

LINCOLNSHIRE HOUSE ASSOCIATION

Financial statements

For the year ended

31 March 2023

Registered company number: 2262217

Registered charity number: 700717

LINCOLNSHIRE HOUSE ASSOCIATION

Financial statements for the year ended 31 March 2023

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Executive Council's report for the year ended 31 March 2023

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 2023 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

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 2023 (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 remained similar at £13,166 compared to £13,595 the previous year. £9,766 was raised through fundraising events and £3,400 was donated.

The outcome from Covid continues to provide many challenges to Lincolnshire House and the care sector in general. During and post Covid we have been operating limited services due to staff shortages. Fortunately, towards the end of the year we have seen an increase in staff numbers, this has enabled us to further respond to Day Care users and returning to some normality, offering more placements than the previous year.

We have also looked at our recruitment policy and have awarded several pay increases throughout the year, this has helped to retain our current staff team. Lincolnshire House continues to pay hourly rates above the living wage.

The energy crisis continues to cause concern, the £40,000 grant from the Wolfson foundation has enabled us to install solar panels on several of our buildings. This will provide electricity to 75% of the site, hopefully this will provide savings for Lincolnshire House in the coming years.

The extension to the activities facility is almost complete. Again, we have been conscious of future energy costs with this project. We are proud to be moving towards green energy not only with solar power, but we have installed an air source heat pump to the new extension. This new facility will provide a training room, exercise room, additional toilets, showers and storage. The hot tub room has not been completed, as we have been concerned about future energy costs and the need to appoint further staff.

Now that Covid restrictions have been lifted, residents have been away on holidays and Day outings have started again. This has proved to be very positive in supporting everyone's mental health.

North Lincolnshire Council have completed their validation and there are no recommendations, CQC rating remains good. Several staff have obtained NVQs. The average fee uplift for the year has resulted in an average increase of 10%.

Executive Council's report for the year ended 31 March 2023 (continued)**Key performance indicators**

The Executive Council monitors the number of residents and day care attendees being housed and supported by the charity. The average numbers are:

	<u>2023</u>	<u>2022</u>
	<u>No</u>	<u>No</u>
Permanent residents	34	35
Regular day care attendees	4	4

Financial review

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £13,166. £274,873 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 over-spend of £261,707 was transferred from the WISH Appeal designated fund. The balance of the Power Chair Football fund of £867 was transferred to the WISH Appeal designated fund. This leaves a cumulative designation of £207,436 for the WISH Appeal whenever this is required. The Activities fund of £228 is the only restricted fund.

Income for the general running expenses amounted to £1,841,960 of which £1,716,868 was expended. The closing balance of general unrestricted reserves amounted to £2,592,202. The Assets Completed Fund is £2,884,854.

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 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.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives.

Reserves policy

As of 31 March 2023 Lincolnshire House Association's average monthly expenditure was £143,072, this includes an average monthly salary bill of around £105,882.

Lincolnshire House Association has decided to aim to keep 12-18 months running costs in reserve, a target range of between £1,716,868 and £2,575,302.

Currently, as at 31 March 2023, it has free reserves of £2,527,776 (unrestricted funds £5,683,692 minus tangible assets £2,948,480 minus designated WISH Appeal fund £207,436).

The current level of reserves, therefore, sits in the 'target range' above.

Lincolnshire House Association has decided on a target range of 12-18 months expenditure to allow for challenges still faced with the continuing impact of Covid, plus the challenging increase in inflation and rising energy costs on the charity. This is considered necessary to ensure the critical nature of the services provided could continue with minimum impact on the residents should Lincolnshire House Association have to close.

Executive Council's report for the year ended 31 March 2023 (continued)

Plans for the future

We will:

- Continue to appoint additional staff, this will enable us to offer respite and install the hot tub.
- Raise funds to install more solar panels on site.
- Recruit volunteers for the Executive Council.
- Advertise and recruit a new Manager.
- Continue to revamp facilities as identified.
- Train other senior staff, train the trainer in both Medication and Moving and Handling.

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.

The Executive Council considers that the key risks and uncertainties facing the charity are a mix of issues relating to finance, governance and people.

