

LINCOLNSHIRE HOUSE ASSOCIATION

Financial statements

For the year ended

31 March 2022

Registered company number: 2262217

Registered charity number: 700717

LINCOLNSHIRE HOUSE ASSOCIATION

Financial statements for the year ended 31 March 2022

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Executive Council's report for the year ended 31 March 2022

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 2022 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
Mr N C Sofroniou
Mr B G Taylor
Mr R C Eynott
Miss G Smith
Ms I V Crowther
Mrs W Liles
Mrs L Haresign
Mrs J Hodge (appointed 1 September 2021)
Mrs P M Fiddler (resigned 17 August 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 2022 (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 has fallen to £13,595 compared to £93,295 the previous year. This was largely due to a legacy of £72,480 being received last year. £10,119 was raised through fundraising events and £3,476 was donated.

Our main challenge throughout the year has been addressing all of the issues related to COVID. This has put immense pressure on our services, with 50% of our staff off with COVID over a six week period. Unfortunately we had little option but to close Respite and Day Care services as the residents' welfare became our priority. The residents and staff have been brilliant throughout the pandemic, with great teamwork, support and everyone pulling together and with a positive attitude.

Since the early days of COVID it has proved very difficult to attract staff to the care industry; this continues to be the case. Due to staff recruitment issues we continue to provide a limited Respite and Day Care service. We are conscious of staff welfare and will only be able to provide a full service when sufficient staff have been appointed. Everyone has access to both COVID and flu vaccines. We have also been proactive in responding to staff earnings and have awarded three pay increase in a twelve-month period, this has resulted in a 12% pay increase for many staff.

The registered Manager completed the provider information return for CQC; the outcome remains good. North Lincolnshire Council completed the validation, with all outcomes achieved. The CCG also completed an infection control audit, and found Lincolnshire House Association is fully compliant.

Four more staff have achieved NVQ levels 2 and 3, the registered Manager has updated train the trainer for medication and the Assistant Manager has obtained train the trainer for moving and handling.

At the end of March work started on the latest phase of our redevelopment. This project will provide a Hot tub, Swim spa, toilets, showers, additional storage, training room, and an exercise room. This new facility should be ready for use by January 2023. We have continued to invest in upgrading bathrooms, kitchens and en-suites in some of the bungalows.

Fee uplifts have been agreed with several Local Authorities and have resulted in an average increase of 5%.

Executive Council's report for the year ended 31 March 2022 (continued)

Due to concerns over current and future energy costs we have decided to look at future energy resources. The Wolfson Foundation have kindly agreed to provide a grant of £40,000 to provide solar panels, this will produce sufficient energy for 75% of the site.

Financial review

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £13,595. £641 was transferred to the Completed Assets fund during phase 10 of the development leaving a balance of £nil in the restricted WISH Appeal fund, after the under-spend of £12,954 was transferred to the WISH Appeal designated fund. This leaves a cumulative designation of £468,276 for the WISH Appeal whenever this is required. The balance of the Power Chair Football fund of £867 and the Activities fund of £923 made up total restricted funds of £1,790.

Income for the general running expenses amounted to £1,841,441 of which £1,635,046 was expended. The closing balance of general unrestricted reserves amounted to £2,395,494, after £100,000 was transferred to the WISH Appeal. The Assets Completed Fund is £2,680,797.

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

Our main objective for the coming year is to recruit additional staff. This will enable us to offer a comprehensive Respite and Day Care service and recover from the disruption of COVID.

We will:

- Continue to promote in-house training and get the maximum number of staff through their NVQ.
- Complete the Hot tub project and ready for use by January 2023.
- Ensure the quality of service is maintained and all awards are assessed at the same outcomes.
- Install the solar panels and look at funding for other green projects.
- Continue to invest in maintenance and revamp facilities where the need is identified.

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 2022 (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: 15 August 2022

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 2022, 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 2022 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.

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 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.

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

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 non-compliance;
- 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.

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;
- 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.

