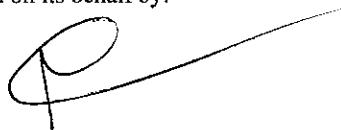
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

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 16 August 2022 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 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	221,276	171,070
Net cash provided by operating activities		<u>221,276</u>	<u>171,070</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(798,915)	(686,838)
Sale of tangible fixed assets		150,000	3,649
Net cash used in investing activities		<u>(648,915)</u>	<u>(683,189)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(427,639)</u>	<u>(512,119)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,203,128</u>	<u>1,715,247</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>775,489</u></u>	<u><u>1,203,128</u></u>

The notes form part of these financial statements

**INDIVIDUAL CARE SERVICES**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2022**

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

	2022 £	2021 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	100,201	(49,737)
<b>Adjustments for:</b>		
Depreciation charges	68,910	45,331
(Increase)/decrease in debtors	(82,923)	51,431
Increase in creditors	135,088	124,045
	<u>221,276</u>	<u>171,070</u>
<b>Net cash provided by operations</b>	<u>221,276</u>	<u>171,070</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
<b>Net cash</b>			
Cash at bank	1,203,128	(427,639)	775,489
	<u>1,203,128</u>	<u>(427,639)</u>	<u>775,489</u>
<b>Total</b>	<u>1,203,128</u>	<u>(427,639)</u>	<u>775,489</u>

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 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 income charge periods ended either on 27 March 2022 or 3 April 2022 and therefore assessment has been made of accrued income on that basis. Wages were paid up to 28 February 2022 and therefore one months wage cost was included in accruals.

##### **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
Motor vehicles	- 25% on reducing balance

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 1. ACCOUNTING POLICIES - continued

##### Tangible fixed assets

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

	2022	2021
	£	£
Interest receivable	<u>1,375</u>	<u>6,612</u>

#### 3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Fees received for residential care	Residential care	1,008,715	1,001,811
Fees for domiciliary care	Domiciliary care	2,886,428	2,167,665
		<u>3,895,143</u>	<u>3,169,476</u>

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 4. CHARITABLE ACTIVITY CARE COST

##### Domiciliary care costs

	2022	2021
	£	£
Staff costs	2,619,699	1,949,615
Other costs	204,364	192,931
Depreciation	14,863	6,593
	2,838,926	2,149,139

##### Residential care costs

	2022	2021
	£	£
Staff costs	745,405	869,582
Other costs	157,939	168,366
Depreciation	54,047	38,738
	957,391	1,076,686

##### Aggregate amounts

	3,796,317	3,225,825
--	-----------	-----------

#### 5. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	68,910	48,196
Loss/(profit) on disposal	8,701	(2,864)
	77,611	45,332

#### 6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 7. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	3,365,104	2,819,197
	<u>3,365,104</u>	<u>2,819,197</u>

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

	2022	2021
Charitable activities	115	109
Management and administration	8	6
	<u>123</u>	<u>115</u>

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

	2022	2021
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£120,001 - £130,000	1	-
	<u>2</u>	<u>2</u>

Wages and salaries above includes agency workers £234,563 (2021 - £158,668)

Employers national insurance contributions included in wages and salaries above totalled £226,905 (2021 - £190,095).

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 £98,844 (2021 - £81,593). Pension costs are included in staff costs. Pension commitments included in accrued expenses are £nil (2021 - £nil).

Contributions totalling £40,723 (2020 - £23,369) 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 2022**

**8. SUPPORT COSTS**

**Support costs**

<b>Cost type</b>	<b>Total £</b>
Payroll costs	160,342
Other costs	70,720
Depreciation	<u>13,782</u>
	<u>244,844</u>

**Allocation of support costs**

	<b>Payroll costs £</b>	<b>Other costs £</b>	<b>Depreciation £</b>	<b>Total £</b>
Domiciliary care	118,653	52,333	10,199	181,185
Residential care	<u>41,689</u>	<u>18,387</u>	<u>3,583</u>	<u>63,659</u>
	<u>160,342</u>	<u>70,720</u>	<u>13,782</u>	<u>244,844</u>

Support costs have been allocated 74% to Domiciliary Care and 26% to Residential care.

Governance costs includes payments to the auditors of £5,000 (2021 £5,000) for audit fees.

