

COMPANY REGISTRATION NUMBER: NI019253
CHARITY REGISTRATION NUMBER: NIC105012

Extra Care for Elderly People Limited
Company Limited by Guarantee
Financial Statements
31 March 2023

Finegan Gibson Ltd
Chartered accountants & statutory auditor
Causeway Tower
9 James Street South
Belfast
BT2 8DN

Extra Care for Elderly People Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	16
Statement of financial activities (including income and expenditure account)	22
Statement of financial position	23
Statement of cash flows	24
Notes to the financial statements	25
The following pages do not form part of the financial statements	
Detailed statement of financial activities	41
Notes to the detailed statement of financial activities	42

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name Extra Care for Elderly People Limited

Charity registration number NIC105012

Company registration number NI019253

Principal office and registered office Lucas Exchange
1 Orchard Way
Greystone Road
Antrim
BT41 2RU

The trustees

S Gibson Briggs (Resigned 18 November 2022)

J Foy

A Bing

C Craig

T Turner

J Harbison (Chairperson)

D Jeffrey

(Appointed 24 August 2023)

Company secretary A Simpson

Auditor Finegan Gibson Ltd
Chartered accountants & statutory auditor
Causeway Tower
9 James Street South
Belfast
BT2 8DN

Bankers Danske Bank
PO Box 183
Donegall Square West
Belfast
BT1 6JS

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management

Governing Document

Extra Care for Elderly People Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 14th February 1986, as updated, approved and adopted on 31st March 2010. The purpose of the charity is set out in the objects contained in the company's memorandum of association as follows:

- (a) To relieve older and disabled people (including those who are lonely) by providing appropriate care
- (b) To provide care services to enable dependent adults and children to continue to live at home and to provide support to family carers.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management *(continued)*

Appointment of trustees

Extra Care aims to ensure that a wide range of management, administration, financial, legal, research, health and social care skills and property expertise are available on the Board of Directors and in the event of particular expertise being lost due to retirements, individuals with relevant knowledge are approached to be co-opted onto the Board and stand for election at the following AGM.

During the year a number of trustees indicated their desire to retire from the board. On behalf of the board of directors, the chair thanks them for their work and commitment over the last few years and particularly during the difficult challenges of the previous twelve months.

The Board of Directors are also Charity Trustees for the purposes of Charity law. Under the requirements of the Memorandum and Articles of Association all Directors, other than the chairperson, retire at the AGM and have the option to put themselves forward for re-election. At the AGM, the following directors and committee chairs were elected:

1. Dame Joan Harbison (Chairperson)
2. Andrew Bing (Vice Chairperson)
3. Chris Craig
4. Julie Foy
5. Tim Turner

Mr D Jeffrey was co-opted to the board on 24th August 2023.

Board & Committees

In 2022, in response to the pressures generated by ongoing Covid19 pandemic and the smaller board of Trustees, the charity suspended its normal sub-committee structure during the year. Instead, it opted for increasing the frequency of full board meetings with an alternating focus on areas usually addressed by the sub-committees. This allowed the full board to have greater oversight of the key issues previously raised within the sub-committees. Specifically, the work of the Quality Assurance Committee was subsumed into both the board and the monthly Reg 23 meetings.

The Board met on the following dates in the year:

24th May 2022
18th August 2022
29th September 2022
24th November 2022
16th February 2023
24th March 2023

Meetings were a hybrid of in-person and virtual attendance via Microsoft Teams.

The board also established a committee to deal with the review of the Monthly Quality Monitoring Report (Reg23) under the chairmanship of Andrew Bing. The committee met on the following dates:

11th May 2022
20th December 2022
16th February 2023

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management *(continued)*

Attendance at Meetings

Trustee attendance at meetings is recorded below

Board of Trustees

	24/05/22	18/08/22	29/09/22	24/11/22	16/02/23	24/03/23
Joan Harbison	X	X	X	X	X	
Chris Craig	X	X	X	X	X	X
Andrew Bing	X	X	X	X	X	X
Julie Foy	X	X		X	X	X
Tim Turner	X	X	X	X	X	X

Members of the Company

The following individuals are members of the Charity as at the date of this report:

1. Dame Joan Harbison
2. Andrew Bing (Acting Chairperson)
3. Chris Craig
4. Julie Foy
5. David Jeffrey (Appointed 24th August 2023)
6. Tim Turner

Trustee induction and training

New trustees are recruited using an open recruitment process. Vacancies are advertised across social media and through relevant umbrella bodies and membership organisations.

