

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2021**

**Registered company number: 2262217**

**Registered charity number: 700717**

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements for the year ended 31 March 2021**

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**Executive Council's report for the year ended 31 March 2021**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019.

**Reference and administrative information**

Charity name: Lincolnshire House Association  
Charity registration number: 700717  
Company registration number: 2262217  
Registered office and operational address: Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary)  
Mr M Burnett  
Mrs P M Fiddler (resigned 17 August 2021)  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Mr J D Beverley (resigned 1 March 2021)  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign (appointed 1 March 2021)  
Mrs J Hodge (appointed 1 September 2021)

**Manager**

Mr I Millard

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2021 (continued)****Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT****Achievements and performance**

The Wish Appeal income increased to £93,295 compared to £26,431 the previous year. This was largely due to a legacy of £72,480 being received in the year. £6,301 was raised through fundraising events and £86,994 was donated.

CQC completed an assessment based on the PIR (provider information return). The outcome resulted in the rating remaining the same, GOOD.

The main achievement in the past year has been successfully managing COVID-19 and keeping everyone safe. COVID-19 has presented huge challenges for both the residents and staff. The staff have responded to this challenge in a positive manner ensuring that even with restrictions, a happy environment is maintained.

In August we saw the completion of phase 9. This undoubtedly being the most challenging phase to date, when the contractor failed to complete the contract. Having returned to tender we were able to source a local contractor who was able to complete the building. In August the admin staff were able to move into the new offices. This has enhanced the facilities further at Lincolnshire House, as we now have an admin building which is accessible to all!

Due to some of the buildings being over 20 years old, we turned our attention to investing in maintenance. Many of the bathrooms and en-suites have been revamped; this will be a continuous programme.

Four staff have achieved level 3 NVQ with a further two having acquired level 2. Mandatory training remains high on the agenda, and a number of staff have obtained first aid qualifications. One senior care officer has updated "train the trainer" for moving and handling. The registered manager has retained "train the trainer" status in medication.

We have received a number of grants from the local authorities which has helped us with additional costs related to COVID-19. Councils have allowed for reasonable fee uplifts, which has helped as the demand for residential care has decreased through COVID-19.

**Executive Council's report for the year ended 31 March 2021 (continued)****Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £93,295. £93,913 was transferred to the Completed Assets fund during phase 9 of the development leaving a balance of £nil in the restricted WISH Appeal fund, with the balance of the money spent on phase 9 of £618 being transferred from the WISH Appeal designated fund. This leaves a cumulative designation of £355,322 for the WISH Appeal whenever this is required. The balance of the Power Chair Football fund of £867 and the Activities fund of £1,345 made up total restricted funds of £2,212.

Income for the general running expenses amounted to £1,766,199 of which £1,671,794 was expended, the closing balance of general unrestricted reserves amounted to £2,218,938. The Assets Completed Fund is now £2,750,317 after the completion of the phase 9 development.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives. The reserve policy for general reserves is to maintain at least 12 months running costs.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our own employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

**Plans for the future**

Due to the uncertainties with COVID-19 it was decided not to proceed with phase 10 (the hot tub) for six months until we could see financial stability with day care and respite. In the coming months we are looking at returning to the contractors to update the tender with a view of completing the project.

We will continue to invest in revamping the facilities in the bungalows.

Major fundraising events will only continue when safe to do so.

We will continue to adhere to all COVID-19 guidelines to ensure everyone stays safe.

As we currently have a vacancy, we will look at a promotional video to inform interested parties about the services that we offer.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

**Executive Council's report for the year ended 31 March 2021 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

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


In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

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

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF

  
.....  
**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date:** 30.09.2021

**Independent Auditor's Report to the Council Members of Lincolnshire House Association****Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2021, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally 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 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 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 Auditor's 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 Executive Council's 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 Executive Council with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Executive Council is responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (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 Executive Council 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 Executive Council 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 Executive Council either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 as auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We identify and assess the risks of material misstatement of the financial statements, whether due to

Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)

fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of noncompliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist **within** the organisation for fraud and identified the greatest potential for fraud in the following areas:

- revenue recognition,
- purchase ledger and credit card transactions,
- transactions surrounding the processing of payroll and
- management override of controls.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Charities Act and Regulations established by regulators in the key sectors in which the charity operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the operating regulations relevant to the charity.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.fc.org.uk/auditorresponsibilities](http://www.fc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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



**Mr J Heehey BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:  
**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date:** *30 September* 2021

