

Extra Care for Elderly People Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	165,641	–	165,641	264,288
Charitable activities	6	3,778,553	41,919	3,820,472	4,284,666
Other trading activities	7	189,922	–	189,922	191,790
Investment income	8	1,066	–	1,066	3,118
Other income	9	300	–	300	200
Total income		<u>4,135,482</u>	<u>41,919</u>	<u>4,177,401</u>	<u>4,744,062</u>
Expenditure					
Expenditure on charitable activities	10	(4,334,757)	(32,824)	(4,367,581)	(4,719,542)
Total expenditure		<u>(4,334,757)</u>	<u>(32,824)</u>	<u>(4,367,581)</u>	<u>(4,719,542)</u>
Net losses on investments	12	(303,536)	–	(303,536)	(750,393)
Net expenditure		<u>(502,811)</u>	<u>9,095</u>	<u>(493,716)</u>	<u>(725,873)</u>
Transfers between funds		9,095	(9,095)	–	–
Net movement in funds		<u>(493,716)</u>	<u>–</u>	<u>(493,716)</u>	<u>(725,873)</u>
Reconciliation of funds					
Total funds brought forward		<u>797,875</u>	<u>–</u>	<u>797,875</u>	<u>1,523,748</u>
Total funds carried forward		<u>304,159</u>	<u>–</u>	<u>304,159</u>	<u>797,875</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 21 to 35 form part of these financial statements.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	17	87,424	135,851
Investments	18	1,500,000	1,944,282
		<u>1,587,424</u>	<u>2,080,133</u>
Current assets			
Stocks	19	43,076	123,762
Debtors	20	230,842	268,810
Cash at bank and in hand		247,346	50,374
		<u>521,264</u>	<u>442,946</u>
Creditors: amounts falling due within one year	21	<u>1,687,149</u>	<u>1,569,183</u>
Net current liabilities		<u>1,165,885</u>	<u>1,126,237</u>
Total assets less current liabilities		421,539	953,896
Creditors: amounts falling due after more than one year	22	<u>117,380</u>	<u>156,021</u>
Net assets		<u>304,159</u>	<u>797,875</u>
Funds of the charity			
Unrestricted funds		<u>304,159</u>	<u>797,875</u>
Total charity funds	25	<u>304,159</u>	<u>797,875</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 25th January 2024, and are signed on behalf of the board by:

A Bing
Trustee



The notes on pages 21 to 35 form part of these financial statements.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure	(493,716)	(725,873)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	48,427	60,149
Net losses on investments	303,536	747,258
Dividends, interest and rents from investments	(1,066)	(2,991)
Other interest receivable and similar income	–	(127)
Interest payable and similar charges	60,844	43,526
Gains on disposal of tangible fixed assets	(300)	(200)
Accrued income	(18,704)	(52,050)
<i>Changes in:</i>		
Stocks	80,686	(52,228)
Trade and other debtors	37,968	208,134
Trade and other creditors	116,153	20,977
Cash generated from operations	133,828	246,575
Interest paid	(60,844)	(43,526)
Interest received	–	127
Net cash from operating activities	<u>72,984</u>	<u>203,176</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	1,066	2,991
Purchase of tangible assets	–	(27,913)
Proceeds from sale of tangible assets	300	4,789
Purchases of other investments	(1,338)	(252,032)
Proceeds from sale of other investments	138,179	33,690
Net cash from/(used in) investing activities	<u>138,207</u>	<u>(238,475)</u>
Cash flows from financing activities		
Repayments of borrowings	(14,219)	(99,610)
Net cash used in financing activities	<u>(14,219)</u>	<u>(99,610)</u>
Net increase/(decrease) in cash and cash equivalents	196,972	(134,909)
Cash and cash equivalents at beginning of year	<u>50,374</u>	<u>185,283</u>
Cash and cash equivalents at end of year	<u>247,346</u>	<u>50,374</u>

The notes on pages 21 to 35 form part of these financial statements.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is Lucas Exchange, 1 Orchard Way, Greystone Road, Antrim, BT41 2RU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered their position and have provided further information at note 27 of these financial statements.