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

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

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

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 Heeney 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: 15 August 2022

Statement of financial activities (including income and expenditure account)**For the year ended 31 March 2022**

		<u>Restricted</u> <u>funds</u> <u>2022</u> £	<u>Unrestricted</u> <u>funds</u> <u>2022</u> £	<u>Total</u> <u>funds</u> <u>2022</u> £	<u>Total</u> <u>funds</u> <u>2021</u> £
	Notes				
Income from:					
Donations		3,476	-	3,476	86,994
Charitable activities	3	-	1,784,758	1,784,758	1,681,655
Other trading activities – fundraising events		10,119	-	10,119	6,301
Other		174	56,444	56,618	82,426
Investment income - bank interest		-	239	239	2,182
Total income		13,769	1,841,441	1,855,210	1,859,558
Expenditure on:					
Charitable activities	4	596	1,635,046	1,635,642	1,672,822
Total expenditure		596	1,635,046	1,635,642	1,672,822
Net income		13,173	206,395	219,568	186,736
Transfers between funds		(13,595)	13,595	-	-
Net movement in funds for the year		(422)	219,990	219,568	186,736
Total funds brought forward		2,212	5,324,577	5,326,789	5,140,053
Total funds carried forward		1,790	5,544,567	5,546,357	5,326,789

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 2022

	<u>2022</u> £	<u>2021</u> £
Income	1,854,971	1,857,376
Investment income	239	2,182
	<hr/>	<hr/>
Gross income	1,855,210	1,859,558
Expenditure	1,635,642	1,672,822
	<hr/>	<hr/>
Net income	<u>219,568</u>	<u>186,736</u>

Balance sheet as at 31 March 2022**Company number: 2262217**

	<u>Notes</u>	£	<u>2022</u> £	£	<u>2021</u> £
Fixed assets					
Tangible assets	9		2,752,445		2,832,694
Current assets					
Stocks	10	2,200		2,200	
Debtors	11	86,439		76,963	
Cash at bank and in hand		2,851,018		2,581,282	
			<hr/>	<hr/>	
Total current assets		2,939,657		2,660,445	
Liabilities					
Creditors falling due within one year	12	145,745		166,350	
			<hr/>	<hr/>	
Net current assets			2,793,912		2,494,095
			<hr/>	<hr/>	
Net assets			5,546,357		5,326,789
			<hr/> <hr/>	<hr/> <hr/>	
The funds of the charity					
Restricted funds	15		1,790		2,212
Unrestricted funds	14		5,544,567		5,324,577
			<hr/>	<hr/>	
Total charity funds	18		5,546,357		5,326,789
			<hr/> <hr/>	<hr/> <hr/>	

The financial statements were approved by the Executive Council on 15 August 2022

Ms I V Crowther
Representative of the Executive Council

Statement of cash flows**Year ended 31 March 2022**

	<u>2022</u> £	<u>2021</u> £
Cash flow from operating activities		
Net income for the year	219,568	186,736
Depreciation	80,890	74,594
Interest received	(239)	(2,182)
(Increase)/decrease in debtors	(9,476)	21,583
(Decrease)/increase in creditors	(20,605)	110,996
	<hr/>	<hr/>
	270,138	391,727
	<hr/>	<hr/>
Cash flow from investing activities		
Interest received	239	2,182
Payments to acquire tangible fixed assets	(641)	(93,913)
	<hr/>	<hr/>
Net cash flow from investing activities	(402)	(91,731)
	<hr/>	<hr/>
Increase in cash and cash equivalents in the year	269,736	299,996
Cash and cash equivalents at 1 April 2021	2,581,282	2,281,286
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2022	2,851,018	2,581,282
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents consists of:		
Cash at bank and in hand	2,851,018	2,581,282
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2022	2,851,018	2,581,282
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements for the year ended 31 March 2022**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 2022 (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 2022 (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>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	192,562	192,562	195,587
Local Authorities	-	1,249,025	1,249,025	1,254,217
Third parties	-	343,171	343,171	231,851
	-	1,784,758	1,784,758	1,681,655

Notes to the financial statements for the year ended 31 March 2022 (continued)**4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,074,506	1,074,506	1,093,988
Food and provisions	-	42,616	42,616	38,323
Repairs and renewals	-	151,805	151,805	127,053
Telephone charges	-	1,356	1,356	1,305
Printing, stationery and advertising	-	16,915	16,915	14,059
Travel and motor expenses	-	5,013	5,013	4,885
Heating and light	-	22,599	22,599	47,854
Insurance	-	28,957	28,957	29,999
Rates	-	19,519	19,519	17,056
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	1,835	1,835	3,400
Cleaning and sundry	-	15,841	15,841	22,838
Activities	596	-	596	1,028
Depreciation	-	80,890	80,890	74,594
Governance costs (see note 5)	-	167,415	167,415	190,661
	596	1,635,046	1,635,642	1,672,822