Applicants are then short-listed before being interviewed by a panel including current trustees and the chief executive.

Newly appointed trustees have meetings with the chairperson, chief executive and senior management team and are provided with detailed information relating to the organisation, its strategic plan, annual operational plan, annual budget, policies and procedures.

Each new trustee is provided with a New Trustees Induction Handbook during the induction process.

Some Trustees attended staff meetings and accompanied care workers as they visited service users.

Arrangements for setting pay and remuneration of key management personnel

In the absence of the Finance Committee, the senior management team provided the board with recommendations to set pay and remuneration to key management personnel, office staff and to care staff as part of the annual budgeting cycle using any benchmarks, parameters or criteria they feel are appropriate to reward and motivate while showing restraint and delivering on the charitable goals of the organisation.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management *(continued)*

Organisation

At the date of this report, there are FIVE Trustees on the board. The directors are also the Charity Trustees and come from a wide range of backgrounds and professional and working experience that are relevant to the work of the Charity and the board's role in overseeing this work and setting direction.

The day-to-day responsibility for leading the organisation's work and delivering on its strategy rests with the senior management team comprising of;

- Managing Director
- Director of Finance and Facilities

Related parties

Extra Care is operating for the public benefit and the Trustees are acting in the interests of their Charity and not for private benefit. Related party transactions involving Trustees or staff are considered incidental as it would have been applied for through the NHS and assigned in the same way as all other beneficiaries. All Trustees are required to declare any conflict of interest at the beginning of each meeting.

Risk management

A risk management structure identifies and scores the significant risks to the delivery of the objectives of the Charity along a matrix of likelihood and impact. The risk matrix is used as the risk register for the organisation and is reviewed on a quarterly basis to detect and report any movement in risk as a result of internal performance or external events. An organisational risk register is in place and available as a shared online resource to the entire board of Trustees. The register is reviewed formally twice a year by the Assurance Committee and recommended to the board for approval. Throughout the year the register updates are delegated to the appropriate member of the Senior Leadership Team and updates are taken through the Assurance Committee before approval at a full board meeting.

Financial risks are considered by the Finance Committee within their terms of reference. Given the size of the company and the relatively small head office function, an internal audit function is not considered necessary. Any risk posed by the absence of an internal audit function is balanced by the oversight provided by the Finance Committee and the annual external audit.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Objectives and activities

Extra Care continues to position itself in a significant portion of the care at home market in Northern Ireland working in four trust areas and providing a countrywide assisted peritoneal dialysis service (APD). As the longest established care at home organisation and celebrating its 86th anniversary in 2021, Extra Care's history is unique, and the refreshed aims and objectives as expressed in the organisation's draft strategy for 2019 - 2023 ensures that it will continue to play a significant role in the future.

Over 619 people have been able to continue to live at home alone or alongside their families because of Extra Care's support. The age of people supported ranges from adults of 30 years old to over 100 years old. The organisation employs over 202 care workers on a mix of substantive and flexible contracts ensuring that they can have the work-life balance that those they care for choose.

Principal Activity

The principal activity of the company during the year is the provision of care for people of all ages in their own homes and providing support for their carers. The core services provided by Extra Care across Northern Ireland generally fall into the following categories: -

- Domiciliary Support - designed to assist very highly dependent people either to remain in their own homes or to return home from hospital or residential care. Care is provided by care workers on a regular basis to help the service user with personal care tasks.
- Dementia Services - specialist service providing individually planned programmes of care for people with dementia.
- Waking Night Help Services, Sleepier Services and Mobile Night Services - designed to respond to the needs of service users through the overnight period.
- APD is an innovative option for treatment of patients with end-stage renal failure in their homes. This therapy involves patients being treated with APD in their homes, with daily attendance of a health care assistant to perform a large part of the dialysis-related work.