Judgements and key sources of estimation uncertainty

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Equipment	-	20% straight line
User defined asset	-	10% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Each of the members of the company has guaranteed to contribute to the assets of the company in the event of the same being would up to the extent of £1.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	75,519	75,519	264,051	264,051
Legacies				
Legacies	<u>90,122</u>	<u>90,122</u>	<u>237</u>	<u>237</u>
	<u>165,641</u>	<u>165,641</u>	<u>264,288</u>	<u>264,288</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Service income - Care	3,775,609	–	3,775,609
Other Income	<u>2,944</u>	<u>41,919</u>	<u>44,863</u>
	<u>3,778,553</u>	<u>41,919</u>	<u>3,820,472</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Service income - Care	4,185,280	–	4,185,280
Other Income	–	99,386	99,386
	<u>4,185,280</u>	<u>99,386</u>	<u>4,284,666</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Rental Income	<u>189,922</u>	<u>189,922</u>	<u>191,790</u>	<u>191,790</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from listed investments	1,066	1,066	2,991	2,991
Bank interest receivable	–	–	127	127
	<u>1,066</u>	<u>1,066</u>	<u>3,118</u>	<u>3,118</u>

9. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gain on disposal of tangible fixed assets held for charity's own use	<u>300</u>	<u>300</u>	<u>200</u>	<u>200</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Provision of Care	3,415,845	930,968	4,346,813	4,701,388
Governance costs	–	20,768	20,768	18,154
	<u>3,415,845</u>	<u>951,736</u>	<u>4,367,581</u>	<u>4,719,542</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Analysis of support costs

	Analysis of support costs	Total 2023	Total 2022
	£	£	£
Staff costs	539,105	539,105	653,777
Premises	323,599	323,599	331,749
General office	51,412	51,412	58,445
Human resources	16,852	16,852	25,246
Governance costs	20,768	20,768	18,154
	<u>951,736</u>	<u>951,736</u>	<u>1,087,371</u>

12. Net losses on investments

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	£	£	£
Gains/(losses) on investment property	(300,000)	(300,000)	(750,100)	(750,100)
Gains/(losses) on listed investments	(7,441)	(7,441)	3,135	3,135
Actuarial Gain/(loss) on Pension	3,905	3,905	(3,428)	(3,428)
	<u>(303,536)</u>	<u>(303,536)</u>	<u>(750,393)</u>	<u>(750,393)</u>

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	48,427	60,149
Gains on disposal of tangible fixed assets	<u>(300)</u>	<u>(200)</u>

14. Auditors remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>11,731</u>	<u>7,932</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	3,230,180	3,768,026
Social security costs	247,048	258,037
Employer contributions to pension plans	52,096	64,030
Other employee benefits	64,410	—
	<u>3,593,734</u>	<u>4,090,093</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Staff costs *(continued)*

Redundancy payments totalling £64,410 were made during the year to four staff. Redundancy payments were made to four staff during the year, totalling £64,410 which included ex-gratia payments of £12,000. The redundancies arose from the restructuring of management structure in the charity.

The average head count of employees during the year was 188 (2022: 240). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Care Workers	167	212
Office Staff	<u>21</u>	<u>28</u>
	<u>188</u>	<u>240</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2023	2022
	No.	No.
£80,000 to £89,999	<u>1</u>	<u>1</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £219,616 (2022:£217,591).

16. Trustee remuneration and expenses

The charity trustees were not paid or received any other benefits from employment with the Charity in the year (2022: £nil). They were not reimbursed any travel expenses during the year(2022: £nil). No charity trustee received payment for professional or other services supplies to the charity (2022: £nil).