**Statement of financial activities (including income and expenditure account)****For the year ended 31 March 2021**

	<u>Restricted</u> <u>funds</u> <u>2021</u> £	<u>Unrestricted</u> <u>funds</u> <u>2021</u> £	<u>Total</u> <u>funds</u> <u>2021</u> £	<u>Total</u> <u>funds</u> <u>2020</u> £
<b>Income from:</b>				
Donations	86,994	-	86,994	8,429
Charitable activities	3	1,681,655	1,681,655	1,843,271
Other trading activities – fundraising events	6,301	-	6,301	18,154
Other	64	82,362	82,426	8,478
Investment income - bank interest	-	2,182	2,182	9,582
<b>Total income</b>	<b>93,359</b>	<b>1,766,199</b>	<b>1,859,558</b>	<b>1,887,914</b>
<b>Expenditure on:</b>				
Charitable activities	4	1,671,794	1,672,822	1,653,967
<b>Total expenditure</b>	<b>1,028</b>	<b>1,671,794</b>	<b>1,672,822</b>	<b>1,653,967</b>
<b>Net income</b>	<b>92,331</b>	<b>94,405</b>	<b>186,736</b>	<b>233,947</b>
<b>Transfers between funds</b>	<b>(93,295)</b>	<b>93,295</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>	<b>(964)</b>	<b>187,700</b>	<b>186,736</b>	<b>233,947</b>
Total funds brought forward	3,176	5,136,877	5,140,053	4,906,106
<b>Total funds carried forward</b>	<b>2,212</b>	<b>5,324,577</b>	<b>5,326,789</b>	<b>5,140,053</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Summary income and expenditure account

Year ended 31 March 2021

	<u>2021</u> £	<u>2020</u> £
Income	1,857,376	1,878,332
Investment income	2,182	9,582
	<hr/>	<hr/>
Gross income	1,859,558	1,887,914
Expenditure	1,672,822	1,653,967
	<hr/>	<hr/>
<b>Net income</b>	<b>186,736</b>	<b>233,947</b>
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet as at 31 March 2021Company number: 2262217

	<u>Notes</u>	£	<u>2021</u> £	£	<u>2020</u> £
<b>Fixed assets</b>					
Tangible assets	9		2,832,694		2,813,375
<b>Current assets</b>					
Stocks	10	2,200		2,200	
Debtors	11	76,963		98,546	
Cash at bank and in hand		2,581,282		2,281,286	
<b>Total current assets</b>		2,660,445		2,382,032	
<b>Liabilities</b>					
Creditors falling due within one year	12	166,350		55,354	
<b>Net current assets</b>			2,494,095		2,326,678
<b>Net assets</b>			5,326,789		5,140,053
<b>The funds of the charity</b>					
Restricted funds	15		2,212		3,176
Unrestricted funds	14		5,324,577		5,136,877
<b>Total charity funds</b>	18		5,326,789		5,140,053

The financial statements were approved by the Executive Council on 30.9. 2021



Ms I V Crowther  
Representative of the Executive Council

**Statement of cash flows****Year ended 31 March 2021**

	<b><u>2021</u></b> £	<b><u>2020</u></b> £
<b>Cash flow from operating activities</b>		
Net income for the year	186,736	233,947
Depreciation	74,594	78,257
Interest received	(2,182)	(9,582)
Decrease in debtors	21,583	32,125
Increase/(decrease) in creditors	110,996	(11,508)
	<hr/>	<hr/>
	391,727	323,239
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	2,182	9,582
Payments to acquire tangible fixed assets	(93,913)	(358,274)
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	(91,731)	(348,692)
	<hr/>	<hr/>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	299,996	(25,453)
<b>Cash and cash equivalents at 1 April 2020</b>	2,281,286	2,306,739
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2021</b>	2,581,282	2,281,286
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,581,282	2,281,286
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2021</b>	2,581,282	2,281,286
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the year ended 31 March 2021****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the

**Notes to the financial statements for the year ended 31 March 2021 (continued)****1 Summary of significant accounting policies (continued)**

charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Debtors**

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

**Notes to the financial statements for the year ended 31 March 2021 (continued)****1 Summary of significant accounting policies (continued)****Cash at bank and in hand**

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

**Creditors**

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

**Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**3 Income from charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	195,587	195,587	198,517
Local Authorities	-	1,254,217	1,254,217	1,304,672
Third parties	-	231,851	231,851	340,082
	-----	-----	-----	-----
	-	1,681,655	1,681,655	1,843,271
	=====	=====	=====	=====