Extra Care for Elderly People Limited

Company Limited by Guarantee

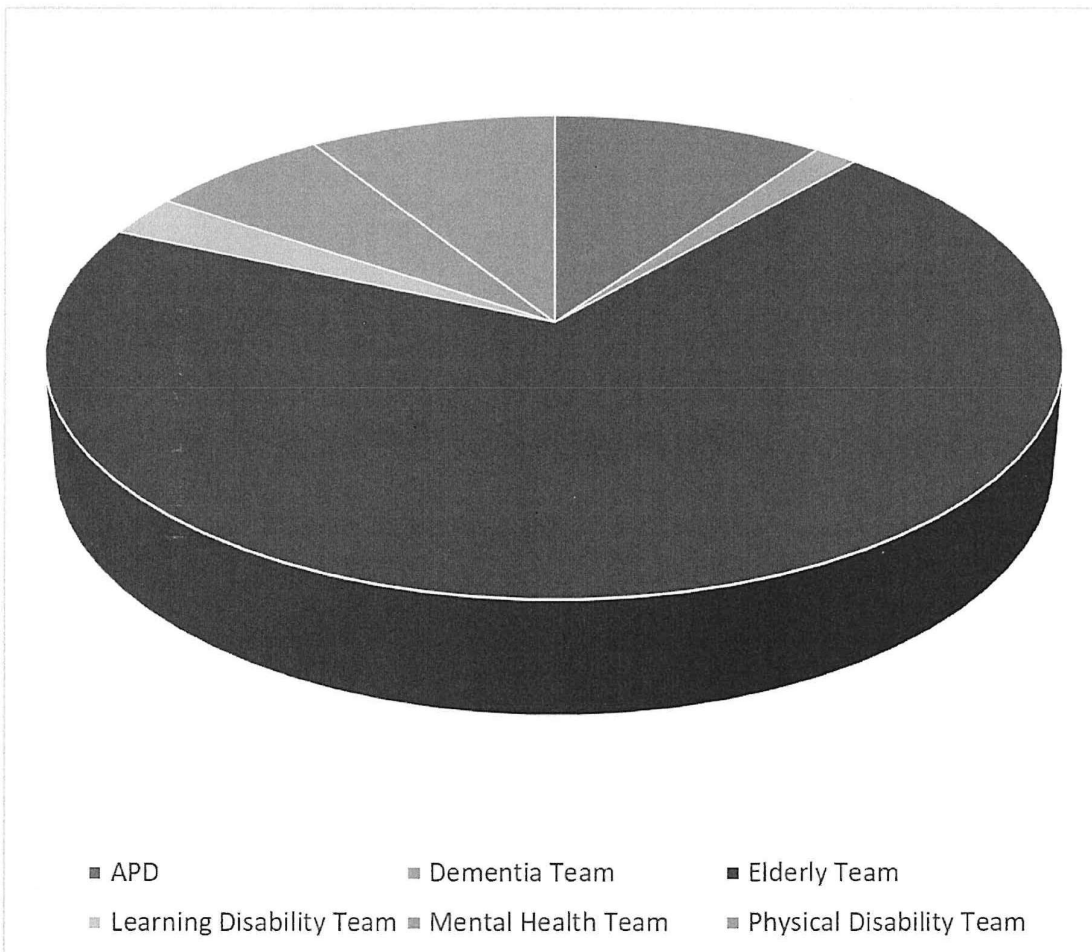
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance

This year Extra Care delivered over 208,000 hours of care across the 5 Trust areas.