5 Analysis of governance costs

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	670	670	1,190
Accountancy and audit fees	-	5,441	5,441	5,782
Legal and professional fees	-	1,475	1,475	15,029
Administration salaries	-	154,076	154,076	162,631
Administration staff pensions	-	5,753	5,753	6,029
	-	167,415	167,415	190,661

6 Government Grants

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	56,234	56,234	82,362

Notes to the financial statements for the year ended 31 March 2022 (continued)**7 Net income for the year**

This is stated after charging:

	<u>2022</u>	<u>2021</u>
	£	£
Depreciation and amortisation of owned assets	80,890	74,594
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	1,841	2,182
	<u> </u>	<u> </u>

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

The total staff costs and employees' benefits was as follows:

	<u>2022</u>	<u>2021</u>
	£	£
Wages and salaries	1,138,090	1,152,054
Social security costs	67,436	76,493
Pension costs	28,809	34,101
	<u> </u>	<u> </u>
	1,234,335	1,262,648
	<u> </u>	<u> </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 (2021: £nil), neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Total remuneration of key management personnel in the year was £68,505 (2021: £67,766).

The average monthly head count was 71 staff (2021: 74 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2022</u>	<u>2021</u>
Charitable activities	67	70
Governance	4	4
	<u> 71 </u>	<u> 74 </u>

Notes to the financial statements for the year ended 31 March 2022 (continued)**9 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<u>Cost</u>				
At 1 April 2021	3,632,234	174,282	104,167	3,910,683
Additions	641	-	-	641
At 31 March 2022	3,632,875	174,282	104,167	3,911,324
<u>Depreciation</u>				
At 1 April 2021	832,515	164,072	81,402	1,077,989
Provided during the year	72,645	2,553	5,692	80,890
At 31 March 2022	905,160	166,625	87,094	1,158,879
<u>Net book value</u>				
At 31 March 2022	2,727,715	7,657	17,073	2,752,445
At 31 March 2021	2,799,719	10,210	22,765	2,832,694

10 Stocks

	<u>2022</u> £	<u>2021</u> £
Consumables	2,200	2,200

11 Debtors: All receivable within one year

	<u>2022</u> £	<u>2021</u> £
Trade debtors	74,584	67,400
Prepayments and accrued income	11,855	9,563
	<u>86,439</u>	<u>76,963</u>

Notes to the financial statements for the year ended 31 March 2022 (continued)**12 Creditors:** Amounts falling due within one year

	<u>2022</u> £	<u>2021</u> £
Trade creditors	23,870	43,932
Other tax and social security	14,098	15,058
Other creditors	7,916	9,491
Accruals and deferred income	99,861	97,869
	<u>145,745</u>	<u>166,350</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 £28,809 (2021: £34,101).

14 Analysis of movement in unrestricted funds

	<u>Retained</u> <u>Surplus</u> £	<u>Assets</u> <u>Completed</u> £	<u>Designated</u> <u>Fund for</u> <u>WISH</u> <u>Appeal</u> £	<u>Total</u> <u>Unrestricted</u> <u>Funds</u> £
Balance at 1 April 2021	2,218,938	2,750,317	355,322	5,324,577
Incoming resources	1,841,441	-	-	1,841,441
Resources expended	(1,564,885)	(70,161)	-	(1,635,046)
Transfers	(100,000)	641	112,954	13,595
	<u>2,395,494</u>	<u>2,680,797</u>	<u>468,276</u>	<u>5,544,567</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>Fund</u> £	<u>WISH</u> <u>Appeal</u> <u>Fund</u> £	<u>Power</u> <u>Chair</u> <u>Football</u> <u>Fund</u> £	<u>Total</u> <u>Restricted</u> <u>Funds</u> £
Balance at 1 April 2021	1,345	-	867	2,212
Incoming resources	174	13,595	-	13,769
Resources expended	(596)	-	-	(596)
Transfers	-	(13,595)	-	(13,595)
	<u>923</u>	<u>-</u>	<u>867</u>	<u>1,790</u>

Notes to the financial statements for the year ended 31 March 2022 (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 (2021: £nil).