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

17. Tangible fixed assets

	Freehold Property Improvements £	Motor vehicles £	Computer equipment £	Office Equipment and F&F £	Total £
Cost					
At 1 April 2022	157,918	122,360	130,750	122,274	533,302
Disposals	–	(8,995)	–	–	(8,995)
At 31 March 2023	<u>157,918</u>	<u>113,365</u>	<u>130,750</u>	<u>122,274</u>	<u>524,307</u>
Depreciation					
At 1 April 2022	151,421	72,939	92,656	80,435	397,451
Charge for the year	808	20,454	16,797	10,368	48,427
Disposals	–	(8,995)	–	–	(8,995)
At 31 March 2023	<u>152,229</u>	<u>84,398</u>	<u>109,453</u>	<u>90,803</u>	<u>436,883</u>
Carrying amount					
At 31 March 2023	<u>5,689</u>	<u>28,967</u>	<u>21,297</u>	<u>31,471</u>	<u>87,424</u>
At 31 March 2022	<u>6,497</u>	<u>49,421</u>	<u>38,094</u>	<u>41,839</u>	<u>135,851</u>

18. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 April 2022	144,282	1,800,000	1,944,282
Additions	1,338	–	1,338
Disposals	(138,179)	–	(138,179)
Fair value movements	(7,441)	(300,000)	(307,441)
At 31 March 2023	<u>–</u>	<u>1,500,000</u>	<u>1,500,000</u>
Impairment			
At 1 April 2022 and 31 March 2023			<u>–</u>
Carrying amount			
At 31 March 2023	<u>–</u>	<u>1,500,000</u>	<u>1,500,000</u>
At 31 March 2022	<u>144,282</u>	<u>1,800,000</u>	<u>1,944,282</u>

All investments shown above are held at valuation.

Investment properties

The investment property is included at fair value at 31st March 2023. Gains and losses are recognised in the Statement of Financial Activities. The property was listed for sale during the year and sale was agreed in November 2023 with sale price of £1.5 million and this forms the basis for determining fair value of the property.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

18. Investments *(continued)*

Financial assets held at fair value

The fair value of the investment property is based on valuation carried out by independent valuer.

19. Stocks

	2023	2022
	£	£
Consumable stock	43,076	123,762

20. Debtors

	2023	2022
	£	£
Trade debtors	75,317	118,195
Prepayments and accrued income	26,232	19,130
Other debtors	129,293	131,485
	<u>230,842</u>	<u>268,810</u>

21. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	1,195,000	1,197,558
Trade creditors	47,530	9,236
Accruals and deferred income	238,927	257,621
Social security and other taxes	165,449	71,876
Other creditors	40,243	32,892
	<u>1,687,149</u>	<u>1,569,183</u>

22. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	67,300	82,866
Other creditors	50,080	73,155
	<u>117,380</u>	<u>156,021</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

23. Deferred income

	2023	2022
	£	£
At 1 April 2022	16,134	16,065
Amount released to income	(16,134)	(16,065)
Amount deferred in year	16,144	16,134
At 31 March 2023	<u>16,144</u>	<u>16,134</u>

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £52,096 (2022: £64,030).

25. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2023
	£	£	£	£	£	£
General funds	<u>797,875</u>	<u>4,135,482</u>	<u>(4,334,757)</u>	<u>9,095</u>	<u>(303,536)</u>	<u>304,159</u>

	At 1 Apr 2021	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2022
	£	£	£	£	£	£
General funds	<u>1,523,748</u>	<u>4,644,676</u>	<u>(4,622,437)</u>	<u>2,281</u>	<u>(750,393)</u>	<u>797,875</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

25. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Special Recognition Payments	—	41,919	(32,824)	(9,095)	—	—

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Special Recognition Payments	—	99,386	(97,105)	(2,281)	—	—

26. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	87,424	87,424
Investments	1,500,000	1,500,000
Current assets	521,264	521,264
Creditors less than 1 year	(1,687,149)	(1,687,149)
Creditors greater than 1 year	(117,380)	(117,380)
Net assets	304,159	304,159

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	135,851	135,851
Investments	1,944,282	1,944,282
Current assets	442,946	442,946
Creditors less than 1 year	(1,569,183)	(1,569,183)
Creditors greater than 1 year	(156,021)	(156,021)
Net assets	797,875	797,875

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

27. Going concern

The charity has found it increasingly difficult since the Covid 19 pandemic to recruit care workers. As a result, the number of hours of care it has been able to deliver has declined, placing increasing pressure on its cashflows.