Service Users by Type of Care Provided



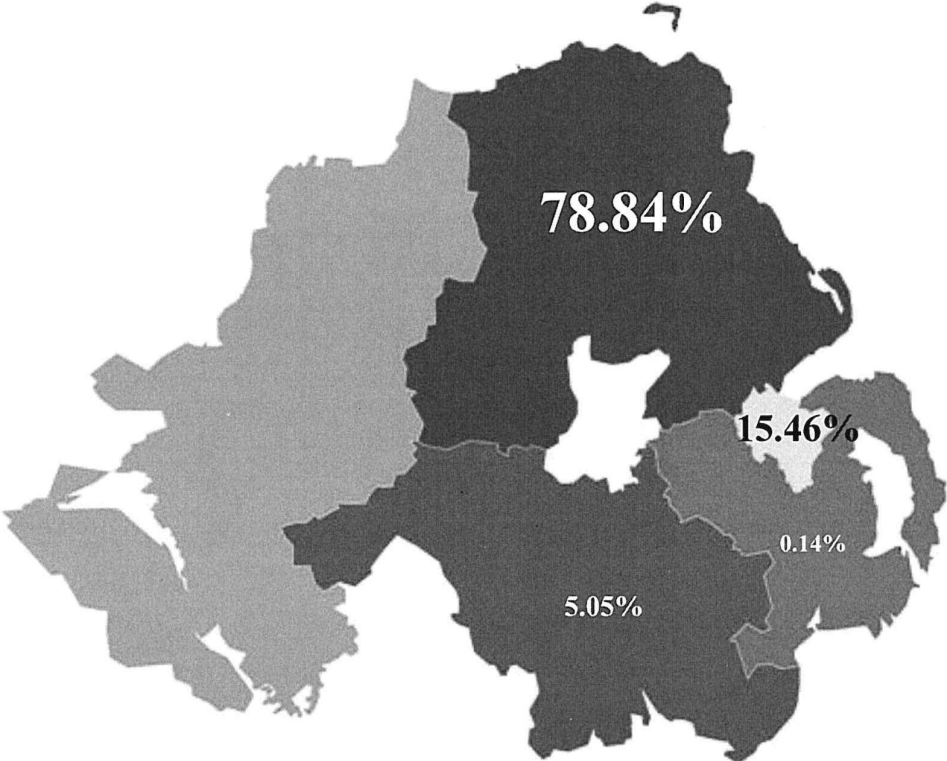
Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Hours Delivered by Commissioning Body