**Notes to the financial statements for the year ended 31 March 2021 (continued)****4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,093,988	1,093,988	1,110,645
Food and provisions	-	38,323	38,323	45,748
Repairs and renewals	-	127,053	127,053	99,709
Telephone charges	-	1,305	1,305	1,527
Printing, stationery and advertising	-	14,059	14,059	11,882
Travel and motor expenses	-	4,885	4,885	7,237
Heating and light	-	47,854	47,854	49,971
Insurance	-	29,999	29,999	26,780
Rates	-	17,056	17,056	18,615
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	3,400	3,400	3,081
Cleaning and sundry	-	22,838	22,838	13,838
Activities	1,028	-	1,028	972
Depreciation	-	74,594	74,594	78,257
Housekeeping	-	-	-	5,661
Governance costs (see note 5)	-	190,661	190,661	174,265
	1,028	1,671,794	1,672,822	1,653,967

**5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	1,190	1,190	1,328
Accountancy and audit fees	-	5,782	5,782	6,274
Legal and professional fees	-	15,029	15,029	2,570
Administration salaries	-	162,631	162,631	159,610
Administration staff pensions	-	6,029	6,029	4,483
	-	190,661	190,661	174,265

**6 Government Grants**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	82,362	82,362	-

**Notes to the financial statements for the year ended 31 March 2021 (continued)****7 Net income for the year**

This is stated after charging:

	<b><u>2021</u></b>	<b><u>2020</u></b>
	£	£
Depreciation and amortisation of owned assets	74,594	78,257
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	2,182	2,674
	<u>74,594</u>	<u>78,257</u>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees benefit's was as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
	£	£
Wages and salaries	1,152,054	1,174,257
Social security costs	76,493	70,906
Pension costs	34,101	29,575
	<u>1,262,648</u>	<u>1,274,738</u>

No employees had employee benefits in excess of £60,000.

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2020: £nil), neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Total remuneration of key management personnel in the year was £67,766 (2020: £66,046).

The average monthly head count was 74 staff (2020: 86 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Charitable activities	70	82
Governance	4	4
	<u>74</u>	<u>86</u>

Notes to the financial statements for the year ended 31 March 2021 (continued)**9 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2020	3,538,321	174,282	104,167	3,816,770
Additions	93,913	-	-	93,913
At 31 March 2021	3,632,234	174,282	104,167	3,910,683
<b><u>Depreciation</u></b>				
At 1 April 2020	768,914	160,667	73,814	1,003,395
Provided during the year	63,601	3,405	7,588	74,594
At 31 March 2021	832,515	164,072	81,402	1,077,989
<b><u>Net book value</u></b>				
At 31 March 2021	2,799,719	10,210	22,765	2,832,694
At 31 March 2020	2,769,407	13,615	30,353	2,813,375

**10 Stocks**

	<u>2021</u> £	<u>2020</u> £
Consumables	2,200	2,200

**11 Debtors:** All receivable within one year

	<u>2021</u> £	<u>2020</u> £
Trade debtors	67,400	86,278
Prepayments and accrued income	9,563	12,268
	<u>76,963</u>	<u>98,546</u>

**Notes to the financial statements for the year ended 31 March 2021 (continued)****12 Creditors:** Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Trade creditors	43,932	8,662
Other tax and social security	15,058	16,212
Other creditors	9,491	12,844
Accruals and deferred income	97,869	17,636
	<u>166,350</u>	<u>55,354</u>

**13 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £34,101 (2020 - £29,575).

**14 Analysis of movement in unrestricted funds**

	<u>Retained</u>	<u>Assets</u>	<u>Designated</u>	<u>Total</u>
	<u>Surplus</u>	<u>Completed</u>	<u>Fund for</u>	<u>Unrestricted</u>
	£	£	<u>WISH</u>	<u>Funds</u>
	£	£	Appeal	£
Balance at 1 April 2020	2,060,932	2,720,005	355,940	5,136,877
Incoming resources	1,766,199	-	-	1,766,199
Resources expended	(1,608,193)	(63,601)	-	(1,671,794)
Transfers	-	93,913	(618)	93,295
	<u>2,218,938</u>	<u>2,750,317</u>	<u>355,322</u>	<u>5,324,577</u>

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**15 Analysis of movement in restricted funds**

	<u>Activities</u>	<u>WISH</u>	<u>Power</u>	<u>Total</u>
	<u>Fund</u>	<u>Appeal</u>	<u>Chair</u>	<u>Restricted</u>
	£	£	£	£
Balance at 1 April 2020	2,309	-	867	3,176
Incoming resources	64	93,295	-	93,359
Resources expended	(1,028)	-	-	(1,028)
Transfers	-	(93,295)	-	(93,295)
	<u>1,345</u>	<u>-</u>	<u>867</u>	<u>2,212</u>

**Notes to the financial statements for the year ended 31 March 2021 (continued)****16 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**17 Related party transactions**

There are no related party transactions during the period (2020: £nil).