The financial impact of the cost of living crisis means that budgeting and forecasting accurately are more difficult and ensuring that suppliers deliver value for money to the charity is increasingly important. Funding is always a key concern and the charity continues to keep in close contact with Local Authorities and private funders in order to maintain those income streams.

Through the passage of time, trustees will retire and there is a risk to good governance, if the charity does not maintain suitably experienced trustees. The charity is currently reaching out to the local community to recruit suitable new trustees.

Staffing and recruitment are issues for all businesses in all sectors and there is always the potential risk of being unable to recruit adequately experienced and qualified staff. The charity is well aware of this issue and has active recruitment and staffing policies in place to mitigate this risk.

Executive Council's report for the year ended 31 March 2023 (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: 1 August 2023

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 2023, 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 2023 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: 1 August 2023

Statement of financial activities (including income and expenditure account)**For the year ended 31 March 2023**

		<u>Restricted</u> <u>funds</u> <u>2023</u> £	<u>Unrestricted</u> <u>funds</u> <u>2023</u> £	<u>Total</u> <u>funds</u> <u>2023</u> £	<u>Total</u> <u>funds</u> <u>2022</u> £
	Notes				
Income from:					
Donations		3,400	-	3,400	3,476
Charitable activities	3	-	1,839,578	1,839,578	1,784,758
Other trading activities – fundraising events		9,766	-	9,766	10,119
Other		137	570	707	56,618
Investment income - bank interest		-	1,812	1,812	239
Total income		13,303	1,841,960	1,855,263	1,855,210
Expenditure on:					
Charitable activities	4	832	1,716,868	1,717,700	1,635,642
Total expenditure		832	1,716,868	1,717,700	1,635,642
Net income		12,471	125,092	137,563	219,568
Transfers between funds		(14,033)	14,033	-	-
Net movement in funds for the year		(1,562)	139,125	137,563	219,568
Total funds brought forward		1,790	5,544,567	5,546,357	5,326,789
Total funds carried forward		228	5,683,692	5,683,920	5,546,357

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 2023

	<u>2023</u> £	<u>2022</u> £
Income	1,853,451	1,854,971
Investment income	1,812	239
	<hr/>	<hr/>
Gross income	1,855,263	1,855,210
Expenditure	1,717,700	1,635,642
	<hr/>	<hr/>
Net income	<u><u>137,563</u></u>	<u><u>219,568</u></u>

Balance sheet as at 31 March 2023**Company number: 2262217**

	<u>Notes</u>	£	<u>2023</u> £	£	<u>2022</u> £
Fixed assets					
Tangible assets	9		2,948,480		2,752,445
Current assets					
Stocks	10	2,200		2,200	
Debtors	11	91,439		86,439	
Cash at bank and in hand		2,814,297		2,851,018	
			-----		-----
Total current assets		2,907,936		2,939,657	
Liabilities					
Creditors falling due within one year	12	172,496		145,745	
			-----		-----
Net current assets			2,735,440		2,793,912
			-----		-----
Net assets			5,683,920		5,546,357
			=====		=====
The funds of the charity					
Restricted funds	15		228		1,790
Unrestricted funds	14		5,683,692		5,544,567
			-----		-----
Total charity funds	18		5,683,920		5,546,357
			=====		=====

The financial statements were approved by the Executive Council on **1 August 2023**

Ms I V Crowther
Representative of the Executive Council

Statement of cash flows**Year ended 31 March 2023**

	<u>2023</u> £	<u>2022</u> £
Cash flow from operating activities		
Net income for the year	137,563	219,568
Depreciation	78,838	80,890
Interest received	(1,812)	(239)
Increase in debtors	(5,000)	(9,476)
Increase/(decrease) in creditors	26,751	(20,605)
	<hr/>	<hr/>
	236,340	270,138
	<hr/>	<hr/>
Cash flow from investing activities		
Interest received	1,812	239
Payments to acquire tangible fixed assets	(274,873)	(641)
	<hr/>	<hr/>
Net cash flow from investing activities	(273,061)	(402)
	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents in the year	(36,721)	269,736
Cash and cash equivalents at 1 April 2022	2,851,018	2,581,282
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2023	2,814,297	2,851,018
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents consists of:		
Cash at bank and in hand	2,814,297	2,851,018
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2023	2,814,297	2,851,018
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements for the year ended 31 March 2023**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 2023 (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 2023 (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>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	205,158	205,158	192,562
Local Authorities	-	1,348,712	1,348,712	1,249,025
Third parties	-	285,708	285,708	343,171
	-	1,839,578	1,839,578	1,784,758