18 Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

	<u>Restricted</u> <u>funds</u> £	<u>Unrestricted</u> <u>funds</u> £	<u>Total</u> £
Tangible fixed assets	-	2,752,445	2,752,445
Cash at bank and in hand	1,790	2,849,228	2,851,018
Other net current assets/(liabilities)	-	(57,106)	(57,106)
Total	1,790	5,544,567	5,546,357

General account for the year ended 31 March 2022

	<u>2022</u> £	<u>2021</u> £
Income		
Social security benefits and third parties	216,095	218,844
Personal allowances	(23,533)	(23,257)
Local authority and third parties		
- day attenders	101,860	101,900
- funding	1,174,441	1,152,317
- respite care	75,199	138,095
- assessment fees	680	243
- continuing care	235,233	90,583
Sundry receipts	4,783	2,930
Grants received	56,234	82,362
Rents received	210	-
Bank interest received	239	2,182
	<hr/>	<hr/>
	1,841,441	1,766,199
	<hr/>	<hr/>
Less: Overheads		
Salaries and employees healthcare	1,234,335	1,262,648
Food and provisions	42,616	38,323
Repairs and renewals	151,805	127,053
Telephone charges	1,356	1,305
Printing, stationery and advertising	16,915	14,059
Travel and motor expenses	5,013	4,885
Heating and lighting	22,599	47,854
Insurances	28,957	29,999
Rates	19,519	17,056
Accountancy charges	5,441	5,782
Bank charges	670	1,190
Legal, professional and CRB fees	1,475	15,029
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	1,835	3,400
Cleaning and sundry expenses	15,841	22,838
Depreciation	80,890	74,594
	<hr/>	<hr/>
	1,635,046	1,671,794
	<hr/>	<hr/>
Net surplus for the year	<u>206,395</u>	<u>94,405</u>

Activities income and expenditure account for the year ended 31 March 2022

		<u>2022</u> £		<u>2021</u> £
Balance brought forward		1,345		2,309
Income				
Arts and crafts	167		-	
Reiki	-		12	
Health and beauty	-		37	
Baking	7	174	15	64
		<u>1,519</u>		<u>2,373</u>
Expenditure				
Arts and crafts	596		-	
Reiki	-		1,008	
Health and beauty	-		20	
		<u>596</u>		<u>1,028</u>
Balance carried forward		<u>923</u>		<u>1,345</u>

BLF Grant – Power Chair Football account for the year ended 31 March 2022

		<u>2022</u> £		<u>2021</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 2022

	<u>2022</u> £	<u>2021</u> £
Income		
Donations received	3,476	86,994
Net Income from Fund Raising Efforts		
200 Club	4,595	4,435
Car Boot sales	1,702	571
Christmas Draw	1,817	1,000
Summer Fete	1,810	-
Collection boxes	6	-
Lincs Lotto	189	295
	<hr/>	<hr/>
	10,119	6,301
	<hr/>	<hr/>
Total income	13,595	93,295
	<hr/>	<hr/>
Surplus for the year	13,595	93,295
	<hr/> <hr/>	<hr/> <hr/>

The Wish Appeal Fund for the year ended 31 March 2022

	<u>2022</u> £	<u>2021</u> £
Balance brought forward at 1 April 2021	-	-
Funds raised during the year	13,595	93,295
Phase 9 expenses transferred to Assets Completed Fund	-	(93,913)
Phase 10 expenses transferred to Assets Completed Fund	(641)	-
Transfer (to)/from designated fund	(12,954)	618
	<hr/>	<hr/>
Fund balance at 31 March 2022	-	-
	<hr/> <hr/>	<hr/> <hr/>
Amount Designated for the fund from the Retained Surplus		
Balance brought forward	355,322	355,940
Transfer /from/(to) restricted fund	12,954	(618)
Transfer from unrestricted surplus	100,000	-
	<hr/>	<hr/>
Balance at 31 March 2022	468,276	355,322
	<hr/> <hr/>	<hr/> <hr/>
Total Wish Appeal Fund	468,276	355,322
	<hr/> <hr/>	<hr/> <hr/>