**18 Analysis of net assets between funds**

Fund balances at 31 March 2021 are represented by:

	<b><u>Restricted</u></b> <b><u>funds</u></b> £	<b><u>Unrestricted</u></b> <b><u>funds</u></b> £	<b><u>Total</u></b> £
Tangible fixed assets	-	2,832,694	2,832,694
Cash at bank and in hand	2,212	2,579,070	2,581,282
Other net current assets/(liabilities)	-	(87,187)	(87,187)
Total	2,212	5,324,577	5,326,789

**General account for the year ended 31 March 2021**

	<u>2021</u> £	<u>2020</u> £
<b>Income</b>		
Social security benefits and third parties	218,844	222,790
Personal allowances	(23,257)	(24,273)
Local authority and third parties		
- day attenders	101,900	138,166
- funding	1,152,317	1,166,506
- respite care	138,095	159,303
- assessment fees	243	285
- continuing care	90,583	180,494
Sundry receipts	2,930	6,803
Grants received	82,362	-
Rents received	-	690
Bank interest received	2,182	9,582
Donations	-	152
	<u>1,766,199</u>	<u>1,860,498</u>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,262,648	1,274,738
Food and provisions	38,323	45,748
Repairs and renewals	127,053	99,709
Telephone charges	1,305	1,527
Printing, stationery and advertising	14,059	11,882
Travel and motor expenses	4,885	7,237
Heating and lighting	47,854	49,971
Insurances	29,999	26,780
Rates	17,056	18,615
Accountancy charges	5,782	6,274
Bank charges	1,190	1,328
Legal, professional and CRB fees	15,029	2,570
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	3,400	3,081
Cleaning and sundry expenses	22,838	13,838
Housekeeping	-	5,661
Depreciation	74,594	78,257
	<u>1,671,794</u>	<u>1,652,995</u>
<b>Net surplus for the year</b>	<u>94,405</u>	<u>207,503</u>

**Activities income and expenditure account for the year ended 31 March 2021**

		<u>2021</u> £		<u>2020</u> £
Balance brought forward		2,309		2,296
<b>Income</b>				
Arts and crafts	-		621	
Reiki	12		45	
Health and beauty	37		59	
Baking	15	64	260	985
		-----	-----	-----
		2,373		3,281
<b>Expenditure</b>				
Arts and crafts	-		220	
Reiki	1,008		-	
Health and beauty	20		583	
Baking	-		142	
Licences	-		27	
		-----	-----	
		1,028		972
		-----		-----
Balance carried forward		<u>1,345</u>		<u>2,309</u>

**BLF Grant – Power Chair Football account for the year ended 31 March 2021**

		<u>2021</u> £		<u>2020</u> £
Balance brought forward		867		867
		-----		-----
Balance carried forward		<u>867</u>		<u>867</u>

The Wish Appeal Fund for the year ended 31 March 2021

	<u>2021</u> £	<u>2020</u> £
<b>Income</b>		
Donations received	86,994	8,277
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,435	4,580
Horse Racing Night	-	110
Tote/Bonus Ball	-	144
Midsummer Walk	-	994
Car Boot sales	571	1,103
Quiz Nights	-	378
Sportsman's Dinner	-	2,795
Christmas Draw	1,000	1,648
Summer Fete	-	1,980
Christmas Fayre	-	536
Collection boxes	-	115
Tea Party – Dance marathon	-	1,310
Ria's Walk	-	735
Bingo	-	379
Easter Fayre	-	421
Craft Fayre	-	338
Kurling	-	199
Lincs Lotto	295	304
Karate Club	-	85
	<hr/>	<hr/>
	6,301	18,154
	<hr/>	<hr/>
<b>Total income</b>	93,295	26,431
	<hr/>	<hr/>
<b>Surplus for the year</b>	<u>93,295</u>	<u>26,431</u>

**The Wish Appeal Fund for the year ended 31 March 2021**

	<b><u>2021</u></b> £	<b><u>2020</u></b> £
Balance brought forward at 1 April 2020	-	-
Funds raised during the year	93,295	26,431
Phase 9 expenses transferred to Assets Completed Fund	(93,913)	(357,330)
Phase 10 expenses transferred to Assets Completed Fund	-	(944)
Transfer from designated fund	618	331,843
	<hr/>	<hr/>
<b>Fund balance at 31 March 2021</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	355,940	637,783
Transfer to restricted fund	(618)	(331,843)
Transfer from unrestricted surplus	-	50,000
	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	<b>355,322</b>	<b>355,940</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total Wish Appeal Fund</b>	<b>355,322</b>	<b>355,940</b>
	<hr/> <hr/>	<hr/> <hr/>