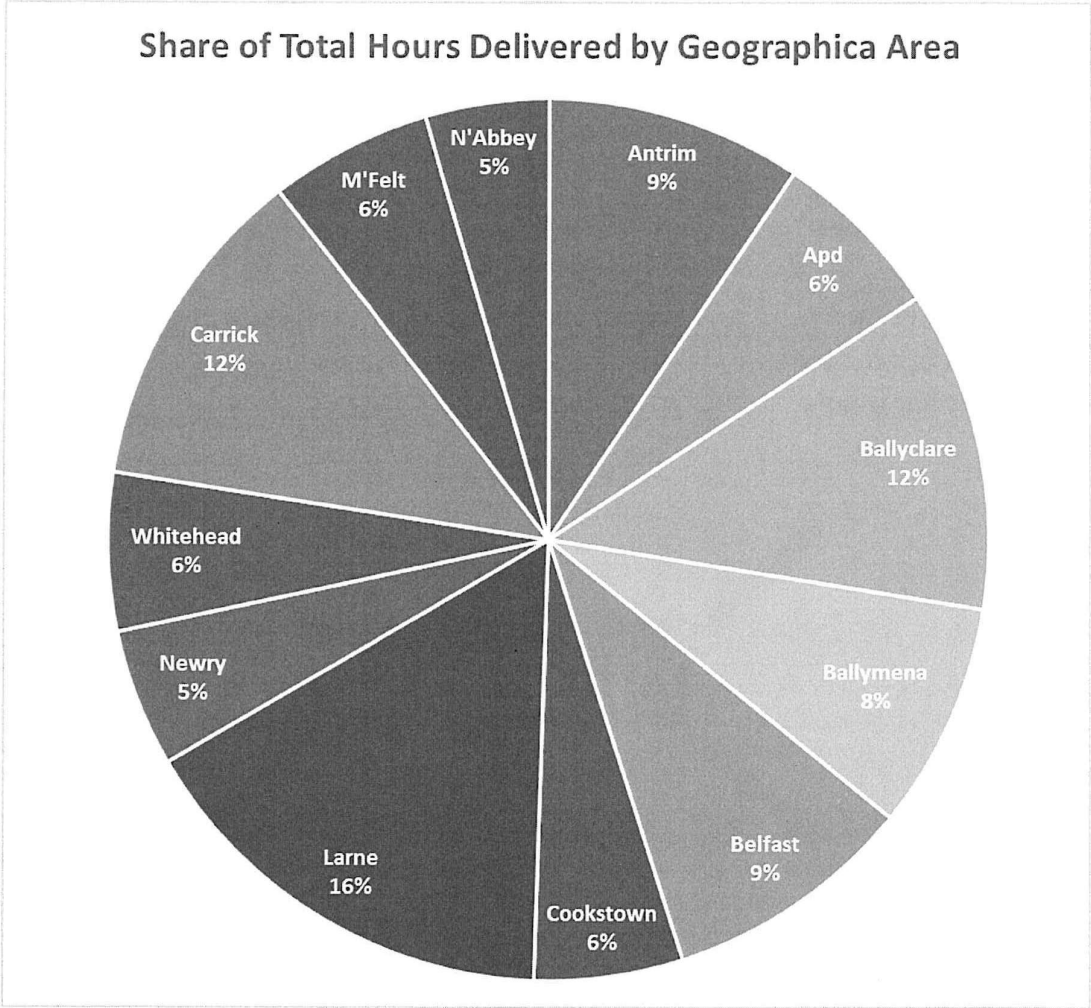
 Private Clients – 0.51%

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023



Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

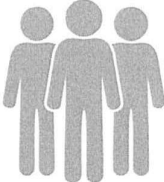
Year ended 31 March 2023



Care to delivered 619 service users



Over 750,000 miles travelled by care workers



Over 265 people employed



208,000 hours of care provided

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Financial review

The 2022/23 year continued to be very challenging for the charity. The ability to deliver care is wholly dependent on the ability to provide sufficient staff to deliver those care hours and the company continued to struggle to recruit staff in large enough numbers to grow the business. As a result, the hours declined during the year.

In response to the declining income stream and increasing cash flow pressures, the charity went through a re-structuring process in the Autumn of 2022. The new structure and reduced operating costs will place the charity in a more secure position in future years. Cashflow projections prepared in late 2022 showed a return to surplus in 2025 but were conditional on an increase in the regional rate offered by health trusts that at least matched the statutory increase in wages arising from the National Minimum Wage however the regional rate increased by a disappointing 3% while the National Minimum Wage increased by 9.7%.

This has resulted in the charity incurring more significant losses than had originally been projected.

In 2022/23 the Charity earned income of £3,820,472 (2022 £4,284,666) from its charitable activities, the largest source of which was the Northern Health and Social Care Trust. In June 2018 the Charity acquired Lucas Exchange II, an investment property located adjacent to the head office in Antrim. The income from rentals in the year was £189,922 (2022: £191,790). A further £1,066 was earned from listed investments and donations/legacies.

The charity also benefitted from a legacy donation during the year of £90,122 (2022: 237) and a donation of PPE stock to the value of £74,094 (2022: £43,056) bringing the total income for the year to £4,177,401 (2022: £4,744,062).

Expenditure on charitable activities amounted to £4,367,581 (2022: £4,719,542).

A total of £58,709 (2022: £42,986) was paid out in interest on an overdraft converted from a property loan during the year, the original purpose of which was the purchase of an Investment property.

Before unrealised losses on investments, the charity made a net deficit of £190,180.

The charity incurred an actuarial gain on the Northern Ireland Charities Pension Scheme amounting to £3,905 (2022: £3,428 loss) and an loss on investments of £7,441 (2022 £3,135 loss).

During the year the charity listed the property for sale on the open market with a view to using the proceeds to settle the overdraft secured upon it.

The value of the property has subsequently be revalued in the accounts to reflect the realistic market value of £1.5m, giving rise to a unrealised loss on revaluation of £300,000 (2002: £750,100).