Notes to the financial statements for the year ended 31 March 2023 (continued)**4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,108,846	1,108,846	1,074,506
Food and provisions	-	52,272	52,272	42,616
Repairs and renewals	-	156,264	156,264	151,805
Telephone charges	-	1,223	1,223	1,356
Printing, stationery and advertising	-	13,300	13,300	16,915
Travel and motor expenses	-	6,027	6,027	5,013
Heating and light	-	48,879	48,879	22,599
Insurance	-	31,514	31,514	28,957
Rates	-	20,061	20,061	19,519
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	4,137	4,137	1,835
Cleaning and sundry	-	14,591	14,591	15,841
Activities	832	-	832	596
Depreciation	-	78,838	78,838	80,890
Governance costs (see note 5)	-	175,137	175,137	167,415
	832	1,716,868	1,717,700	1,635,642

5 Analysis of governance costs

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	1,162	1,162	670
Accountancy and audit fees	-	5,432	5,432	5,441
Legal and professional fees	-	6,805	6,805	1,475
Administration salaries	-	155,764	155,764	154,076
Administration staff pensions	-	5,974	5,974	5,753
	-	175,137	175,137	167,415

6 Government Grants

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	-	-	56,234

Notes to the financial statements for the year ended 31 March 2023 (continued)**7 Net income for the year**

This is stated after charging:

	<u>2023</u>	<u>2022</u>
	£	£
Depreciation and amortisation of owned assets	78,838	80,890
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	1,832	1,841
	<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>2023</u>	<u>2022</u>
	£	£
Wages and salaries	1,165,085	1,138,090
Social security costs	75,520	67,436
Pension costs	29,979	28,809
	<u> </u>	<u> </u>
	1,270,584	1,234,335
	<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 (2022: £nil), neither were they reimbursed expenses during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Total remuneration of key management personnel in the year was £69,691 (2022: £68,505).

The average monthly head count was 70 staff (2022: 71 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2023</u>	<u>2022</u>
Charitable activities	66	67
Governance	4	4
	<u> 70</u>	<u> 71</u>

Notes to the financial statements for the year ended 31 March 2023 (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 2022	3,632,875	174,282	104,167	3,911,324
Additions	274,873	-	-	274,873
At 31 March 2023	3,907,748	174,282	104,167	4,186,197
<u>Depreciation</u>				
At 1 April 2022	905,160	166,625	87,094	1,158,879
Provided during the year	72,656	1,913	4,269	78,838
At 31 March 2023	977,816	168,538	91,363	1,237,717
<u>Net book value</u>				
At 31 March 2023	2,929,932	5,744	12,804	2,948,480
At 31 March 2022	2,727,715	7,657	17,073	2,752,445

10 Stocks

	<u>2023</u> £	<u>2022</u> £
Consumables	2,200	2,200

11 Debtors: All receivable within one year

	<u>2023</u> £	<u>2022</u> £
Trade debtors	81,204	74,584
Prepayments and accrued income	10,235	11,855
	<u>91,439</u>	<u>86,439</u>

Notes to the financial statements for the year ended 31 March 2023 (continued)**12 Creditors:** Amounts falling due within one year

	<u>2023</u> £	<u>2022</u> £
Trade creditors	35,173	23,870
Other tax and social security	17,211	14,098
Other creditors	11,598	7,916
Accruals and deferred income	108,514	99,861
	<u>172,496</u>	<u>145,745</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 £29,979 (2022: £28,809).

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 2022	2,395,494	2,680,797	468,276	5,544,567
Incoming resources	1,841,960	-	-	1,841,960
Resources expended	(1,645,252)	(71,616)	-	(1,716,868)
Transfers	-	274,873	(260,840)	14,033
	<u>2,592,202</u>	<u>2,884,054</u>	<u>207,436</u>	<u>5,683,692</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 2022	923	-	867	1,790
Incoming resources	137	13,166	-	13,303
Resources expended	(832)	-	-	(832)
Transfers	-	(13,166)	(867)	(14,033)
	<u>228</u>	<u>-</u>	<u>-</u>	<u>228</u>

Notes to the financial statements for the year ended 31 March 2023 (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 (2022: £nil).