In June 2022 the charity's bank declined to renew the loan secured on the investment property Lucas Exchange 2. The debt of £1.2m is currently treated as an interest-only overdraft facility with the bank subject to monthly renewal.

The charity has been unable to secure an alternative lender and, in response, the trustees have taken the necessary decision to sell the property, the proceeds of which will be used to repay the outstanding debt to Danske Bank and strengthen cash reserves.

The charity has engaged an agent to market and sell the investment property on its behalf and has received an offer for an interested buyer and anticipates completion of sale before 31st March 2024. The trustees anticipate the ongoing support of Danske Bank until such times the property is sold, and the debt repaid.

As a result of these matters, the trustees believe there is a material uncertainty in relation to the going concern basis adopted in the preparation of the financial statements.

In response to these matters, the trustees have taken the following actions:

- We have received an offer to the sell the property and solicitors have been instructed to move to exchange contracts with the vendor.
- We continue to work closely with Danske Bank to ensure their ongoing overdraft support until such times as the building is sold.
- We have completed a strategic review and restructure of the business to address the reduction in the hours delivered.

Although it is not certain that these efforts will be successful, the Trustees, having careful consideration and review of cashflow and budget forecasts, have determined that the actions they have taken are reasonable and sufficient to mitigate the uncertainty and have therefore prepared these financial statements on a going concern basis.

28. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	50,374	196,972	247,346
Debt due within one year	(1,197,558)	2,558	(1,195,000)
Debt due after one year	(82,866)	15,566	(67,300)
	<u>(1,230,050)</u>	<u>215,096</u>	<u>(1,014,954)</u>

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

29. Pension commitments

Northern Ireland Charities Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 12 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This actuarial valuation showed assets of £29.4m, liabilities of £35.5m and a deficit of £6.1m.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This actuarial valuation showed assets of £35.4m, liabilities of £37.8m and a deficit of £2.4m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 August 2020 to 29 February 2028: £1,280,605 in total (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2023 £	31 March 2022 £	31 March 2021 £
Present value of provision	64,959	81,853	99,459

Extra Care for Elderly People Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period ending 31 March 2023	Period ending 31 March 2022
	£	£
Provision at start of period	81,853	99,459
Unwinding of the discount factor (interest expense)	1,890	923
Deficit contribution paid	(14,879)	(14,879)
Remeasurements - impact of any change in assumptions	(3,905)	(3,650)
Provision at end of period	64,959	81,853

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2023	Period Ending 31 March 2022
	£	£
Interest expense	1,890	923
Remeasurements – impact of any change in assumptions	(3,905)	(3,650)

ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5	3	1

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

30. Contingencies

Pension Scheme - Northern Ireland Charities Pension Scheme

Extra Care for Elderly People Limited participates in the Northern Ireland Charities Pension Scheme. The scheme has reported a total overall deficit of £2.4m as at the last valuation date of 30 September 2019. These financial statements recognise a liability in respect of agreed deficit reduction payments, not the charity's share of the overall scheme deficit. An additional liability may crystallise in the event of the charity's withdrawal from the scheme or a winding up of the scheme however it is not possible to quantify this liability. The charity has no intention of withdrawing from the scheme and there are no plans we are aware of to wind the scheme up.

31. Related parties

During the year, the charity procured print services from Imagis, a business owned by the spouse of a member of the key management personnel of the charity. The total value of transactions in the year was £114. There are no balances outstanding at 31st March 2023.