**9. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 April 2021	4,281,000	83,015	79,339	4,443,354
Additions	744,873	26,542	27,500	798,915
Disposals	(150,000)	-	-	(150,000)
	<u>4,875,873</u>	<u>109,557</u>	<u>106,839</u>	<u>5,092,269</u>
<b>DEPRECIATION</b>				
At 1 April 2021	-	60,507	64,306	124,813
Charge for year	43,220	15,057	10,633	68,910
	<u>43,220</u>	<u>75,564</u>	<u>74,939</u>	<u>193,723</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>4,832,653</u>	<u>33,993</u>	<u>31,900</u>	<u>4,898,546</u>
At 31 March 2021	<u>4,281,000</u>	<u>22,508</u>	<u>15,033</u>	<u>4,318,541</u>

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 9. TANGIBLE FIXED ASSETS - continued

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

	2022	2021
	£	£
Cost	3,897,306	3,152,433
Accumulated depreciation	317,072	278,102
As at 31 March 2022	<u>3,580,234</u>	<u>2,874,331</u>

This represents properties included above at the following valuation.

	2021	2021
	£	£
Revaluation	4,875,873	4,281,000
Accumulated depreciation	43,220	-
As at 31 March 2022	<u>4,832,653</u>	<u>4,281,000</u>

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 still considered to be reasonable.

#### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	341,741	253,801
Other debtors	9,306	14,323
	<u>351,047</u>	<u>268,124</u>

**INDIVIDUAL CARE SERVICES**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2022**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	59,523	129,549
Social security and other taxes	56,914	46,538
Other creditors	1,348	-
Accrued expenses	322,082	128,692
	<u>439,867</u>	<u>304,779</u>

**12. MOVEMENT IN FUNDS**

	At 1.4.21	Net movement in funds	Transfers between funds	At 31.3.22
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	4,078,345	100,201	39,247	4,217,793
Revaluation reserve	1,406,669	-	(39,247)	1,367,422
	<u>5,485,014</u>	<u>100,201</u>	<u>-</u>	<u>5,585,215</u>
<b>TOTAL FUNDS</b>	<u>5,485,014</u>	<u>100,201</u>	<u>-</u>	<u>5,585,215</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	3,896,518	(3,796,317)	100,201
	<u>3,896,518</u>	<u>(3,796,317)</u>	<u>100,201</u>
<b>TOTAL FUNDS</b>	<u>3,896,518</u>	<u>(3,796,317)</u>	<u>100,201</u>

**Comparatives for movement in funds**

	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<u>5,189,178</u>	<u>295,836</u>	<u>-</u>	<u>5,485,014</u>

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<u>3,176,088</u>	<u>(3,225,825)</u>	<u>345,573</u>	<u>295,836</u>

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

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	4,116,478	50,464	50,851	4,217,793
Revaluation reserve	1,072,700	345,573	(50,851)	1,367,422
	<u>5,189,178</u>	<u>396,037</u>	<u>-</u>	<u>5,585,215</u>
<b>TOTAL FUNDS</b>	<u>5,189,178</u>	<u>396,037</u>	<u>-</u>	<u>5,585,215</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 £
<b>Unrestricted funds</b>				
General fund	7,072,606	(7,022,142)	-	50,464
Revaluation reserve	-	-	345,573	345,573
	<u>7,072,606</u>	<u>(7,022,142)</u>	<u>345,573</u>	<u>396,037</u>
<b>TOTAL FUNDS</b>	<u>7,072,606</u>	<u>(7,022,142)</u>	<u>345,573</u>	<u>396,037</u>

## INDIVIDUAL CARE SERVICES

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 13. 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 £33,675 (2021 - £41,219). In addition there are capitalised costs of £96,640 (2021 - £190,068)

Within trade creditors and accruals is a balance of £9,434 (2021 - £95,298) 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 £9,028 (2021 - £13,228). This is being repaid at £350 per month.

#### 14. ULTIMATE CONTROLLING PARTY

There was no controlling party during the year.

#### 15. 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 2022

	2022 £	2021 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Interest receivable	1,375	6,612
<b>Charitable activities</b>		
Fees received for residential care	1,008,715	1,001,811
Fees for domiciliary care	2,886,428	2,167,665
	<u>3,895,143</u>	<u>3,169,476</u>
<b>Total incoming resources</b>	<b>3,896,518</b>	<b>3,176,088</b>
<b>EXPENDITURE</b>		
<b>Domiciliary care costs</b>		
Staff costs	2,619,699	1,949,615
Other costs	204,364	192,931
Depreciation of tangible fixed assets	14,863	6,593
	<u>2,838,926</u>	<u>2,149,139</u>
<b>Residential care costs</b>		
Staff costs	745,405	869,582
Other costs	157,939	168,366
Depreciation of tangible fixed assets	54,047	38,738
	<u>957,391</u>	<u>1,076,686</u>
<b>Total resources expended</b>	<b>3,796,317</b>	<b>3,225,825</b>
<b>Net income/(expenditure)</b>	<b>100,201</b>	<b>(49,737)</b>

This page does not form part of the statutory financial statements