After the revaluation, the net movement in funds for the year is a deficit of £530,828 (2022: £725,873).

The deficit brings the Charity's total unrestricted reserves to £304,159 (2022: £797,875) of which £1,587,424 is represented by fixed assets including £1,500,000 (2022 £1,800,000) of investment property.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Financial review *(continued)*

Investment powers and policy

Under the Memorandum and Articles of Association, Extra Care has the power to invest in any way the Trustees wish. A specific investment policy is in place. The overall objectives of the investment policy are to enable the Charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of the Charity's aims. Quilter Cheviot were engaged during the year to manage the investment portfolio (excluding the investment property).

Reserves policy

The reserves policy will manage the level of unrestricted reserves in line with the requirements of Extra Care and best practice within the sector and is proportional to the scale and complexity of the organisation's affairs. This reserves policy states the purpose of holding the reserves and provides the public and existing and potential funders with a clear explanation of the reserves held. A new reserves policy was adopted by the Trustees in early 2019.

Cash reserves are needed to bridge the timing gap between spending and receiving of income and to cover unplanned temporary shortfalls in income should they arise. Holding adequate reserves safeguards the provision of our services in the event of unexpected significant financial pressures.

The Trustees consider that the ideal level of cash reserves would be three months' expenditure. For the year ended 31 March 2023 the figure would be £1.09m.

On 31st March 2023 the Charity's balance sheet shows net assets of £304,159. This includes tangible fixed assets of £87,424 and an investment property of £1,500,000. It also includes a overdraft of £1.95m within short-term creditors and due for renewal in June 2023, the circumstances of which are set out in greater detail within note 27 of the accounts.

£1.5m of the Charity's assets are represented by Lucas Exchange II, an investment property acquired by the Charity in 2018. The property has an associated overdraft liability of £1.195m secured against it and reported within liabilities falling due within one year. The Trustees are confident that the net value of this asset of £0.3m could be released within a reasonable period should it be required, giving the Charity access to £0.3m within a 12-month period.

This falls short of the Trustees' target reserves and in response, actions are being taken to address the reduced liquidity of the charity including a sale of its investment property. Greater detail of the Trustees' assessment of going concern is contained within note 27 of the accounts.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Plans for future periods

2022/23 continued to be a period of extreme pressure within the Health and Social Care market and has been exacerbated by the impact of the global pandemic. Pre-existing financial pressures from National Living Wage, pension auto-enrolment and travel time continued to mount on all providers and pressure on commissioners from continuing central and national government decreases in real terms funding shows no sign of lessening.

The social care sector has particularly suffered from a lack of staff since the pandemic. Since March 2020 at the beginning of the pandemic, the number of care workers employed within the charity has fallen by over 20% from 212 care workers to 167, making it difficult for the charity to continue to deliver care at the same level as before. The impact has been a drop in the hours delivered from 5,500 to 3,400. This reduction in hours has had a significant impact on the charity's financial results and cash flow and since July 2022 the charity has needed the support of its bank in the form of a short-term overdraft facility.

In June 2022 the charity's loan of £1.2m came up for renewal with Danske Bank who decided at that time that the loan did not sit within their portfolio and the facility expired. The outstanding liability of £1.198m was converted into an interest only overdraft and the charity continues to benefit from the support of the bank while it moves to sell the property to settle the debt due to the bank.

Given the ongoing impact of Covid-19, the Trustees do not foresee the cash reserves growing over the next couple of years but continue to consider the target of three months' expenditure as appropriate.

In response to the declining income stream and increasing cash flow pressures, the charity went through a re-structuring process in the Autumn of 2022. Further measures were taken in the post balance sheet period and the charity continues to seek to reduce its operating costs to place the Charity in a more secure position in future years.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 trustees (who are also the directors of Extra Care for Elderly People Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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.

Auditor

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as each Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each Trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Extra Care for Elderly People Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The trustees' annual report was approved on 25th January 2024 and signed on behalf of the board of trustees by:



A Bing
Trustee