18 Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	<u>Restricted</u> <u>funds</u> £	<u>Unrestricted</u> <u>funds</u> £	<u>Total</u> £
Tangible fixed assets	-	2,948,480	2,948,480
Cash at bank and in hand	228	2,814,069	2,814,297
Other net current assets/(liabilities)	-	(78,857)	(78,857)
Total	228	5,683,692	5,683,920

General account for the year ended 31 March 2023

	<u>2023</u> £	<u>2022</u> £
Income		
Social security benefits and third parties	227,537	216,095
Personal allowances	(22,379)	(23,533)
Local authority and third parties		
- day attenders	91,530	101,860
- funding	1,299,790	1,174,441
- respite care	14,626	75,199
- assessment fees	101	680
- continuing care	223,826	235,233
Sundry receipts	4,547	4,783
Grants received	-	56,234
Rents received	570	210
Bank interest received	1,812	239
	<hr/>	<hr/>
	1,841,960	1,841,441
	<hr/>	<hr/>
Less: Overheads		
Salaries and employees healthcare	1,270,584	1,234,335
Food and provisions	52,272	42,616
Repairs and renewals	156,264	151,805
Telephone charges	1,223	1,356
Printing, stationery and advertising	13,300	16,915
Travel and motor expenses	6,027	5,013
Heating and lighting	48,879	22,599
Insurances	31,514	28,957
Rates	20,061	19,519
Accountancy charges	5,432	5,441
Bank charges	1,162	670
Legal, professional and CRB fees	6,805	1,475
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	4,137	1,835
Cleaning and sundry expenses	14,591	15,841
Depreciation	78,838	80,890
	<hr/>	<hr/>
	1,716,868	1,635,046
	<hr/>	<hr/>
Net surplus for the year	<u>125,092</u>	<u>206,395</u>

Activities income and expenditure account for the year ended 31 March 2023

	<u>2023</u>		<u>2022</u>
	£		£
Balance brought forward	923		1,345
Income			
Arts and crafts	126		167
Baking	11	137	7
	-----	-----	-----
		1,060	1,519
Expenditure			
Arts and crafts	105		596
Baking	17		-
Christmas	710		-
	-----	-----	-----
		832	596
		-----	-----
Balance carried forward	228		923
	=====		=====

BLF Grant – Power Chair Football account for the year ended 31 March 2023

	<u>2023</u>		<u>2022</u>
	£		£
Balance brought forward	867		867
Transfer to Wish Appeal	(867)		-
	-----		-----
Balance carried forward	-		867
	=====		=====

The Wish Appeal Fund for the year ended 31 March 2023

	<u>2023</u> £	<u>2022</u> £
Income		
Donations received	3,400	3,476
Net Income from Fund Raising Efforts		
200 Club	4,440	4,595
Car Boot sales	1,225	1,702
Christmas Draw	1,722	1,817
Summer Fete	959	1,810
Collection boxes	-	6
Lincs Lotto	86	189
Easter Fayre	79	-
Horse Racing	1,255	-
	<u>9,766</u>	<u>10,119</u>
Total income	13,166	13,595
Surplus for the year	<u>13,166</u>	<u>13,595</u>

The Wish Appeal Fund for the year ended 31 March 2023

	<u>2023</u> £	<u>2022</u> £
Balance brought forward at 1 April 2022	-	-
Funds raised during the year	13,166	13,595
Phase 10 expenses transferred to Assets Completed Fund	(274,873)	(641)
Transfer from/(to) designated fund	261,707	(12,954)
Fund balance at 31 March 2023	<u>-</u>	<u>-</u>
Amount Designated for the fund from the Retained Surplus		
Balance brought forward	468,276	355,322
Transfer (to)/from restricted fund	(261,707)	12,954
Transfer from unrestricted surplus	-	100,000
Transfer from Power Chair account	867	-
Balance at 31 March 2023	<u>207,436</u>	<u>468,276</u>
Total Wish Appeal Fund	<u>207,436</u>	<u>468,276</u>